program should not be shifted to the loan category under the new aid for international development program. Israel has an annual growth rate of 8 percent, a per capita income of something more than $1,000 per annum, and an ability to administer a technical assistance program of its own for the benefit of a number of other countries. These favorable and welcome developments, juxtaposed with the foreign aid criteria now before the Congress, support the view that while assistance to Israel should continue at present levels it may readily be on the basis of loans and surplus commodities rather than grants. What precise programs should be undertaken, and what agencies should extend the assistance, are matters still to be finally determined. I should like to assure you, however, that this administration has no intention of reducing the volume.

To turn to the question of the UNRWA appropriation, I am most grateful for your expression of support in the difficult question of how to diminish the substantial economic burden on this Government and at the same time meet adequately the humanitarian problem of the Arab refugees. Reports that the administration is pressing Israel to repatriate Arab refugees because of pressure from the Appropriations Committee or that we expect Israel to receive Arabs in a manner or in numbers to threaten her security are without foundation. The Department is not unmindful of congressional concern with appropriations made annually without visible evidence of progress toward an eventual solution of the problem. However, I would agree with you that more important is moving toward a satisfactory resolution of the Arab-Israel problem.

The amount that we are seeking for support of UNRWA in fiscal year 1962 is, as you remark, not a heavy price to pay for stability in the Near East area. However, last year, the committee of the conference on the authorization bill, in its report, specifically stated that the United States should successively reduce its contributions to UNRWA. The funds appropriated for UNRWA at that time were less than what we had considered to be necessary. Even now, UNRWA is faced with a shortfall in its basic relief budget. Although our request for funds for UNRWA in fiscal year 1962 is slightly above last year's appropriation for this purpose, the increment being specifically earmarked for the expanded UNRWA vocational training program, we quite frankly have had to bear in mind the fact that if inadequate funds are appropriated UNRWA will be unable to perform its responsibilities and as a result the refugee problem will be cast adrift. We are by no means wedded to the indefinite continuation of UNRWA, but believe, for the time being at least, continued support of the agency offers the most efficient and economical means of keeping the highly volatile refugee problem from erupting to the detriment of political stability in the Near East area.

With respect to a possible solution of the Arab refugee problem, the United States continues to support some reasonable implementation of paragraph 11 of the United Nations Resolution 194 (III) which provides for the refugees the option of repatriation as law-abiding citizens of Israel or of compensation for those who do not wish to return. Any repatriation would, in our view, have to be so implemented as to take fully into account Israel's legitimate security and economic requirements. Contrary to press reports, the administration has made no suggestion either to Israel or to the Arab states of any specific number of refugees who should be repatriated. Nor does the Department have a specific plan in mind, but believes that, consistent with the U.N. General Assembly resolutions mentioned above and the sentiments of Congress, the problem deserves our earnest study at this time.

I hope that these comments will clarify the position of the Department in these matters.

Sincerely yours,

DEAN RUSK.

SENATE

WEDNESDAY, AUGUST 9, 1961

(Legislative day of Tuesday, August 8, 1961)

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.

TRANSACTION OF ROUTINE BUSINESS

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP (S. DOC. NO. 42)

A letter from the chairman of the Senate delegation, transmitting, pursuant to law, a report on the meeting of the Canada-United States Interparliamentary Group, held in Washington, D.C., on June 8–9, 1961 (with an accompanying report); to the Committee on Foreign Relations, and ordered to be printed.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the disposal of foreign excess property, during calendar year 1960; to the Committee on Government Operations.

JOSE FUENTES

A letter from the Administrator, Housing and Home Finance Agency, Washington, D.C., transmitting a draft of proposed legislation for the relief of Jose Fuentes (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF FEDERAL EMPLOYEES' COMPENSATION ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act of 1960 (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 6765. An act to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock (Rept. No. 689).

By Mr. KERR, from the Committee on Public Works, with amendments:

S. 340. A bill to authorize the Chief of Engineers to enter into a contract with the Standing Rock Indian Tribe to provide for the clearing of certain portions of the Oahe Reservoir area (Rept. No. 690).

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

S. 1368. A bill to amend the Shipping Act, 1916, to provide for licensing independent ocean freight forwarders, and for other purposes (Rept. No. 691).

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

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers (Rept. No. 692).

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

H.R. 856. An act to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan (Rept. No. 693).

By Mr. MONRONEY, from the Committee on Commerce, with an amendment:

S. 2268. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce (Rept. No. 694).

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

By Mr. WILLIAMS of New Jersey, from the Committee on Labor and Public Welfare, with amendments:

S. 1123. A bill to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act (Rept. No. 696);

S. 1126. A bill to provide for the registration of contractors of migrant agricultural workers and for other purposes (Rept. No. 695); and

S. 1130. A bill to amend title III of the Public Health Service Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions (Rept. No. 699).

PROGRAMS FOR IMPROVING EDUCATIONAL OPPORTUNITIES FOR MIGRATORY FARMWORKERS AND THEIR CHILDREN—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 698)

Mr. WILLIAMS of New Jersey. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1124) to

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provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees, and I submit a report thereon. I ask that the report be printed, together with the minority view of Senators GOLDWATER and TOWER.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed as requested by the Senator from New Jersey.

NATIONAL CITIZENS' COUNCIL ON MIGRATORY LABOR—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 697)

Mr. WILLIAMS of New Jersey. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1132) to provide for the establishment of a Council to be known as the "National Citizens' Council on Migratory Labor," and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER and TOWER.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from New Jersey.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

W. Walton Butterworth, of Louisiana, to be the representative of the United States of America to the European communities, with the rank and status of Ambassador Extraordinary and Plenipotentiary; and

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund.

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

John Frank Kovacic, of Ohio, to be collector of customs for customs collection district No. 41, with headquarters at Cleveland, Ohio;

Marguerite R. Benson, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis.;

Earl D. Roberts, of California, to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif.; and

DuBrutz Cutlar Moore, Sr., of North Carolina, to be collector of customs for customs collection district No. 15, with headquarters at Wilmington, N.C.

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. KEATING:

S. 2388. A bill for the relief of Antonio Petrucelli; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 2389. A bill for the relief of Maria Carmina Conti; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 2390. A bill to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system; to the Committee on Banking and Currency.

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

By Mr. PASTORE:

S. 2391. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. SCOTT:

S. 2392. A bill to amend the Federal Aviation Act of 1958 to prohibit the forceful seizure of aircraft in air commerce; to the Committee on Commerce.

By Mr. HILL (for himself and Mr. MORSE):

S. 2393. A bill to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa; to the Committee on Labor and Public Welfare.

By Mr. MUSKIE:

S. 2394. A bill to authorize the improvement of Portland Harbor, Maine; to the Committee on Public Works.

By Mr. BURDICK:

S. 2395. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62 and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 2396. A bill for the relief of the State of Louisiana; to the Committee on Commerce.

By Mr. BIBLE (by request):

S. 2397. A bill authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537); to the Committee on the District of Columbia.

By Mr. THURMOND (for himself and Mr. MCCLELLAN):

S. 2398. A bill to amend section 2112, title 28, United States Code, with respect to the jurisdiction of courts of appeals of the United States to review orders of administrative officers and agencies; to the Committee on the Judiciary.

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

S.J. Res. 124. Joint resolution to establish the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes; to the Committee on Interior and Insular Affairs.

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

LOANS FOR MASS RAPID TRANSIT

Mr. ENGLE. Mr. President, I introduce for appropriate reference a bill which establishes loans at compensatory interest rates, on a 50-year-term basis, to assist States, counties, cities, political subdivisions of States, and public corporations created by State legislatures in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system.

The economic welfare of our major metropolitan centers is a matter of critical national concern, and such welfare is threatened by inadequate mass transportation services. It is the purpose of this bill to authorize the extension of credit to assist local public transit agencies to acquire and construct a modern and efficient transportation system for the benefit of the people of the metropolitan areas, where such credit is not otherwise available on reasonable terms and conditions.

The Administrator of the Housing and Home Finance Agency will be authorized to purchase the securities and obligations of, or make loans to, local public transit agencies to finance the acquisition and construction of facilities and equipment for use in mass transportation service within said metropolitan areas.

All securities and obligations purchased and all loans made under this act shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise.

No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of 50 years. No loans shall be extended under this act unless the local public transit agency shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this act.

No loans shall be extended under this bill unless the local public transit agency can furnish the Administrator with reports and opinions of qualified independent engineers pertaining to route planning, engineering, equipment design, and trackage. The Administrator shall be furnished with opinions of qualified independent engineers that the construction of said rapid transit facility will be within a specific financial estimate, that the local public transit agency has sufficient local statutory authority to proceed with construction of the system and that the construction will be of an entirely new rapid transit system and not for the renovation of an existing transportation system.

No loans shall be extended under this bill for the construction of any underground transit system unless the local public transit agency shall agree to make such underground facilities available to any appropriate Federal agency or agencies for civilian defense purposes.

Mr. President, I ask unanimous consent to have printed in the RECORD the pertinent facts and information which are applicable to the Los Angeles metropolitan transportation problem.

The PRESIDING OFFICER. The bill will be received and appropriately

referred; and, without objection, the matter referred to will be printed in the RECORD.

The bill (S. 2390) to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The matter presented by Mr. ENGLE is as follows:

LOS ANGELES METROPOLITAN TRANSIT AUTHORITY

The need for a modern, efficient and economic mass rapid transit system in the Los Angeles metropolitan area is critical. The metropolitan transit authority was created for the purpose of developing an effective system of mass rapid transportation in the Los Angeles metropolitan area. The MTA, as the properly constituted agency and charged with the responsibility of providing a mass rapid transit system, has completed origin and destination studies, feasibility studies and engineering surveys. Los Angeles is ready to start construction now.

The tremendous population growth pressures are being reflected in a paralleled growth in commercial and industrial activities in the Los Angeles area. Of primary interest in relation to the transportation system is the evidence of growth in those areas where people gather together in greatest numbers, for it is in these areas that the problem becomes most acute and the potential for effective transportation service is greatest. Growth patterns, if they are to be maintained, require the support of rapid transit service of adequate capacity and attractive standards of speed and comfort. This growth of population and possible activity will be a continuing challenge to every phase of the economy of the area, and public services of all types must be augmented to meet the demand, particularly in the field of transportation.

The 22.7-mile route proposed by MTA traverses a high-density population area and the route includes 12.1 miles in subway under the cities of Los Angeles and Beverly Hills, and 10.6 miles of grade separated right-of-way. There are 25 stations of which 16 are in subway.

The construction plans include provision for parking at outlying stations, particularly on the east side where the stations are further apart and many persons may choose to drive to the system.

Feasibility reports conducted by independent, recognized authorities show the cost of this system to be self-liquidating in that the loan shall be repaid, interest and principal, through revenues derived from the fare box.

The system proposed by MTA will employ electrically propelled trains operating on standard gage steel rails. The track structure is designed for rubber cushion mounting and continuous welded construction. Employing the latest developments in electronic control, automatic regulation of train headway and speed will permit maintenance of the very highest standards.

Train design will permit maximum speeds of 70 miles per hour, and will provide schedule speed of 34 miles per hour on the line, with travel time of approximately 20 minutes between either end of the line and the Los Angeles city area. The design of the 85 seat cars includes wide aisle space, excellent lighting and other comfort features, including air conditioning. The cars are designed for operation in two-car units in trains of two, four, or six cars.

The 12.1 miles of subway which make up the portion of the route between Century City and a point east of the Los Angeles Union Station has considerable practicality as an important factor in the development of the area's civil defense program, serving as a fallout shelter and, through underground links with shelter areas in the many major buildings adjoining the route, a means of equalizing the loads on emergency facilities and moving personnel under shelter for the performance of critical duties.

The construction of this backbone system is supported by the Honorable Edmund G. Brown, Governor of the State of California; the Honorable Ernest E. Debs, chairman, Los Angeles County Board of Supervisors; the Honorable Samuel W. Yorty, mayor, city of Los Angeles; Mr. Ernest J. Loebbecke, chairman, Rapid Transit Committee, Los Angeles Chamber of Commerce; Mr. John Shirley Ward, president, Downtown Business Men's Association of Los Angeles; Mr. Peter E. Giannini, president, Wilshire Chamber of Commerce; in addition to many other civic leaders and organizations.

The MTA rapid transit system in the city of Los Angeles is designed for the specific purpose of moving people, and the completion of this backbone route will place Los Angeles on the track of progress by providing a beneficial transportation service for the use of the general public.

THEODORE ROOSEVELT BIRTHPLACE AND SAGAMORE HILL NATIONAL HISTORIC SITES, N.Y.

Mr. JAVITS. Mr. President, on behalf of myself and my colleague, the junior Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a joint resolution that would make the first and last homes of Theodore Roosevelt national shrines.

The homes are: the brownstone residence at 28 East 20th Street, Manhattan, where Roosevelt was born in 1858; and Sagamore Hill, the 22-room estate in Oyster Bay, Long Island, where he died in 1919.

Both properties were offered on August 1 to the United States by the Theodore Roosevelt Association, along with a $500,000 grant for their upkeep. The administration has approved U.S. acceptance of the properties as national monuments. President Kennedy has praised the donation of the association and has called the two homes of the Nation's 26th President "priceless historical heritages." Secretary of the Interior Stewart L. Udall, who visited both homes recently, has called the homes and their contents "the finest existing physical reminders of Theodore Roosevelt."

I hope Congress will act promptly to make lasting national monuments of these homes of our most dynamic President. Theodore Roosevelt was more than just one of our greatest Presidents. His vigor and enthusiasm, his immense zest for life, his warmth and compassion, and his dedication to human freedom has established him as a symbol of the American spirit. He was our first modern President with a concept of the world mission of the United States.

The Manhattan brownstone was owned by the Roosevelt family when Theodore was born there October 27, 1858. He spent part of his childhood there. Sagamore Hill, which overlooks Oyster Bay and Long Island Sound, was Roosevelt's home from 1887 to his death in 1919.

The Interior Department has said that fees and the endowment will probably make both properties self-supporting.

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

The joint resolution (S.J. Res. 124) to establish the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. JAVITS. Mr. President, I yield to my colleague.

Mr. KEATING. Mr. President, I am happy to join with my distinguished colleague in the introduction of this bill to make the homes of Theodore Roosevelt national shrines.

Theodore Roosevelt's historic homes in the State of New York will add immeasurably to our understanding of the man who so greatly shaped the destiny of our Nation.

The spirit of Theodore Roosevelt, which we all know so well, is certainly worth remembering. In fact, in my book, we need a lot of Teddy's "spunk" in our national life right now. He never hesitated to meet a crisis. He "got down to brass tacks" very early in the game, and always spoke out with a big, broad grin and said, "Watch out for me; I mean business."

It is this hard-hitting spirit and the many accomplishments of Theodore Roosevelt's long service to his country which these homes will commemorate for generations to come.

I thank my colleague.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENT

Mr. BRIDGES submitted an amendment, 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 was ordered to lie on the table and to be printed.

Mr. CHURCH 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.

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

AMENDMENT OF FEDERAL AVIATION ACT OF 1958, RELATING TO CRIMES ABOARD AIRCRAFT IN AIR COMMERCE—AMENDMENTS

Mr. ANDERSON submitted an amendment, intended to be proposed by him,

to the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, which was ordered to lie on the table and to be printed.

Mr. MILLER submitted an amendment, intended to be proposed by him, to Senate bill 2268, supra, which was ordered to lie on the table and to be printed.

Mr. ALLOTT submitted an amendment, intended to be proposed by him, to Senate bill 2268, supra, which was ordered to lie on the table and to be printed.

KENNETH L. HORNUM, KENNETH M. RASMUSSEN, ROBERT F. REID, AND RONALD L. WICK—CHANGE OF REFERENCE

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 1163 and that this bill be rereferred to the Committee on the Judiciary.

S. 1163 is a bill that I introduced for the relief of four naval reservists who were injured in an automobile accident while proceeding to perform active duty for training in the Navy. Since this bill does not propose to amend basic law, I believe that its reference to the Committee on Armed Services was inadvertent.

I have consulted with the chairman of the Committee on Armed Services about this discharge, and I am authorized to state that he has no objection to it.

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

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

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

John T. Curtin, of New York, to be U.S. attorney, for the western district of New York, term of 4 years, vice Neil R. Farmelo.

Emmett E. Shelby, of Florida, to be U.S. marshal, for the northern district of Florida, term of 4 years, vice Emerson F. Ridgeway.

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 Wednesday, August 16, 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.

ANNOUNCEMENT OF HEARING ON NOMINATION OF PHILLEO NASH TO BE COMMISSIONER OF INDIAN AFFAIRS

Mr. ANDERSON. Mr. President, I wish to announce for the information of the Senate that on Monday, August 14, at 10 a.m., in room 3110, New Senate Office Building, the Committee on Interior and Insular Affairs will hold an open hearing on the nomination of Mr. Philleo Nash, of Wisconsin, to be Commissioner of Indian Affairs.

I hope that all interested parties who may wish to appear before the committee in connection with Mr. Nash's appointment will notify the staff of the committee.

For the convenience of the Senate, at this point a biographical sketch of Mr. Nash will be inserted in the RECORD.

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

Business:

President, Biron Cranberry Co. (growers and shippers of fruit), 1946; vice president and director, 1929–46.

President, Wisconsin Cranberry Growers Association, 1960.

Government service:

Assistant to Assistant Secretary for Public Land Management, Department of the Interior and member of the Secretary of the Interior's task force on Indian affairs, 1961.

Lieutenant Governor of Wisconsin, 1959–61.

Administrative assistant to the President of the United States, 1952–53.

Special assistant in the White House, 1946–52.

Special assistant, Office of War Information and related agencies, 1942–46.

Special consultant, Secretary of War, 1943.

Former public service:

Secretary, Yale-Toronto International Conference on Indian Welfare.

Vice chairman, Menominee Indian tribal trust.

Member, board of directors, Association of American Indian Affairs.

Chairman, Wisconsin Committee on World Refugee Year.

Chairman, Democratic Party of Wisconsin.

President, Georgetown Day School, Washington, D.C.

Educational and professional background:

A.B., Wisconsin, 1932; Ph. D., anthropology, Chicago, 1937.

Lecturer in anthropology, Universities of Wisconsin and Toronto, 1937–42; author of publications in anthropology, race relations, Indian affairs.

Research and field trips in archeology, ethnology, linguistics, and native affairs in California, Oregon, Arizona, New Mexico, Oklahoma, Wisconsin, Illinois, Ontario, Virgin Islands, and Puerto Rico, with respect to Klamath, Modoc, Navaho, Apache, Menominee, and Pueblo Indians and other peoples, 1928–.

Family:

Born October 25, 1909, Wisconsin Rapids, Wis.

Married Edith Rosenfels of Oak Park, Ill., November 2, 1935.

Children, Maggie (Mrs. Eric C. Kast) and Sally, university student.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1815) to provide for one additional Assistant Secretary of Labor in the Department of Labor.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1373. An act for the relief of Giuseppa Lanza Lascoula;

S. 1673. An act for the relief of Blagoje Popadich;

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales; and

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of Calendar No. 584, Senate bill 1983.

The motion was agreed to; and 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.

APPOINTMENTS TO NAVAL ACADEMY FROM THE STATE OF MAINE

Mrs. SMITH of Maine. Mr. President, on April 11 of this year, with much pride I announced that my Naval Academy appointees for the past 2 years were the champions of deportment in their respective classes and I stated at that time:

> They have brought unusual honor to Maine in their exemplary conduct—their championship conduct at the Naval Academy. In fact, they give to Maine the championship in two of the four classes at Annapolis. No other State can boast such a record.

I am very happy to announce today, Mr. President, that this remarkable record has even been bettered now—for my Naval Academy appointees now hold the championship conduct record for three of the four classes at Annapolis.

In the first term of the 1960–61 school year, Midshipman George W. Emery, of Springvale, Maine, and the graduating class of 1963, had a perfect 4 in conduct and ranked No. 1 in his class of 1,003 midshipmen; and Midshipman James Blenn Perkins III, of Boothbay Harbor,

Maine, had a perfect record and the No. 1 position in his 1964 class of 1,195 midshipmen.

In the second term of the 1960–61 school year, Midshipmen Emery and Perkins again led the respective classes in the No. 1 position and with perfect scores, making them champions of their classes for the entire school year. And they were joined in the championship class by then Midshipman—now Ensign—David T. Dean, of Rockland, Maine, who during the second term of the 1960–61 school year had a perfect 4.00 in conduct and ranked No. 1 on deportment in his class of 787 midshipmen. He graduated in June of this year.

Thus, Mr. President, in the second term of the 1960–61 school year at the Naval Academy, State of Maine young men won the conduct championship in the freshman, sophomore, and senior classes—in three out of the four classes missing only the junior class championship. I am confident that this is unprecedented in the history of the U.S. Naval Academy.

It is something about which the State of Maine can take great pride. It is something in which I take great personal pride for these boys are my appointees and I am confident that no Senator or Representative ever had this happen to him or her. It is truly remarkable that one State would gain three out of the four championships—but it is even more remarkable that one Member of Congress would have such a concentration of honor in her appointees. It certainly makes me feel that I have been wise in the choices that I have made.

As I said on April 11, 1961, about these young men:

> They exemplify at the Naval Academy the typical character of the people of Maine. Personally, I am most gratified because, as my appointees, their outstanding records substantiate the judgment I used in selecting them for appointment to the Naval Academy. I congratulate them, their families, and the people of Maine for their accomplishments. This is truly a proud time for Maine at the U.S. Naval Academy.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mrs. SMITH of Maine. I am glad to yield.

Mr. KEATING. I wish to congratulate the distinguished Senator from Maine and the State of Maine on this really remarkable and outstanding record. I have never known of its being equalled. It is evidence of the care and conscientious study which the distinguished Senator from Maine has given to the selection of these candidates, just as she gives to all of her work here in the Senate. She is deserving of the highest praise.

Mrs. SMITH of Maine. I thank the Senator from New York for his complimentary remarks.

VERY FEW CIVIL DEFENSE PAID OFFICIALS HAVE CIVIL DEFENSE SHELTERS

Mr. YOUNG of Ohio. Mr. President, on the front page of the Washington Evening Star of August 8, there appeared a news story entitled "Only One of Seven Civil Defense Chiefs in Area Has Shelter." John Nearly, the staff writer who wrote this news item, is to be commended for his work in helping to expose the civil defense farce in the Washington Metropolitan area, which has been repeated in communities throughout the Nation for the past 10 years.

Mr. Nearly points out that only one of the Washington area's seven top community paid civil defense officials has followed his own advice in urging every family to have a fallout shelter. Six other civil defense chiefs gave various reasons for their failure to do so. They ranged from an unwillingness to remove a cherished apple tree in the backyard of one to plans for another for his family to go somewhere in the event of an attack. Of course, this latter official did not mention how he was going to have enough warning to get his family to the end of the block in the event of a sudden nuclear attack, much less to a place of safety.

Mr. President, I have long maintained that paid civil defense officials have not been practicing what they have been preaching to American taxpayers. There is no paid civil defense official in my home State of Ohio who has taken the trouble to build a fallout shelter in his basement or backyard, at his own expense.

It seems almost unbelievable that these same boondogglers who sound the sirens, who set up practice mock alerts, who warn their fellow citizens of the need for fallout shelters, have not taken the trouble to build such shelters for themselves and their families. How can they expect the American public to take this civil defense program seriously?

Frankly, it is my belief—as I have stated many times in the past, both in the Senate and elsewhere—that basement and shallow backyard shelters will be of no use whatever in event of nuclear war. Unfortunately for American taxpayers, in my opinion, some administration officials seem to believe otherwise. Only last week, the Senate appropriated over $207 million for the beginning of a fallout shelter program in Federal buildings. It is inexcusable that at the same time this huge amount of taxpayers' money is being spent for holes in the ground, paid civil defense officials cynically sit back and do nothing regarding shelters for themselves and their families.

President Kennedy has called for sacrifice in this time of emergency. Apparently, it is too much of a sacrifice for most paid civil defense officials to spend the money for shelters for themselves that they are urging their fellow Americans to spend.

Mr. President, this is just one more incident out of hundreds which explains the failure of Americans to take seriously the programs of our civil defense agencies. Frankly, I do not blame them. I commend this news item to my colleagues and ask unanimous consent that it be printed in the RECORD at this point, as a part of my remarks.

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

[From the Washington Evening Star, Aug. 8, 1961]

ONLY ONE OF SEVEN CIVILIAN DEFENSE CHIEFS IN AREA HAS SHELTER

(By John Neary)

Only one of the Washington area's seven top community civil defense officials has followed his own advice in urging every family to have a fallout shelter.

He is Rear Adm. G. Roy Hartwig, chief of Montgomery County civil defense, who said yesterday he has had a shelter for the last 3 years.

The six other officials, some because they have "other plans" haven't followed the warning contained in the 1959 Government publication, "The Family Fallout Shelter." This document states, "Everyone, even those far from a likely target would need shelter from fallout."

The civil defense chiefs involved are in Montgomery, Prince Georges, Arlington, and Fairfax Counties, Alexandria, the District of Columbia, and Falls Church.

Admiral Hartwig told the Star, "my conscience bothered me and I had to do something," 3 years ago. He said he keeps the shelter stocked with food, water, a portable radio, and a chemical toilet.

Several of the civil defense heads in the other six jurisdictions of the Washington metropolitan area asked that their names be withheld because they said, the fact they have no shelter would be professionally embarrassing and might impair the family fallout shelter program.

One said yesterday he doesn't have a shelter because he lives in a bachelor apartment and, in an emergency, probably would be at work.

Another, who said his family has "plans to go somewhere else in the event of an attack," said he plans to build one just for the public relations value because it's becoming embarrassing to have to explain why he does not have one.

Another claimed, "I have a very good basement, with access to a well."

Civil defense publications, however, indicate the need for building an additional concrete block room within the ordinary basement to increase shielding from radiation.

An apple tree in his back yard would have to go, one official said, if he were to build a shelter, because there is no room in his basement. Despite the cherished tree, he is planning to "stick one in" the backyard.

(At this point Mr. SMITH of Massachusetts took the chair as the Presiding Officer.)

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

Mr. YOUNG of Ohio. I yield.

Mr. GRUENING. Does my colleague from Ohio not believe it may be possible that these six officials who have not seen fit to provide shelters for themselves have in their hearts seen the folly of the program and do not wish to add to the cost of the wasteful program by spending their own money to provide useless shelters?

Mr. YOUNG of Ohio. That seems a reasonable statement, indeed, because shelters such as paid Civil Defense officials are advocating, which will not exceed $1,500 in cost, might prove to be fire hazards and tombs and might, indeed, cause the suffocation of their families in event of a nuclear attack on the Washington area. In all probability,

they would not be effective against fallout from a nuclear explosion which would fall everywhere for miles around the Washington area.

Mr. GRUENING. I agree with the Senator.

CUBAN DOCTOR'S STORY

Mr. YOUNG of Ohio. Mr. President, an article in the Record-Courier of Ravenna-Kent, Ohio, of July 31, 1961, has been brought to my attention. It is captioned "Cuban Doctor Here Tells Why He Fled."

This article gives an inside view of events in Cuba from one man's viewpoint. This is his answer to the question as to why he left Cuba:

My children first of all. The Communist system can even turn your own children against you by perversion of their minds. Secondly, I like to make my own decisions. There was no liberty in Cuba to do as you please. One day you might be carted off without knowing the reason why.

Mr. President, I compliment the enterprise of this fine Ohio newspaper in printing this, and in particular the enterprise of Reporter Robert Dix, Jr., in interviewing this doctor and his technical skill in writing such an interesting story. We may not agree with this Cuban refugee on every point, but this is the kind of information we should have before us. I embody this as part of my remarks and ask unanimous consent that the interview as reported by Robert Dix, Jr., be printed at this point in the RECORD.

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

CUBAN DOCTOR HERE, TELLS WHY HE FLED

(EDITOR'S NOTE.—A Cuban doctor who recently fled Cuba with his family and now is a resident at Robinson Memorial Hospital in Ravenna tells of conditions in his native country in an interview with Reporter Robert Dix, Jr., of the Record-Courier staff. Because he fears reprisals against some members of his family still in Cuba, the doctor asked that his name be withheld.)

Batista was the worst thing that could happen to any country. His atrocities and torture were horrible. I remember one evening I was stopped by a Batista sergeant while driving to an emergency case in Havana.

It was dark and murky with fog. He was drunk. He ordered me out of the car at machinegun point and proceeded to swear at and humiliate me. I turned and walked back to the car expecting to be shot any moment.

Once Batista's soldiers kidnaped four children of a friend of mine because he was anti-Batista. My friend later found their graves in different cemeteries throughout the province.

You people in this country did not realize what Batista was. We Cubans were disappointed in you. We fought Batista's soldiers, supplied and trained by you, and beat them badly.

On the last day in December 1959, when Castro triumphed, everyone was for Castro. Everyone looked for a new democratic country, free from graft and corruption.

Castro is a highly intelligent man and leader of the first rank. He was a nationalist, a patriot, but then he was forced to move against your country when he first began his agrarian reform. He accepted the Soviet Union's help to keep the gains of his revolution. But that decision determined his course.

So now 2 years later, at the age of 40, I've fled with my immediate family and have left all my economic possessions there. It was the hardest decision of my life. I left because my children, a boy 13 and a girl 11, were ripe for communism. We are Catholic.

When I arrived in the States, I was impressed by two things. One is the awareness among the people in general of some kind of danger to their way of life. The second thing is their ignorance about that danger, international communism.

Communism is not only a social system. It is a creed of religious fervor believed by a large number of people. It is a theory dependent on psychological phenomena.

Any country where 90 percent of the children have no food nor shoes, where 90 percent of them are infested with parasites making them underdeveloped physically, then this country is ripe for communism.

Any country where families live in one room and moral degeneration is the result, where children 8 years old still squat on the floor in a fetal position and look 4 years old, any country like this is ripe for communism.

Cuba is such a country. Eighty percent of the people are peasants (guarjiros). In Cuba if 10 percent of the promises made by Castro are fulfilled, people will work for him. Castro is doing this. He has torn down the shacks. He is making the people marry.

Your foreign aid money, which goes to underdeveloped countries to help for the same cause is rarely used for this purpose. You deal through the local governments. Over 90 percent of these countries are corrupt. Your aid goes to make rich the few.

The good which Castro achieves, however, is done so at the perversion of all truth. The children in school are inculcated with hate for America. It is a totalitarian system. Truth is what the Government proclaims. And the peasants, plagued with illiteracy and poverty, are very susceptible.

The Communists have a beachhead in the Western Hemisphere now. The rest of Latin America is very much like Cuba. I'm very afraid for the whole of the hemisphere.

You ask about the May invasion? I knew it would fail from the beginning. The peasants are for Castro. He had to even turn some of his peasant militia, who wanted to go to the Bay of Pigs to fight, away because there was no need for them. The underground was ruined when Castro rounded up several thousand suspects. This move cut all their connections.

Who runs Cuba? Fidel is the man who runs Cuba. He is the cohesive factor. If he goes, then the whole thing goes.

Did I ever take any of my grievances to Castro? Yes. Late in 1959 I asked him why he was allowing Communists in high positions. He replied that the "revolution was not the war of Jordan" and that he needed the people who could work for the revolution.

Exactly why did I leave? My children first of all. The Communist system can even turn your own children against you by perversion of their minds. Secondly, I like to make my own decisions. There was no liberty in Cuba to do as you please. One day you might be carted off without knowing the reason why.

What must this country do? You people must do many things as the Russians do them. In Helguin, a small Cuban town, the Soviets said that the area needed a hospital. They sent builders, technicians, and doctors to run it until Cubans could be trained. Instead of sending your dollar, alone, which seldom gets to the people, send technicians to teach and doctors to heal.

You must have a political vehicle capable of export that can spread your ideas and your beliefs and yet maintain order.

What are my plans? My whole life I have lived through political convulsion in Cuba. I dont want my children to live the same life. I plan, now, never to return.

FOREIGN AID

Mr. DODD. Mr. President, on Monday I submitted an amendment to the foreign aid bill which would ban any aid to members of the Sino-Soviet bloc.

The purpose of my amendment is clear and simple; it is to prevent any of the funds authorized under this act from being used to assist the following Communist regimes: Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

The bill before us, as reported out of committee, permits all restrictions against such aid to the Communist bloc to be waived by the President, with respect to as much as $250 million annually.

This is a basic and elementary issue that is familiar to all of us. Both the Foreign Relations Committee and the Congress itself have repeatedly passed upon the essentials involved here.

I do not believe that we can justify a massive national program of defense, military assistance and foreign aid for the purpose of resisting Communist aggression, and at the same time give aid to those same Communist enemies we seek to resist. I do not believe that our people should be taxed to prop up regimes that are dominated by Moscow and Peiping and I feel it is the clear responsibility of the Congress to write that basic sentiment into the law and not leave it to the discretion of the President or the administrators of this act.

My reasons are the following:

First, there is the matter of political theory and philosophy.

The Communist movement is a vast conspiracy to destroy us and everything we represent. Each Red regime, save Yugoslavia which is not included under my amendment, is clearly directed from Moscow or Peiping to serve that end.

Each Red regime has developed the concept of the total state as far as it can go and therefore, within the limitations of bungling and inefficiency characteristic of dictatorships, every resource, important or insignificant, is directed and coordinated toward the eventual Communist world triumph.

Every dollar that we send behind the Iron Curtain, every grain of wheat, every parcel of clothing, every piece of equipment and machinery, every particle of technical knowledge and industrial know-how, is promptly melded into the cold war machine of our enemies to be used against us. Nothing should be plainer or clearer than this.

Second, when we help Communist regimes in any way, we help them to conceal their inability to satisfy the needs and aspirations of people everywhere.

We believe that communism and enslavement so run against the grain of human nature that men cannot live productively and produce effectively under a slave regime. By concentrating their efforts on space and military projects, they may achieve spectacular successes, but only through denying their own people the necessities of life. They have never had any across-the-board success.

We have continual proof that this is so in the recurring famines, the shortages, the continuing squalor, the riots, the revolts, and the broken promises. The harsh realities of life under the Communists are the most effective antidotes to their all-persuasive propaganda and indoctrination.

When we help Communist regimes to obscure their basic failures, when we give them food to hide their famines, when we give them trade to overcome their shortages, when we help to relieve the pressure for consumer goods, thus permitting them more leeway in devoting their resources to weapons of war, we only postpone the day when communism will be totally discredited beyond the Iron Curtain and completely unbearable within it.

Third, the historic lesson is that aid to Communist regimes does not wean them away from basic Communist revolutionary philosophy or draw them closer to us. Our long and costly programs of aid to Communist Yugoslavia and Poland ought to have proved this much to us.

Yugoslavia is not a Red satellite in the exact sense that the others and, though I personally oppose any aid to Yugoslavia, this country is not included in my amendment. Even if aid to Communist Yugoslavia had proven a success, this would not in any way constitute a justification for aid to puppets of the Kremlin But the fact is that aid to Yugoslavia has not been successful from our point of view.

After spending billions of dollars to prop up the Tito regime, the net gain to the free world has been zero. Yugoslavia remains a Red dictatorship, strengthened and made more tyrannical by American aid, brutally oppressing its people, persistently allied with Moscow on every major issue dividing the Communist World from the free world. With the aid we have given him, Tito has been able to set up foreign aid programs of his own in Asia and Africa, and he has used these programs and the respectability in which we have clothed him, to dissuade the Asians and Africans from lining up with the free world.

Poland, too, while receiving aid from us, has been giving aid to Castro's Communist, anti-American regime in Cuba. Poland is a Red satellite. Our aid to that country was intended to encourage the Polish regime to be more independent of Moscow. Yet the longer our aid has continued, the more subservient to Moscow the Gomulka regime has become, and the more venal and repressive toward its people, its press, its churches, its schools, its academic world and all elements of its society.

Therefore, on the record of the acts, words and U.N. votes of Yugoslavia and Poland, this type of aid has been a gigantic failure and should be stopped.

Fourth, we must measure the cost of aid to Communist regimes, not only in dollars and in lost time and effort, but in what we might have accomplished had we used these resources for other means. Our experiment in giving the money and goods of the American people to Communist tyrannies has already cost us almost $4 billion. If this policy is now to be made permanent and perhaps expanded to other Communist regimes, none can tell where it will end or how much it will cost.

What could we have done with this money in the past and what can we do with it in the future?

During the years we have been pouring out billions for Yugoslavia and Poland, we have so neglected our own defenses for budgetary reasons that we are now called upon to take the most severe emergency measures. Skimping on our space and missile budgets has now caused us a series of critical defeats in technology.

During the years we have been aiding these Red regimes, we have been so neglecting our friends and allies in South America that we must now speak in terms of a crash program to save that part of the world from communism. And what could have been done in India, in Pakistan, in South Vietnam, in Africa, in other places, with the funds that we have foolishly squandered?

Thus, our aid to the Reds not only strengthens them; it weakens us by denying us the resources needed to achieve those objectives necessary to our survival.

Fifth, I raise this final point. Even if I did not oppose aid to Communist dictatorships on the grounds I have described, I would oppose it for yet another reason.

During the past few months, the dawning recognition of the crisis in the world has caused the United States to revise its spending plans upward by several billion dollars in the fields of space and military affairs. Since we obviously cannot do everything, this forces upon us a system of priorities. Some things will have to go.

And what could be lower on our list of priorities than handouts to Red governments?

Even if you have no philosophic aversion to this kind of aid, even if you do not think it aids our enemies, even if you do not think it deprives ourselves and our friends, I ask you to vote against it on the simple ground that newer and more urgent demands must be met, that to meet these demands we must dispense with other programs, and that financial aid to communism should be the first thing dispensed with.

Later in the week I shall bring up this amendment and ask the Senate to vote upon it and I take this opportunity to explain in advance my reasons for this action.

THE FREEDOM ACADEMY

Mr. DODD. Mr. President, the Freedom Academy bill, S. 822, proposes the establishment of a combined research and training center which will have the function of developing a science of counteraction to Communist operations and of training carefully selected candidates in this science.

This measure has inspired popular support across the country on a scale that I consider nothing short of remarkable. There have been editorials supporting the project in our great national periodicals and in newspapers across the country. The Senators and Representatives who have sponsored the measure have received, literally, thousands of letters from interested individuals and organizations.

Typical of the many communications that have come to my office is a recent resolution approving the Freedom Academy bill, adopted by the Kiwanis Club of Danbury, Conn.

This resolution is so eloquent a statement of the reasons for establishing a Freedom Academy that I ask unanimous consent to have it printed in the RECORD at this point.

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

RESOLUTION APPROVING FREEDOM ACADEMY BILL S. 822

Whereas the Communist bloc has operated an extensive system of political warfare schools for more than 40 years which have graduated large numbers of trained, dedicated professionals who are experts in total political warfare; and

Whereas these skilled Communist professionals are engaged in a thousand-pronged assault against the free world in which trade, subversion, diplomacy, culture, propaganda, and guerrilla warfare are intermixed in a deadly operational science; and

Whereas the Communists have succeeded in conquering a third of the world in a little more than 40 years and now are engaged in a massive penetration of the remainder of the free world; and

Whereas it is of the utmost importance that cold war agency personnel and private citizens understand communism and Communist conflict techniques, and also know the full range of measures freemen can employ to meet the entire Communist attack and to work toward our national objectives systematically, using all appropriate positive and negative measures; and

Whereas present facilities are grossly inadequate for training Government personnel and private citizens about communism (especially Communist conflict techniques in the nonmilitary area) and the wide range of interrelated measures potentially available to us to meet this threat here and overseas; and

Whereas we have not adequately researched and thought through the vast array of methods and means potentially available to us in the Government and private sectors to defeat the Communist attack in all of its dimensions; and

Whereas it is imperative that the capacity of this Nation to meet the Communist assault in the area short of hot war be rapidly increased; and

Whereas the Freedom Academy bill, S. 822, is a logical way to rapidly, yet systematically, research and develop the cold war operational knowledge we must have and to train large numbers of private citizens and Government personnel about communism and the best methods of defeating the Communist attack: Now, therefore, be it

Resolved, That the Kiwanis Club of Danbury, Conn., does herewith go on record as endorsing the Freedom Academy bill, S. 822,

and urges that this measure be passed and become law at the earliest feasible date; be it further

Resolved, That a copy of this resolution be transmitted to the appropriate Members of the Congress.

KIWANIS CLUB OF DANBURY, CONN.
GEORGE L. POTTER, *President*.
Dr. J. L. GANNON, *Secretary*.

PROPOSED CANCELLATION OF METROPOLITAN OPERA CO.'S SEASON

Mr. JAVITS. Mr. President, I would like to call the attention of the Senate to what we consider in New York a very important event, and that is the danger of the cancellation of the Metropolitan Opera Co.'s 1962 season.

Mr. President, I am very glad to announce that the Department of Labor at first thought that its mediating good offices in respect of the labor-management dispute which is endangering the Met's 1962 season, was not within its province. I am informed that the Secretary of Labor has stated, or is about to state, that in deference to my views and to those of others he is offering to mediate this dispute as between the Metropolitan Opera Co. and Local 802 of the Musicians' Union which represents the employees. I sent a telegram very early this morning urging him to do this.

Mr. President, this crisis concerning the Met is attributable to the failure to reach agreement upon next year's wage scale with the personnel of the Met's great orchestra.

Mr. President, it is much more than a labor-management dispute. It reflects the deep problems of a great national cultural institution at a time when costs are rising and deficits are getting beyond even the capability of patrons who have for years been underwriting each season—that is, unless the Met is to become an institution of remote accessibility to the people of New York and of the whole country because they just cannot afford its prices at the box office.

Mr. President, the Met is located in New York, but the cancellation of its season will also cancel its appearances on a 7-week spring tour in 1962 taking in Boston, Cleveland, Atlanta, Dallas, St. Louis, Minneapolis, Detroit and Toronto. Also, Mr. President, the Met is a national institution and a national heritage. The whole world regards it so, and regards it as a major index of the cultural excellence of our country. How unthinkable it would be, Mr. President, for the Soviet Union to sacrifice the Bolshoi, and yet the Met is at least as fully identified with the United States, in the world as is the Bolshoi with the Soviet Union.

Again, Mr. President, a free society must show its capability for preserving its finest values without totalitarian authority.

A great company, and many personal friends of mine, are standing by in this emergency and working to get the Met to change its mind, and, indeed, joined in the telegrams to Secretary Goldberg asking him to intercede in the situation.

I have three recommendations, Mr. President:

First, of course, the effort by the Federal Government through Secretary Goldberg which is now happily coming through to mediate this dispute with the union.

Second, intercession by the Mediation Services of the Federal Government. This is a national cultural institution of major importance and should be a national concern. I do not agree with the Department of Labor that this dispute is not national and does not warrant its attention, and I do not believe Secretary Arthur Goldberg will agree, either.

Third, Mr. President, action by Congress on Federal aid to the arts as in any number of the bills pending, including my own bill, for a U.S. Arts Foundation, modeled after the British and Canadian Arts Councils. Ours is the only major nation without such a program. Such a program saved Britain's Covent Garden Opera, and is equally essential for the Met because, Mr. President, whether it closes down because of the present dispute or not, it faces intolerable deficits running well over a million dollars a year if they make any kind of a deal with the Musicians' Union now, and deficits which wealthy patrons just cannot carry.

Sooner or later, Mr. President, and I certainly urge it to be sooner than too late, we must come to this issue here in the Congress and deal with it.

On two previous occasions, in 1948 and 1960, the Met was saved at the 11th hour after cancellations were announced of those seasons.

We have it within our power to see the curtain rise on October 23 for the Met's latest season, with Richard Tucker on stage as scheduled. This national catastrophe must be avoided by the pooled set of actions I have described.

It can be avoided by the set of actions I have described.

While we are at it, let us say a word of national thanks to the stalwart group of Metropolitan Opera supporters who have underwritten the heavy deficits for years—both New Yorkers and other Americans—all by no means wealthy, but all lovers of the muse and supporters of a great activity in our country.

EAST GERMAN REFUGEES AND U.S. LAW

Mr. JAVITS. Mr. President, I should like to say a word on the problem of the East German refugees, who are now flooding into West Berlin in increasingly large numbers.

In the last 24 hours 1,741 East German refugees reached West Berlin. Since last Saturday noon alone over 5,000 have escaped to the free world in this way. Only 2 weeks ago the rate was about 1,100 per day, and the previous estimate of 300,000 for 1961 which was considered high, may have to be revised upward. This flood of refugees should be a strong element of confirmation of the free world's position on Berlin, that Chairman Khrushchev's belligerency and rocket rattling have only created fear in the Communist bloc and an added incentive for people to leave it with a sense of far greater security. This is something of a tribute to the sobriety and self-contained firmness with which the issue is being met by the United States and its principal allies in NATO. Here is something of a vote of confidence for the stability of Western Europe and for us a confirmation of our determination never to let the hope of freedom expire for the 100 million in the captive nations of the Baltic, central Europe, and the Balkans.

However, here again we have a situation that always happens in a democracy. It is not enough. We have made no preparations under our immigration laws to meet the refugee influx. This preparation must at least be equal to the confidence of the refugees. The archaic and discriminatory immigration laws fall far short of the mark in this respect. In addition, we allow ourselves to be tied in knots in Congress by one or two committee chairmen who stand in the way, apparently, of Congress exercising its will in respect of refugee relief legislation. We had that experience with the Hungarian refugees, which showed that basic immigration law for admission of refugees is vital and that a crash program of paroling refugees into the United States is inadequate and unsatisfactory. Nevertheless, we have not yet passed any refugee relief act.

No action has been taken even on the administration's bill, recently introduced by Senator FULBRIGHT in this body, to authorize additional funds to deal with emergency refugee situations and to participate in the work of the U.N. High Commissioner for Refugees and the Intergovernmental Committee for European Migration. Nor was action taken on President Eisenhower's request for allowability of admissions of up to 60,000 refugees and escapees every year on a regulated basis. Indeed, we even have an influx of refugees from Cuba, and our arrangements there, too, are inadequate.

We must have at this session a refugee relief act in the interest of the foreign policy of the United States. It is a fact that only when we have taken our fair share of refugees and escapees has there been any effective international action on this crucial program. That was true right after World War II and in the 1950's. On both occasions we passed laws, and that situation very quickly was cleared up.

The parole provisions of our immigration law were never intended to meet any such massive problem for refugees as is now faced, and hence are not satisfactory to meet it. We showed by the passage of the Displaced Persons Act right after World War II and in the Refugee Relief Act in the 1950's, what we could do. Once we did take the lead, the situation was cleared up satisfactorily by other countries. These were magnificent evidences of U.S. leadership. They were important to the world then. They are just as important to the world now. We

should not permit ourselves to continue to be controlled in this matter by one or at the most two committee chairmen. If ever there was a case for Presidential and congressional leadership to break self-imposed restrictions which seem to paralyze us, it is this. The President should demand refugee relief legislation as part of the package to meet the Berlin crisis, and the Congress should vote it without the self-imposed long delay and frustrations which now seem to be the rule.

Again I renew my pledge that I will not stand still and see approved any ineffective, superficial, and tiny immigration measure, and that I shall exercise every prerogative I have as a Senator to endeavor to include in that measure the necessary immigration legislation generally, and do everything I can to relieve this refugee situation.

I hope and pray that our leadership in the Senate and in the House will see the light in the face of this enormous opportunity which is afforded to the free world with respect to this flood of refugees, which is increasing every day from East Germany.

THE PURCHASE BY THE AIR FORCE OF RECEIVER TRANSMITTERS

Mr. WILLIAMS of Delaware. Mr. President, today I wish to call the attention of the Senate to an incident wherein the Department of the Air Force paid $822 a unit for 442 receiver-transmitters when they could have bought the same units at $525 each. Thus, on this one contract awarded to the Radio Corp. of America the Defense Department threw away $131,274 plus a few thousand dollars extra which were wasted in buying the necessary component parts.

Once again the Comptroller General has called our attention to the irresponsible manner in which the Department of the Air Force wastes the taxpayers' money. For many years many of us have been trying to have a law enacted which will make it mandatory that the Defense Department conduct its purchases by soliciting competitive bids and awarding the contracts to the lowest responsible bidder, but largely as the result of the opposition of the Defense Department we have been unable to get action on this measure.

The Defense Department insists upon buying the major portion of its requirements under negotiated fixed-price or negotiated cost-plus contracts—practices which inevitably lead to unnecessary costs running into the hundreds of millions of dollars annually.

On June 30, 1961, the Comptroller General called our attention to this specific example which is summarized as follows:

The Department of the Air Force wanted to buy 442 AN/ARC-21 receiver-transmitters. Without soliciting competitive bids they awarded this contract for the 442 receiver-transmitters to the Radio Corp. of America at a negotiated cost of $822 a unit.

The Comptroller General established that prior to the time of these negotiations the Radio Corp. of America already had price quotations from potential subcontractors to produce these units at prices ranging as low as $525 per unit.

After RCA received the contract at $822 per unit they subcontracted with the Red Lion Cabinet Co., Red Lion, Pa., to produce these 442 transmitters at a cost of $525 each.

There is no reason why the Department of the Air Force could not have procured these transmitters direct from the Red Lion Cabinet Co. and thereby save $297 each. The records show that the Air Force accepted the RCA's inflated cost for this item on the basis that it represented the best competitive bid which they had received from potential suppliers. There is no evidence that the lower price quotations were considered by the Air Force negotiators. Apparently they were not concerned over the extra cost.

The Comptroller General stated in his report that:

> Had the lowest of these quotations been considered in establishing the price of this contract, the cost to the Government after adjustment for the contractor's related overhead and profit would have been reduced about $173,000.

The $173,000 referred to includes the inflated cost factors of the units as well as certain component parts.

All that we get from the Defense Department is the shopworn promise, "We will try to do better."

That is not enough. What we need is a law making it mandatory that the Defense Department award all contracts to the lowest possible bidder after public solicitation of competitive bids, except only in those cases wherein competitive bids would not be feasible from a national security standpoint. As a further corrective measure I suggest that the name of the procurement officer responsible for the overpayment be included in the Comptroller General's report.

I ask unanimous consent that the Comptroller General's letter of June 30, 1961, to the Congress, in which he summarized this report be printed at this point in the RECORD.

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

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 30, 1961.

Hon. SAM RAYBURN,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: Enclosed is our report on examination of the pricing of AN/ARC-21 receiver-transmitters under Department of the Air Force negotiated fixed-price contract AF33(600)-35867 with Radio Corp. of America (RCA), Defense Electronic Products, Camden, N.J.

The report shows that the price negotiated for 442 AN/ARC-21 receiver-transmitters included an estimate of cost of $822 a unit for a major component even though RCA had received, prior to the time of negotiations, three lower price quotations from potential suppliers ranging from $525 to $604 a unit. Later, RCA awarded a subcontract for the 442 components at $525 a unit to the source which had previously quoted this amount.

During negotiations, the Air Force questioned a substantial increase included in RCA's proposed price for the cost of this component over the amount paid under prior contracts. According to negotiation records, the Air Force accepted RCA's increased estimate of cost for this item on the basis that it represented the best competitive bid received from potential suppliers. We found no evidence that the lower price quotations were made known to the Air Force negotiators. Had the lowest of these quotations been considered in establishing the price of this contract, the cost to the Government after adjustment for the contractor's related overhead and profit would have been reduced about $173,000.

RCA informed us in comments attached to this report that in its opinion the cost estimate for the heat exchanger case was reasonable and proper both at the time RCA submitted its proposal to the Air Force and at the time of negotiations. However, RCA stated that, should any comments received from the Air Force support the view that an adjustment in the price of contract AF33(600)-35867 is called for, it was ready to meet with the Air Force for the purpose of negotiating an equitable settlement.

The Air Force informed us that it had requested the Air Material Command to examine this procurement in detail and that we would be provided with information on any significant developments as they occur.

Copies of this report are being referred to appropriate Government agencies with a recommendation that action be taken to obtain proper recovery from RCA. This report is also being sent today to the President of the Senate, and a copy is being sent to the President of the United States.

Sincerely yours,

JOSEPH CAMPBELL.

TELEVISED PROFESSIONAL FOOTBALL GAMES

Mr. HRUSKA. Mr. President, since the opinion of Federal Judge Grim in United States against National Football League, decided in the eastern district of Pennsylvania on July 20, 1961, there has been widespread anxiety among fans of professional football, including this speaker, that televised professional games may be severely restricted this fall. Although there is a good deal of criticism of current television programing, one bright spot is the Sunday afternoon professional games we are accustomed to viewing during the autumn months over our national networks.

Judge Grim decided that the contract entered into between the National Football League and the Columbia Broadcasting System was illegal in that the member clubs of the league had eliminated competition among themselves in the sale of television rights. Thus, the package program contained in the contract cannot succeed, with the result that this year many games will not be televised and many areas of our country will not be covered in games that are televised.

This is so notwithstanding efforts which may be made by telecast companies to contract with individual clubs. It still stands that many games and many areas will not be covered.

A bill, S. 1856, introduced earlier this session by Senators HART and KEATING, and of which I am a cosponsor, exempts this activity from the antitrust laws. It provides that professional football clubs

may enter into agreements for the purpose of regulating the granting of television rights to their contests, with the proper limitation that no one club shall televise a game within a 75-mile radius of a game involving another club in a different league unless there is consent by the affected club.

Historically, our professional game of baseball has been exempt from the antitrust laws. The Supreme Court reaffirmed this principle in the famous Toolson case decided in 1953 and although it held to the contrary in a professional football case, Radovich against National Football League, it acknowledged the illogic in treating baseball differently than football. Hence, Congress was specifically invited to clarify the situation. The proposed bill seeks to do this by putting football on a parity with baseball in this regard. S. 1856 is a step in the right direction and is particularly timely in the wake of Judge Grim's decision.

I am hopeful that the Subcommittee on Antitrust and Monopoly Legislation will take such steps as are necessary to promptly and favorably report S. 1856 to the Senate for action.

It is especially urgent that this be done in view of the season, which is hard upon us, when these telecasts will be made.

CHINA AND THE UNITED NATIONS

Mr. BRIDGES. Mr. President, on July 28 of this year, the Senate cast a 76-to-0 vote against the seating of Red China in the United Nations. During debate on that resolution, the statement was made that the Congress should also go on record as being opposed to the seating of Outer Mongolia in the United Nations. On July 25, 3 days prior to that debate, I made my position clear on this subject. To refresh any failing memories, I now state that I am unalterably opposed to the diplomatic recognition of Outer Mongolia and to its admission into the U.N.

Outer Mongolia has been a Communist state for 40 years. She sent 5,000 troops to fight against us in Korea during the Korean war. She was and is our political and ideological enemy—just as much as is Communist China. Outer Mongolia's admission into the United Nations would only serve as a lever by which Communist China could be admitted at a later date. For, as all aggressors and tyrants have proven in the past, if you give them an inch, they will take a mile—and a nice, long, healthy mile, at that.

But there is another thing that this country should have learned from the Communist aggressors. That is, how to pack the United Nations. That body has already been packed with Red satellites. Why do we not try to even out the score by doing the same thing?

This suggestion is not original with me, but one which I read in an editorial entitled "China and the U.N.," in the August 4 edition of the New York Journal American. That editorial closes with these words:

If the Communists insist on trying to seat more Red states, in justice we should demand a separate seat for our Commonwealth of Puerto Rico.

Mr. President, I ask unanimous consent to have that editorial printed in the body of the RECORD at this point in my remarks.

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

CHINA AND THE U.N.

There is cause for gratification that President Kennedy has reaffirmed this country's firm ties with Nationalist China and our resolve to continue opposition to United Nations membership for Red China.

We hope this means the end of current trial balloons about possible U.S. willingness to have two Chinas seated in the U.N.

But we wish our Government, announcing agreement on China with visiting Vice President Chen Cheng of the Formosa regime, would have backed his stand on the companion issue of admitting Outer Mongolia to the U.N.

Outer Mongolia is a Communist satellite which the Soviet Union insists on forcing into the world organization, using as the latest dodge a trade for admitting the new African nation of Mauretania. The U.S. State Department has taken the attitude that we should go along with the deal for fear of turning African nations against us. But Chen has said that, if all else fails, Nationalist China will use its U.N. veto to keep Outer Mongolia out.

This time we think the administration is making an error. It is bad enough that the U.N. already has been packed with Red satellites. If the Communists insist on trying to seat more Red states, in justice we should demand a separate seat for our Commonwealth of Puerto Rico. Or maybe Alaska and Hawaii.

RETURN OF HIJACKED AMERICAN AIRLINER

Mr. BRIDGES. Mr. President, reflecting the concern of our Nation as a whole, I have shared with my colleagues of the Senate a profound apprehension and deep resentment over the highhanded manner in which Mr. Castro has been a party to the hijacking and retention of a U.S. commercial airliner.

This alarming episode of piracy in the air, well within the boundaries of the United States, has struck a serious blow against the prestige and responsibility of the United States in the eyes of other nations. This crude defiance of the United States by the Cuban Communist regime necessitates, in my opinion, whatever action, economic, diplomatic, or military, as is necessary to obtain U.S. possession of the hijacked airplane.

The issue is far greater than a single airplane. It is, in simple terms, merely a matter of whether or not the United States, as a great sovereign Nation, is going to permit its citizens to be kidnaped, its commercial carriers hijacked, and be subjected to ridicule by Castro and his Communist coconspirators.

The situation indeed calls for clear thought. Consequently, I was pleased to note an article in the National Tribune-Stars and Stripes, of Thursday, August 3, 1961, containing the statement of Mr. Ted C. Connell, national commander in chief of the Veterans of Foreign Wars, regarding the pirating of the airliner.

Together with other Members of this Senate, and Congress, I have been long impressed by the sound observations on many national defense and foreign policy issues expressed by this distinguished commander of the Veterans of Foreign Wars. Commander Connell's comments upon the matter of the Cuban-held airliner are typical of the down-to-earth, commonsensed, clear thinking which has gained for him and the VFW such widespread official and public admiration.

Although the statement by VFW Commander Connell is rather short it goes directly to the heart of the issue. Because of its timeliness and sound thinking I hope that it will be read by each member of the Senate. I ask unanimous consent that the article by Mr. Ted C. Connell, commander in chief of the VFW, be printed in the RECORD.

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

VFW CALLS FOR AIRPLANE RETURN

Ted C. Connell, commander in chief of the Veterans of Foreign Wars, last week called for President Kennedy to take immediate steps, including armed intervention if necessary, to insure the immediate return of the American airliner which was hijacked by a Cuban national July 24.

"Naturally," the VFW leader said, "we sincerely hope that armed intervention is not necessary, but if this invasion of American territory is left to go unchallenged, we will certainly lose our self-respect among the family of nations.

"Now that Castro has shown to the world his complete disregard, not only for private property, but more important, for legal national boundaries, the time has come to show him that we can be just as forceful. I hope that this country will issue an ultimatum on the return of the aircraft within a specified number of hours and if the ultimatum is ignored then prepare to take the necessary steps to insure the return of the plane. Castro must be made to realize that just because he has seized all American property in Cuba, we are not about to tolerate an extension of his operation to our very shores."

TRIBUTE TO INDIVIDUAL INITIATIVE

Mr. HART. Mr. President, we hear a good deal these days about "paternalistic government," and the fact that so much is done for people that their initiative is sapped and their willpower negate; that they not only wait for handouts, but go out of their way to be classified as eligible for relief.

A letter has come to me this week expressing the opposite view so graphically and movingly that I should like to share it with others who may feel, as I do, that the dignity of man remains the paramount quality of those who are in need. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mrs. H. D. Miller, of 2414 Liddesdale, Detroit, Mich.

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

DETROIT, MICH., *August 7, 1961.*

DEAR SENATOR HART: For several months I have been wondering whether there was anything a very average person could do to

get Congress more interested in the plight of the unemployed. The only reason I didn't write sooner was because I feel you are doing all that is humanly possible for one man to do. I think the President is too, but according to the Detroit Free Press the number of long-term unemployed has again risen.

I have been married to a steelworker for 36 years and all my friends are working people, so money isn't too plentiful, but at least all of my husband's working days, he had a job to go back to if, and when the plant opened up again. There was a period of 3 years or more during the depression when we lost everything and went into debt besides (partly due to a bank's failure) but still my husband and I could feel that someday Republic Steel would get going again and we'd get on our feet.

However, I know some decent men in Detroit whose jobs are simply gone, either through automation or because the company went out of business, and there just is not an opening available. I see by the newspapers that most of the men who are laid off are Negro, or else have had very little education. In all honesty, I can write that, as far as I am concerned, they are just as bright and just as capable of holding a job as those now working, except that they are younger. When a decent man (or woman) loses his job for no fault of his and then cannot find work for months or years, something happens to him. In my vernacular he just "dies" inside.

We have a colored man in our church who has had 16 years' experience at Chrysler. He is a high school graduate, pretty good at doing odd jobs, etc., and has a wife and four children between 12 and 2 years old. He is buying a house on Vinewood, which is an old section of Detroit, but the place is neat and clean. In 1959 he worked 5 months, in 1960 he worked 3, and this year he hasn't been called in at all. He traded in his car for an old truck and all last winter and up to now that man has kept his family going by doing odd jobs, selling junk, selling anything he can find in part, but how they have managed to exist I do not know. They had a gas furnace and he converted it back to coal and burns wood which he got from houses Detroit was tearing down, only I was there when it was 18° above zero and they didn't have a speck of heat in the house. That was one of his "bad" weeks. They went down to get surplus food but they would have to pay $18 a week and their food bill is less than that, etc., etc. I think that man has tried to get a job at every shop in Detroit and neither he nor his wife ever wasted a cent in their lives. The last time I saw his wife she said her husband was going out one or two nights a week—not to drink—just to sit and think alone. I was heartsick and I know she is too.

I also know the world is one bewildering mess, and maybe if I were a Congressman and the unemployed were just statistics, it wouldn't bother me so much. However, I honestly believe that God constituted us in such a way that work is a necessary part of our life. Not only that, the average man wants his independence, too, and welfare is the last thing he is looking for. There is something wrong with a civilization which won't give a man a chance to earn a modest living in an honest way. But how do we get that part across to our lawmakers?

I hate to trouble you when you are doing such an excellent job already, but is there any word of encouragement I can give folks like these? I could hand out a thousand a month if I had it, but the point is, the folks I know want to work and get their own wages. And, I'm afraid that is the sad truth in all the depressed areas.

Thanks very much.

Sincerely,

MRS. H. D. MILLER.

WATER RESOURCES AND HYDROELECTRIC POWER IN THE NORTHWEST

Mr. DWORSHAK. Mr. President, for some reason unknown to me, it seems that we can generate more controversies over water resources and hydroelectric power in the Northwest than in any other area of the Nation. The mere mention of these terms in reference to projects in the Northwestern States seems to be a signal for zealots across the Nation to spring into action. Controversies over public versus private power; multiple use versus single use of our natural resources; and regional versus State development, spring into being almost automatically with participants joining in from every State in the Nation.

This allergy for controversy over water resources has apparently spread northward from the United States into the British Columbia Province of Canada. A new waterpower development there is having great impact in the United States also. At point is how and when the Canadian Government will ratify the International Columbia Basin Treaty with the United States. This treaty ratification is an integral part of water resource development in our Pacific Northwest, and action by the British Columbia Provincial government has delayed its ratification, and is even casting doubts as to actual ratification itself at this time.

Mr. President, I ask unanimous consent to have printed in the RECORD an outline of this new situation as reported by Callison Marks, of the Spokesman-Review of Spokane, Wash.

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

BRITISH COLUMBIA FRUSTRATES AMERICANS ALSO

There was a series of strange coincidences in Canada last week.

In Ottawa, frustrated leaders of the socialistic Canadian Commonwealth Federation, a political party, were combining with organized labor to form a new political party.

In Vancouver, funeral services were being held for a noted cultural leader and champion of free enterprise, A. E. Grauer, chief executive officer of the British Columbia Electric Co., one of the largest and most successful utilities on the continent.

In Victoria, British Columbia Premier W. A. C. Bennett, leader of the conservative-slanted Social Credit Party, announced to the provincial legislature that the government—as of 2 p.m. Tuesday—had taken over the British Columbia Electric Co., something which the CCF socialists had been advocating for years.

In addition, Premier Bennett declared that the Peace River Power Development Co., a private-enterprise dam-promoting firm backed by famed Swedish industrialist, Axel Wenner Gren, was also being expropriated.

The chairman of the Peace River Co., Sir Andrew McTaggart, arrived from London with no inkling of the shocking news. He did learn that Bennett's British Columbia energy board had just determined that Peace River could be developed by the province at about the same rate as power from the proposed Canadian Columbia River projects.

Before the week was over, Bennett won legislative approval of his takeover plan. The premier replaced the British Columbia Electric's board of directors with men of his own choice, headed by Dr. Gordon Shrum, chairman of the British Columbia energy board and former dean of graduate studies of the University of British Columbia.

Bennett, the onetime conservative politician, then had a $100 million provincial bond issue authorized for immediate payment for the shares of British Columbia Electric stock held by a parent corporation.

The total takeover price has been estimated at about $700 million. The contingent liabilities of the province now come to about $1.3 billion.

A little over a year ago Premier Bennett had told British Columbia voters that the province was clear of public debt.

The provincial takeover of the private power companies was justified, in part, by the Premier because the Canadian Federal Government handed back to Victoria only a small portion of the Federal taxes paid to Ottawa.

Provincial government operation of the British Columbia Electric deprives the Federal Government of the utility taxes. It also deprives many municipalities in the province of the tax income formerly paid by the utility.

The total tax contribution of the company has been estimated at about $17 million annually—to Federal provincial and local governments. Some municipalities near Vancouver are already worried over the loss of tax income from the company and are threatening to curtail school and other public services.

The frustrations in Canada over this power takeover now involve the validity of the Columbia River treaty, signed by the United States and Canada last January and ratified by our Senate in March. No attempt has been made by the Canadian Federal Government to get the treaty ratified by the House of Commons at Ottawa.

The Bennett government in British Columbia has now, in effect, told the Ottawa government that it must authorize the export of power (to come from Columbia and Peace River dams) or the treaty will be kaput. Victoria holds one type of veto power and Ottawa holds another.

The hydropower which the British Columbians hope to develop is too expensive for marketing in the Pacific Northwest, even though the price may be acceptable in lower British Columbia, or in California.

The present British Columbia power situation is a source of frustrations on this side of the border, where there has been faith that eventually the leaders in Ottawa and Victoria would settle their differences and the Columbia treaty benefits would become a reality.

The frustrations here are now complicated over the purely American questions of power development on the middle Snake River, the possibility of commercial power from the new Hanford atomic reactor, and the prospect for construction of the proposed Bonneville-California intertie.

The Snake River problem is now in the hands of the Federal Power Commission. The Hanford problem is now in the hands of Congress. The intertie problem is now in the hands of the Department of the Interior.

The present Canadian situation also concerns the backers of Libby Dam in western Montana, the last great Federal project now in the planning stage. Construction will be stymied as long as Canada holds up ratification of the treaty.

Premier Bennett is a masterful politician who is looking out for British Columbia interests. He has taken a big gamble in the provincial takeover of private power, in his ambitious plans for public power development of both the Columbia and Peace River projects. He has caused some frustrations north of the border.

Now he has many power-minded Americans worried over what may happen here because of the Columbia River uncertainties and because of the quick but legally permissible snatch of Canada's largest investor-owned public utility.

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. PROUTY. Madam President——

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The Senator from Vermont.

Mr. PROUTY. Madam President, what kind of foreign aid program should we have and how shall we pay for it?

Understandably there is the greatest divergence of opinion here, and no man's patriotism or motives should be impugned because of his opinion.

Obviously we must have a businesslike program, carefully planned and designed to accomplish the most good with the greatest amount of efficiency and the least amount of waste and expenditure.

It should be a program over which Congress, in line with its constitutional responsibilities, maintains the sharpest scrutiny and the greatest control.

Can we have both long-range foreign aid planning and congressional control? That is the guts of the issue.

We will have the complete answer only if we examine completely what measure of control we have today and what measure of control we would have under the various proposals.

Congress does not have real control over expenditures in the foreign aid field today. To argue otherwise is to point the finger of blame at the committees of Congress and the House of Representatives and the Senate of the United States for the countless examples of waste and mismanagement that have taken place.

Did Congress have control over foreign aid expenditures when the U.S. Government constructed on Formosa a sparsely traveled mountain highway that is practically impassable more than half the year, because of typhoons?

Did Congress have control over foreign aid expenditures when the U.S. Government constructed in Cambodia a winding jungle highway that cost $30 million, and is already falling apart?

Did Congress have control over foreign aid expenditures when the U.S. Government constructed in Korea an ultramodern fertilizer plant that cost $40 million, that could not be used for many months because of inadequate power supply?

Did Congress have control over foreign aid expenditures when the U.S. Government built in Iran an $800,000 sawmill that only now is going into operation, after 7 long years of delay?

Did Congress have control over foreign aid expenditures when the U.S. Government paid $125,000 to build at Pampas de Noco, Peru, an irrigation project which does not irrigate, because there is not enough water available in the area to make use of the irrigation works?

Madam President, I respectfully contend that while we hear eloquent words about "legislative control of the purse strings," if such control actually existed we would not have the Government building roads to nowhere, and our emergency shipments of food would not fail to reach the mouths of the starving.

Let us review for a moment the procedure under which Congress operates now. Perhaps this will demonstrate, in part, the reasons why control over foreign aid expenditures is lacking today.

Today, the foreign aid bill is handled in the House of Representatives by the Subcommittee on Foreign Operations, of the House Appropriations Committee. This is an 11-man subcommittee, composed of 7 Democrats and 4 Republicans. It is aided by one staff member, officially assigned to the Subcommittee on Foreign Operations. This staff member draws on the help of other staff members from the full committee; and their efforts, plus his own, amount to the equivalent of two full-time employees on foreign aid matters.

I think the situation speaks for itself. No one staff member—nor no two staff members, for that matter—however capable, can be expected to obtain a mastery of all the details of a gigantic program such as foreign aid. We know from past experience that when committee staff men are overwhelmed by a task, there is a corresponding, if not greater, problem for the Members of Congress themselves.

I have in my hand a list of the members of the House Subcommittee on Foreign Operations; and I find that each of these members has, in addition to his responsibilities with respect to foreign aid, subcommittee assignments dealing with other major areas of Government expenditures.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a list of the members of the House of Representatives Foreign Operations Subcommittee of the House Appropriations Committee and the additional subcommittee assignments they have.

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

ADDITIONAL SUBCOMMITTEE ASSIGNMENTS OF MEMBERS OF HOUSE FOREIGN OPERATIONS SUBCOMMITTEE OF APPROPRIATIONS COMMITTEE

Representative PASSMAN: Foreign Operations (chairman), Treasury-Post Office.

Representative GARY: Foreign Operations, Treasury-Post Office, General Government Matters-Commerce.

Representative ROONEY: Foreign Operations; State, Justice, Judiciary, Deficiency.

Representative NATCHER: Foreign Operations, Treasury-Post Office.

Representative ANDREWS: Foreign Operations, General Government Matters-Commerce, Defense.

Representative MONTOYA: Foreign Operations General Government Matters-Commerce.

Representative TABER: Foreign Operations, Public Works.

Representative FORD: Foreign Operations, Defense.

Representative RHODES: Foreign Operations, Independent Offices, District of Columbia.

Representative CONTE: Foreign Operations, Treasury-Post Office.

Mr. PROUTY. Madam President, much discussion has centered around the contention that we are considering an abandonment of congressional control. I think the facts I have just presented indicate that the control which does exist has many inherent limitations.

There is no doubt that the House Subcommittee on Foreign Operations is a very hard working and industrious subcommittee. It is composed of some of the most outstanding Members of the House of Representatives.

While these men have a considerable knowledge of the foreign aid program, unquestionably more than my own, it cannot be emphasized too strongly that they have the assistance of only two full-time employees. When one is dealing with a program which uses billions—not millions—of dollars, which covers scores of countries scattered throughout the world, one needs a large staff simply to keep track of what has been done, to say nothing of what is being done.

Members of the Foreign Aid Subcommittee in the House have not only their numerous subcommittee assignments to contend with; they also have important tasks to perform for their constituents and important responsibilities—as have all Members of Congress—to study major proposed legislation reported by other committees.

What constitutes a major problem in the House is perhaps an even greater one in the Senate. The foreign aid appropriations bill is not handled by a subcommittee here, but is handled by the full Appropriations Committee itself. There are 27 members on the committee. The group is composed of 17 Democrats and 10 Republicans.

In 1959 the Appropriations Committee spent 35½ hours on hearings on foreign aid, and then spent 1 day marking up the bill. Although the scope of foreign activities is enormous, the committee has but two staff members engaged in this field. It is no exaggeration to say that these two men have more difficult jobs than does anyone else on Capitol Hill, except, perhaps, the Senators on the Appropriations Committee whom they are assisting.

Madam President, the Congressional Directory and other public sources disclose that the extremely industrious and admittedly capable Senators on the Senate Appropriations Committee have, on the average, five or six subcommittee assignments each, within the Appropriations Committee group itself, to say nothing of numerous other subcommittee tasks. Let me give a few examples. One Senator on the Appropriations Committee serves on 4 committees, and has, in all, 14 subcommittee assignments.

A second Senator on the Appropriations Committee serves on 3 committees, and has 11 subcommittee assignments.

Another Senator on the Appropriations Committee serves on 3 committees and 10 subcommittees.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a list of the Senators who serve on the Senate Appropriations Committee and their committee and subcommittee assignments.

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

COMMITTEE AND SUBCOMMITTEE ASSIGNMENTS OF MEMBERS OF SENATE APPROPRIATIONS COMMITTEE

SENATOR HAYDEN

Appropriations Committee, chairman: Agriculture and Related Agencies, Defense, District of Columbia, Interior and Related Agencies (chairman), Public Works.

Rules and Administration Committee: Rules of Senate (chairman), Committee on Printing (chairman).

Joint Committee on Printing (chairman).

SENATOR RUSSELL

Appropriations Committee: Agriculture and Related Agencies (chairman), Defense, Independent Offices, Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Military Construction, Public Works.

Armed Services Committee (chairman).

Aeronautical and Space Sciences Committee.

Joint Committee on Atomic Energy.

SENATOR CHAVEZ

Appropriations Committee: Defense (chairman), Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative, Military Construction, Treasury and Post Office.

Public Works Committee (chairman).

SENATOR ELLENDER

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies, Independent Offices, Public Works (chairman), State and Justice and the Judiciary and Related Agencies.

Agriculture Committee (chairman).

Joint Committee on Reduction of Nonessential Expenditures.

SENATOR HILL

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies (chairman), Public Works.

Labor and Public Welfare Committee (chairman): Health (chairman).

SENATOR M'CLELLAN

Appropriations Committee: Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies (chairman), Treasury and Post Office.

Government Operations (chairman).

Judiciary Committee: Federal Charters, Holidays and Celebrations, Immigration and Naturalization, Improvements in Judicial Machinery, Patents, Trademarks and Copyrights (chairman), Constitutional Rights, Special Committee on Internal Security, Special Committee on Trading With the Enemy.

Joint Committee on Immigration and Nationality Policy.

SENATOR ROBERTSON

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Public Works, Treasury and Post Office (chairman).

Banking and Currency Committee (chairman).

Joint Committee on Defense Production (chairman).

SENATOR MAGNUSON

Appropriations Committee: General Government Matters, Commerce, and Related Agencies, Independent Offices (chairman), Labor, and Health, Education, and Welfare, and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies.

Commerce Committee (chairman).

Aeronautical and Space Sciences Committee.

SENATOR HOLLAND

Appropriations Committee: Agriculture and Related Agencies, General Government Matters, Commerce and Related Agencies (chairman), Independent Offices, Public Works, State and Justice and the Judiciary and Related Agencies.

Aeronautical and Space Sciences Committee.

Agriculture Committee: Agricultural Credit and Rural Electrification (chairman), Agricultural Production, Marketing and Price Stabilization.

Joint Committee on Reduction of Nonessential Expenditures.

SENATOR STENNIS

Appropriations Committee: Agriculture and Related Agencies, Defense, Labor, and Health, Education, and Welfare, and Related Agencies, Military Construction (chairman), Public Works, State and Justice and the Judiciary and Related Agencies.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating (chairman), Central Intelligence, Officer Grade Limitation (chairman).

SENATOR PASTORE

Appropriations Committee: Defense, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative (chairman), State and Justice and the Judiciary and Related Agencies.

Commerce Committee: Merchant Marine and Fisheries, Communications.

Joint Committee on Atomic Energy.

SENATOR KEFAUVER

Appropriations Committee: Defense, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies; Public Works, State and Justice and the Judiciary and Related Agencies.

Judiciary Committee: Constitutional Amendments (chairman), Patents, Trademarks, and Copyrights, Juvenile Delinquency, Antitrust and Monopoly (chairman).

SENATOR MONRONEY

Appropriations Committee: Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies; Legislative, Military Construction, Public Works, Treasury and Post Office.

Commerce Committee: Communications, Aviation.

Post Office and Civil Service Committee: Postal Affairs (chairman), Contested Nominations.

SENATOR BIBLE

Appropriations Committee: General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies; State and Justice and the Judiciary, and Related Agencies; Treasury and Post Office.

District of Columbia Committee (chairman).

Interior and Insular Affairs Committee: Public Lands, Minerals, Materials, and Fuels.

Joint Committee on Navajo-Hopi Indian Administration.

SENATOR BYRD OF WEST VIRGINIA

Appropriations Committee: District of Columbia (chairman), General Government Matters Commerce, and Related Agencies; Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies; Treasury and Post Office.

Armed Services Committee.

SENATOR M'GEE

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Treasury and Post Office.

Commerce Committee: Communications, Surface Transportation.

SENATOR HUMPHREY

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, General Government Matters, Commerce, and Related Agencies; Interior and Related Agencies, Legislative.

Foreign Relations Committee: European Affairs, Disarmament (chairman), Near Eastern and South Asian Affairs, International Organizations Affairs.

Government Operations: Reorganization and International Organizations (chairman), National Policy and Machinery.

SENATOR BRIDGES

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies; Legislative, Military Construction, State and Justice and the Judiciary and Related Agencies, Treasury and Post Office.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating, Central Intelligence.

SENATOR SALTONSTALL

Appropriations Committee: Defense, District of Columbia, General Government Matters, Commerce, and Related Agencies; Independent Offices, Legislative, Military Construction, State and Justice and the Judiciary, and Related Agencies.

Armed Services Committee: Preparedness Investigating, Central Intelligence, Conflict of Interest.

Joint Committee on Building for Smithsonian Institution.

SENATOR YOUNG OF NORTH DAKOTA

Appropriations Committee: Agriculture and Related Agencies, Defense, Independent Offices, Interior and Related Agencies, Public works.

Agriculture Committee: Agricultural Production, Marketing and Price Stabilization, Agricultural Research and General Legislation.

SENATOR MUNDT

Appropriations Committee: Agriculture and Related Agencies, Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary and Related Agencies.

Agriculture Committee: Agricultural Credit and Rural Electrification, Agricultural Production, Marketing, and Price Stabilization.

Government Operations Committee: Permanent Committee on Investigations, Reorganization and International Organizations, National Policy and Machinery.

SENATOR SMITH OF MAINE

Appropriations Committee: Defense, General Government Matters, Commerce, and Related Agencies, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Public Works, State and Justice and the Judiciary, and Related Agencies.

Aeronautical and Space Sciences Committee.

Armed Services Committee: Preparedness Investigating, National Stockpile and Naval Petroleum Reserves, Conflict of Interest.

SENATOR DWORSHAK

Appropriations Committee: Agriculture and Related Agencies, Defense, Interior and Related Agencies, Public Works, State and Justice and the Judiciary, and Related Agencies.

Interior and Insular Affairs Committee: Minerals, Materials and Fuels, Public Lands.

Joint Committee on Atomic Energy.

SENATOR KUCHEL

Appropriations Committee: General Government Matters, Commerce, and Related Agencies, Independent Offices, Interior and Related Agencies, Labor, and Health, Education, and Welfare, and Related Agencies, Treasury and Post Office.

Interior and Insular Affairs Committee: Irrigation and Reclamation, Territories and Insular Affairs.

SENATOR HRUSKA

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, Public Works, State and Justice and the Judiciary, and Related Agencies, Treasury and Post Office.

Judiciary Committee: Improvements in Judicial Machinery, National Penitentiaries, Antitrust and Monopoly, Constitutional Rights, Internal Security, Improvement in the Federal Criminal Code, Juvenile Delinquency.

SENATOR ALLOTT

Appropriations Committee: District of Columbia, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Legislative, Treasury and Post Office.

Interior and Insular Affairs Committee: Indian Affairs, Irrigation and Reclamation, Public Lands.

SENATOR SCHOEPPEL

Appropriations Committee: Agriculture and Related Agencies, District of Columbia, Independent Offices, Labor, and Health, Education, and Welfare, and Related Agencies, Treasury and Post Office.

Commerce Committee: Aviation, Surface Transportation.

Mr. PROUTY. Madam President, how all of the Senators on the Appropriations Committee do as well as they do on foreign aid matters with the aid of only two full-time staff members is beyond my understanding.

So that everyone will see the tremendous responsibilities they bear, I have had printed in the RECORD the table which lists the committee and subcommittee assignments in the Senate of all members of the Appropriations Committee.

All of these men are among the ablest, most experienced, and most dedicated Members of the Senate; but they cannot do the impossible—and we should not ask them to make the effort.

In addition to the problems I have set forth, the Members of the Senate and House Committees are hampered by weak and uninformative testimony given by those in charge of explaining the foreign aid program.

Only this year a key administration witness admitted that he did not have any idea whether a study was made of our overall aid program in southeast Asia or whether such a study is under way. Even under the strongest kind of senatorial interrogation, the spokesmen for the aid program failed to come up with concrete answers to reasonable and important questions.

The testimony revealed that in many cases heavy reliance was placed on the memorandums of country teams, and that little or no top-level judgment was involved in determining the amount of money needed for given areas and the purposes for which it should be spent.

Everyone is familiar with the fact that when the appropriations procedure is utilized, the agency seeking funds is supposed to furnish a detailed justification of the items in its budget. However, once the budget is approved by both Houses—with certain exceptions—foreign aid administrators are free to spend money on the projects they select, if the projects fall within the broad categories approved.

Therefore, it can be said that neither the Senate Appropriations Committee nor the House Appropriations Committee passes on the merits of individual loans as they are made. Real control—day-to-day control—would involve some congressional activity with respect to major projects, even though the funds to finance them have already been appropriated.

I think I have demonstrated that under our present system, Congress is a watchdog of the purse; but because of staff limitations and other problems it is less than a full-time watchdog. Now the administration comes along and asks us to finance a development lending program by means of a 5-year borrowing authority.

THE PRESIDENT'S PROGRAM WILL NOT PROVIDE FOR ADEQUATE CONGRESSIONAL CONTROL OVER EXPENDITURES IN THE FOREIGN AID FIELD

Madam President, it is unnecessary for me to review in detail the provisions of the administration bill, as reported by the committee. Senators are familiar with those provisions.

I should, however, like to examine whether or not the sum total of those provisions provides the kind of congressional control over expenditures which is required by the Constitution.

It is true, as the administration asserts, that during annual consideration by both authorizing and appropriating committees of requests for grant-aid appropriations, all development loan operations can also be reviewed at that time or, indeed, at any time. Congress, it is true, would be free to curtail or even to end the borrowing authority, or any portion of it.

It is further true, as the administration states, that section 203(c) of the bill provides that—

> 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.

The administration maintains, however, that it is clear from the Government Corporation Control Act and from its legislative history, as well as the legislative history of the bill now under consideration, that the power to make reductions or limitations is to be used only in special or unusual circumstances; to enforce the will of the Congress in carrying out development lending activities which have been authorized by law, or to conform such activities to the general financial program of the Government.

I have specifically inquired of the administration as to the power of Congress under these circumstances to, for example, assert its will to deny these funds to a particular Soviet satellite. I was assured by the Department of State that all Congress had to do was insert in the appropriation bill a clause to the effect that none of the money was to go to that particular country.

To sum up, the position of the executive branch is that the exercise of the borrowing authority would be subject to annual Appropriations Committee review and congressional action, and that long-term commitments of funds provided by the borrowing authority would have to be made subject to such congressional review and action.

The executive branch would, however, consider the enactment of the borrowing authority to constitute an expression of intent on the part of Congress to provide funds over the 5-year period in the aggregate amount authorized to be borrowed, and it would therefore feel free to enter into conditional commitments with respect to these funds. It would expect that the level of these funds would not be reduced and that limitations on their use beyond those in the act would not be imposed unless the Congress considered that strong affirmative reasons existed for such reduction.

There are those, however, who disagree with this interpretation, and remain unimpressed by the argument that review and control would be provided through routine reports to the Congress and application of the Government Corporation Control Act. There is much to be said for their point of view.

The Government corporation control statute would not in any way restrict the development lending authority in regard to the making of contracts or other commitments which go beyond more than 1 fiscal year. In fact, section 104 of this act specifically states:

> The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations.

So, then, if limitations should be imposed on loans or other arrangements involving more than 1 fiscal year they must be imposed by the foreign aid bill itself. Let us, therefore, take a look at the pending legislation and the limitations contained therein.

Sections 202(a) and 203(a), read together, prohibit the President from issuing notes in any given fiscal year exceeding the ceiling imposed for that year. There is an exception which permits the President to issue unused portions of notes authorized for previous fiscal years. We know from past experience that agencies operating under the Government Corporation Control Act have submitted rather general information to the Appropriations Committees regarding their proposed programs, and almost routinely these committees have inserted in appropriations bills some boilerplate language which constitutes approval of programs for the forthcoming fiscal year. Even the administration concedes that in only a few instances have limitations been imposed with respect to operating expenses.

With this as a backdrop let us consider the following:

Suppose that under the Government Corporation Control Act the lending agency comes before the Senate and House Committees and discusses its programs for the forthcoming fiscal year. Suppose, also, that the committees give routine approval to these programs and then the lending agency, later on, in the middle of the fiscal year, decides to make a sizable contract not previously contemplated.

Would there be any element of congressional control over such action? The answer is "No." The Appropriations Committee could impose limitations on future programs, but there would be no advance control with respect to this particular project.

I do not want supporters of the appropriations procedure to draw too much comfort from this fact because the same weakness exists in our present system. Both Houses approve the appropriation of money for a given purpose, and then sometime in the middle of a fiscal year other projects, which can be blanketed under the approved purpose, are dreamed up and no committee in either House has anything to say about them until after the fact.

Proponents of the borrowing authority procedure advanced by the administration have made much of the fact that there are limitations in the bill which prohibit the President from issuing notes in any given fiscal year exceeding the ceiling imposed for that year.

They fail, however, to emphasize that while the President, under the proposed plan, is limited in regard to the amount of notes he can issue in a given fiscal year, there is nothing in the bill which would prohibit him from entering into an agreement in fiscal 1962 which states in effect that the U.S. Government agrees to loan $50 million out of funds which will become available in later fiscal years.

What would be the practical effect of this? This means that if the administration promises to issue notes in subsequent fiscal years the Appropriations Committee will be placed in a very uncomfortable position, indeed. In essence, by placing limitations on borrowing authority, the committee would be nullifying an international agreement. This is indeed a departure from existing practice—a departure which should not be approved without definite safeguards.

In summation of this point, then, the President's requested legislation would, indeed, provide the greatest freedom for long-range planning. But, in spite of arguments to the contrary, it would do so only at the cost of congressional control.

The Kennedy administration is now working with a number of key countries which are attempting to set up development plans for the future. To work effectively, the administration needs reasonably strong assurances that during the duration of these plans the United States will be able to give continued assistance. It would serve as well then to examine the multiyear authorization amendment which contains proposed changes in the committee bill.

THE PROPOSED MULTIYEAR AUTHORIZATION AND ANNUAL APPROPRIATION PROCEDURE WOULD GIVE CONGRESS NO REAL CONTROL OVER FOREIGN AID EXPENDITURES AND WOULD HAMPER LONG-RANGE PLANNING

This amendment would eliminate the committee-approved 5-year Treasury borrowing authority to finance dollar loans for development purposes and would authorize the appropriation of $1.187 billion in fiscal 1962 and of $1.9 billion in each of the next 4 years. The authorizations, however, would be relatively meaningless, because the amendment would require annual appropriations.

The amendment raises two important questions. First, does it give Congress any real effective control over foreign aid expenditures? I respectfully contend it does not. It would relieve the Senate Committee on Foreign Relations with respect to authorizations under consideration on the Development Loan Fund. This would be equally true of the Foreign Affairs Committee in the House.

Today each of the Appropriations Committees has but two full time employees engaged in the study of foreign aid matters. It is on these four employees that the committees, and, in turn, the Congress must rely to a large extent for their evaluation of the foreign aid program.

Surely these employees can get information from the executive branch. But what kind of information: Is it the type that will spotlight deficiencies, errors, waste, and mismanagement? Certainly no one can seriously contend that these four employees of the House and Senate have the time and opportunity for thorough on-the-spot investigation.

I have pointed out at some length the fact that if these employees falter because of an overwhelming burden of work, Senate and House Appropriations Committee members cannot be expected to pick up the entire slack because their overall responsibilities will not permit this type of detail work.

No one can really deny that any control that exists today exists on a year-to-year basis. Funds are approved by Congress annually for general foreign aid purposes, and then the financial roof falls in. Buildings are constructed abroad that serve no useful purpose. Plants are built that have no power supply to put them in operation. Why?

Because we have no project-by-project check. It may well be that a Middle Eastern country needs our assistance to construct highways. So Congress proceeds to appropriate money for that purpose. Then, once the foreign government and the foreign aid administrator start selecting the individual projects, we frequently run into unwise and inane expenditures. It is at this precise point that Congress must step in and exercise some control. We do not have such control today, and we would not have it under the multiyear authorization and annual appropriation procedure.

To what extent would this procedure permit long range planning? I think the answer can be summed up in very few words.

Secretary Rusk and Secretary Dillon have said:

> Such an authorization would not provide Congress authority for advance commitments. The future availability of United States funds would still be subject to annual appropriations in amounts which could be known for only 1 year at a time.

The annual appropriations process alone would create uncertainties, but these uncertainties are multiplied by reason of the fact that in the past there has been a substantial lack of correlation between what has been authorized and what has been appropriated.

It is frequently said that the executive branch gets a high percentage of the total funds it is requesting for foreign aid. This may well be true, but the important question is whether previous administrations have been able to make plans for the utilization of a certain type of foreign aid, only later to have that aid cut drastically.

I respectfully point out to the Senate that in 1959 Congress authorized the appropriation of $1.8 billion for development loans to be used over a 2-year period. The amount actually appropriated was $550 million for the first year and $600 million for the second year. Therefore—and this is important—over a 2-year period the difference between the authorization of $1.8 billion and the appropriation of $1.150 billion was $650 million.

What kind of long-range planning does a system such as this permit, when the administration gets only about 60 percent of the money it is led to believe it is going to get for development loans?

I would agree that the multiyear authorization and annual appropriations proposal represents some small improvement over the procedures we have today, but I submit that, in the main, it is open to the same loopholes which permit wasteful practices and discourage long-term planning.

In summary, then, I have shown that under the present appropriations procedure, once appropriations are approved, unwise projects may be undertaken during the fiscal year and neither House of Congress has any veto before they are commenced.

I have also demonstrated that this problem would continue to exist under the borrowing authority procedure proposed by the administration and that there would be added to it one additional problem which would be caused by international agreements which involved a promise by the President to lend money out of funds allocable to a future fiscal year. This would require the Appropriations Committees to breach international agreements every time they place limitations on borrowing authorities.

I respectfully suggest that there is a middle course available to the Senate, and in an effort to achieve this course, I have prepared several amendments which are similar in character, and therefore, I shall refer to them as my amendment.

THE AMENDMENT WOULD AT THE SAME TIME ENCOURAGE LONG-RANGE PLANNING AND ASSERT IN NO UNCERTAIN MEASURE THE INTENT OF CONGRESS TO MAINTAIN CONTROL OVER FOREIGN AID EXPENDITURES

This amendment states that no loans shall be made in excess of $10 million unless there shall have been submitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs in the House of Representatives a detailed report of the purposes and terms of the proposed loan. The amendment further provides that the loan will not go into effect if either of these committees, within a period of 30 calendar days following the date of the loan report, adopts a resolution disapproving the transaction.

Senators may ask, "What does this amendment do that is not already accomplished under the appropriations procedure and what does it do that cannot be done under the Government Corporation Control Act procedure?"

The answer is simply this: Once the international lending agency gets its budget approved under the regular appropriations procedure or under the Government Corporation Control Act procedure, there is not any element of day-to-day control which permits the committee to step in any say, "This is a bad loan—do not make it."

Under the proposal I have brought forth, if either the House Foreign Affairs Committee or the Senate Foreign Relations Committee thinks that the loan is for a useless or unwise project, the committee can simply vote to disapprove the project and the international lending agency is stopped cold in its tracks. It would not matter how much money the lending agency had at its disposal; it could not proceed with loans which met the disapproval of the Senate Foreign Relations Committee or its House counterpart.

Madam President, this represents a control we do not have today, and a control we ought to have.

The administration has explained that if the borrowing authority procedure is approved, it is the expectation of the executive branch that limitations would be imposed upon the development lending program only if Congress brought forth affirmative reasons for imposing such limitations. The burden of proof would be shifting. It is now incumbent upon the administration to justify its budget annually. We are asked to allow the administration to enter into long-term commitments which would provide for the lending of funds to become available in a future fiscal year. In a word, Congress must seek to justify the cut. The administration will no longer seek to justify the money request. Such a change is not to be made lightly. If Congress is to yield some of its authority on a year-to-year basis, it must increase its authority on a day-to-day basis.

The distinguished senior Senator from Virginia has brought sharply to focus the fact that the Government Corporation Control Act is chiefly a device to require Government corporations to keep books which are capable of a genuine audit. If we rely solely on this act, we will be yielding to the administration more authority than I am willing to see Congress relinquish. I can understand why the President wants to be able to make long term commitments which provide for the lending of funds which will become available in future fiscal years, but I do not want the Appropriations Committee, or any other committee, to be breaching an international agreement every time it cuts an expenditure.

Let us tell the administration, "We will let you plan on a long-range basis. We will let you make commitments on a long-term basis. But, we want you to submit every project involving $10 million or more to the Senate Foreign Relations Committee and the House Foreign Affairs Committee so that they can exercise a veto if they feel it is unsound." Then if we have roads being built to go absolutely nowhere, or if we have building projects that constitute an improvident use of the taxpayers' money, we can turn to these committees and ask the reason why.

Naturally Congress cannot expect the Foreign Affairs and Foreign Relations Committees to pass on the merits of foreign aid loans with the help of only the limited staffs they have today. I think there is implicit in the proposal I have advanced the requirement that additional trained staff workers be made available to these committees.

There has been a great deal of talk about the desirability of permitting the General Accounting Office to take on additional personnel in connection with its foreign aid review operations. It is thanks to the General Accounting Office that we have discovered much of the waste and mismanagement in our oversea programs. I will strongly endorse any move to give the Comptroller General whatever additional trained assistants that may be necessary to keep the committees fully informed concerning the foreign aid program.

Senators may ask themselves, "Why is the Senator from Vermont suggesting that the Foreign Relations Committee rather than the Appropriations Committee be utilized for the week-to-week watchdog check on foreign aid loans?" I did not reach my conclusion without serious thought and study. Some of the considerations that prompted me to recommend that the Foreign Relations Committee be given this task are the following:

The fact that the Foreign Relations Committee devotes its entire time to foreign policy matters.

The fact that there are within the foreign relations group experts on various areas of the world.

The fact that the members of the Appropriations Committee must concern themselves not only with foreign aid but domestic expenditures as well.

I may point out at this time that the Appropriations Committee will still be charged with the responsibility of reviewing from year to year the foreign aid program as a whole.

To sum up, I believe that if my amendment were in the foreign aid bill the administration could introduce more long-range planning into our foreign aid program and at the same time Congress could keep a watchful eye on loans made abroad—not on a year-to-year basis as is done now—but on a week-to-week, project-by-project basis.

Mr. BUSH. Madam President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. BUSH. Would the Senator rather complete his statement before he yields for a question?

Mr. PROUTY. No. The Senator may ask a question.

Mr. BUSH. I wish to ask the Senator a question about his amendment, which is identified as "8-8-61-C"——

Mr. PROUTY. May I say to the Senator that I have several amendments. There is some difference in each one.

Mr. BUSH. Yes, there is some difference in each one, but this point applies to possibly at least two of them. If a submission of a project of more than $10 million is made to the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, and if either of the committees, within a period of 30 days, does not approve, or adopt a resolution disapproving, is there any recourse for the agency to appeal to the Senate and the House?

Mr. PROUTY. Under the provisions of the amendment the disapproval of a loan would stand unless the loan request were submitted again by the executive branch. Resubmittal would call for a new evaluation by the congressional committees.

Mr. BUSH. In other words, they have a final veto, under the provisions of the Senator's amendment?

Mr. PROUTY. I think that would be true.

Mr. BUSH. Is it the Senator's intention to impose that much responsibility on the committees?

Mr. PROUTY. I feel the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate are highly qualified to exercise sound judgment in this respect. They will insist, first, that those presenting the program and making the request for the loans will have to present a good case in order to receive the tacit approval of the committee.

I served in the Foreign Affairs Committee of the House and, after working many hours, frequently we were not able to get the information necessary in order to evaluate proposals which came before the committee. It is to correct this situation that I propose the amendment, although I am willing to concede that my proposal may be altered.

Mr. BUSH. I am very much interested in the amendment. I am a sponsor of the Saltonstall-Kennedy amendment, which is similar in its objective to the Senator's amendment. I think the Senator from Vermont has a good point in offering the possibilitiy for the Foreign Relations Committee and the Foreign Affairs Committee to act, rather than the Appropriations Committees. I am a little intrigued with that idea, rather than to have the referral made to the Appropriations Committee, because of

the fact that the Foreign Relations Committee and the Foreign Affairs Committee in the respective Houses are really much closer to the problems of ICA and the Development Loan Fund than are the Appropriations Committees, which are very much larger and much more diversified committees.

Mr. PROUTY. I think it is very true, and I should like to point out to the Senator, I want to be very clear that if either the House Committee on Foreign Affairs or the Senate Foreign Relations Committee disapproves of a certain request for funds, there would be nothing to prevent the administration from presenting that request at another time or in a different form, so that disapproval does not mean that a particular request could be shoved into the background forever.

Mr. BUSH. It does, however, give a final disposition of it in the form it comes down to each of these committees. That is the point I wanted to make clear.

Mr. PROUTY. A temporary disposition.

Mr. BUSH. It is not just a hold order, meaning it would have to be referred then to the House which that committee represented. It gives the committee the final veto, so to speak.

Mr. PROUTY. That would be very true at a given time.

Mr. BUSH. I thank the Senator for yielding.

CONCLUSION

Mr. PROUTY. Madam President, I have spent most of the years of my life in private business and planning ahead; multiyear planning, if you will, makes sense to me. I know of no successful business that operates on a year-to-year basis. Success demands foresight and foresight means planning ahead. I have no doubt multiyear planning can improve the foreign aid programs in the various countries and save us money besides.

The basic issue is whether this can be achieved without the grant by Congress to the executive branch of unusual power and authority and without abdication by Congress of its constitutional responsibilities to the people of this country. I believe my amendment makes this possible.

Madam President, some may say it is all very well to protect the taxpayers of our country by providing for congressional control of expenditures and long-range planning but can we afford a foreign aid program?

To them my answer is that when the chips are down we can afford whatever is required for our survival.

Reasonable men may differ as to the cost of that requirement.

In the absence of foreign aid, both economic and military, we would be compelled to strengthen enormously our military posture even beyond the recent authorized increases and, according to all responsible military authorities, that cost would come even higher than the high cost of foreign aid.

And, it must be remembered, that foreign aid expenditures are not all outgo. The greater part of it is spent in this country and is a boost to our own economy.

But even were it possible for our country to remain safe and secure in these times without a foreign aid program, we would still be faced with the appeal to our humanity to try to help solve some of the problems of the newly emerging nations, of misery, of hunger, and of political and economic enslavement of millions of human beings.

In the words of the July 14 encyclical of Pope John XXIII:

> The solidarity which binds all men and makes them members of the same family requires political communities enjoying abundance of material goods not to remain indifferent to those political communities whose citizens suffer from poverty, misery and hunger, and who lack even the elementary rights of the human person. This is the more so since, given the growing interdependence among the peoples of the earth, it is not possible to preserve lasting peace, if glaring economic and social inequality among them persists.

Madam President, here is a reverend challenge to our humanity to match the impious challenge of communism to our security.

The challenge from both sources is clear. The opportunity is here We must face up to the challenge. We must utilize the opportunity. We must find a way to bring the blessings of freedom and higher living standards to those in need while we preserve those blessings for our children and in our children's children.

Madam President, I have stood ready and I stand ready to listen to Senators bring forth solutions to our problem. I have judged them and I will judge them solely on their merits. My amendment has been offered solely as a way out of our dilemma without considerations of personal vanity or partisan politics. I invite others to judge this avenue of approach in the same objective manner.

I wish to make it plain that notwithstanding some rather severe reservations I have for the amendment of the senior Senator from Virginia, I may well cast vote for it if the administration evidences no disposition to consider the compromise proposals which have been advanced.

Mr. FULBRIGHT. Madam President, I wanted to ask the Senator a question. Has he finished?

Mr. PROUTY. Yes.

Mr. FULBRIGHT. I appreciate the spirit of the Senator's questions, but I have some questions I would like to ask him.

What is the principal purpose of the Senator's amendment? Does he believe that the committee should evaluate the engineering questions and economic estimates of the executive branch?

Mr. PROUTY. I certainly would expect the committee to thoroughly understand the need for the programs and their justification. Obviously, I do not expect the committee would approve of engineering details since they are obviously not in a position to do so.

Mr. FULBRIGHT. My point is this, we have analyzed the general objectives of this aid program and the broad approach to the problem but the Senator's proposal will involve an examination by the committee of specific engineering projects. It seems to me, that this might require a committee staff competent to determine the validity of the engineering reports and of the economic estimates. I question whether, as a practical matter, this is a function you think our committees could adequately perform.

Mr. PROUTY. Of course, the Senator knows that is not what I am suggesting. He would not recommend that the Public Works Committee have a large corps of engineers on their staff. Yet this committee passes on the merits of domestic projects. So, too, could the Foreign Relations Committee evaluate the merits of a foreign aid project without a large staff of engineers.

If the Senator will review the testimony and some of the questions which he asked of witnesses appearing before his committee—and may I congratulate him on the questions—I found them, the questions, excellent—the answers in many instances were meaningless. The Senator proceeded time and time again to persuade these witnesses to explain why this aid money was necessary, particularly in the southeast Asia area. If he will review the testimony—I am sure he has it well in mind—he knows that he was not at all satisfied with the answers and the general approach followed by some of the representatives of the ICA and others.

Mr. FULBRIGHT. I agree with the Senator that this was often the case. However, we are now confronted with the problem of how we deal with still more complicated matters.

The committee, in spite of the inadequacy of some of the testimony, had to decide whether this long-term borrowing approach is the best procedure.

We have taken the decision, and recommended this approach to the Senate, notwithstanding the reservations of some Senators. It is a case of the committee authorizing a very large undertaking.

Now, your amendment, as I understand it, would expose this power that we give to the Executive to a veto power, resting with a single committee of Congress. This raises, first and foremost, the important question of whether such an action would be within the spirit of the Constitution.

I think this is quite different from the Legislative Reorganization Act, in which we provide for making this decision whenever it involves merely the transfer of function.

Mr. PROUTY. Would the Senator prefer——

Mr. FULBRIGHT. I think that is quite a different problem.

Mr. PROUTY. Would the Senator prefer operating under the Legislative Reorganization Act, which I believe has been suggested by one other amendment offered, whereby any Member of Congress could offer resolutions.

Mr. FULBRIGHT. As I understand it, that is the formula upon which the Saltonstall-Keating amendment is

based. I think it is subject to many of the same objections that the Senator's amendment is.

Now, I have considered as seriously as I can the Senator's amendment. I have a proposed substitute which is very similar to the oversight provision in the recent bill on educational exchanges which I think obviates the inherent difficulties and yet achieves some of the Senator's objectives.

This amendment, of which I have a copy here, simply is a proposal in the nature of a compromise. The Senator stated that he hoped the administration would be willing to entertain some kind of compromise.

It reads as follows:

On page 10, after line 3, insert the following:

"SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—In any case in which the amount of a proposed loan under this title exceeds $10,000,000, such loans shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Appropriations and Foreign Relations of the Senate and to the Committees on Appropriations and Foreign Affairs of the House of Representatives.

This substitute proposal stops short of giving these committees a veto power. The Senator's amendment, if I understand it, means that the action of both Houses would be necessary to approve a program, and that then we would delegate to a single committee the power to reverse the program or veto it.

That is a novel proposal, and I believe it is subject to grave doubts.

The benefit of the amendment I propose is that while they could not veto, the committees could express their opinion about a project, and they could discourage its implementation, as the Senator knows, in many ways, either with members acting personally, or through official channels. However, it does not permit an absolute, irreversible veto, as the Senator's amendment would.

Mr. PROUTY. If I understand the Senator's proposal, it would require action by both Houses of Congress within a 30-day period to prevent the commencement of any unsound project.

Mr. FULBRIGHT. The objective of the amendment is to give Congress the power actually to deal with large individual loans on a workable basis. I find a proposal that we should review individual loans on their merits a very difficult thing to reconcile with my views of this program. The Senator will note that the criticisms I made and the questions which I raised in the hearings were not so much directed at individual loans in the program, but to the broader questions of the amounts and the priorities that had been given to whole nations and whole areas, largely in terms of grant aid. I do not recall that I had any criticism to make of the lending program. I have accepted it, without the assurances that I sought, because we never get exactly what we want, and the overriding considerations caused me, as I have said, to vote to report the bill.

I still have hopes that we can influence the administration to undertake a review of some of these questions we raised. I do not recall any precedent for bringing before Congress individual loans such as is contemplated by the Senator, not even domestic loans. I do not recall that we have ever been called upon to approve individual loans made by the RFC. They made a great many. We have often criticized them afterward, but our purpose was not to veto other loans but to reform policy, or to try to change standards or criteria. We held hearings and we went over many of the loans, and then we made proposals for legislative action. We either tightened the general restrictions or we laid down new criteria. We did not veto a loan. If they made a loan to the B. & O. Railroad or to the Pennsylvania Railroad, or to anybody else, we did not undertake to say, "You shall not make the loan." If we thought it was improvident, we tried to develop better criteria for future loans. That was the general approach to the problem.

Mr. PROUTY. With respect to programs going on in this country it is relatively simple to exercise some control over them. I realize too all the difficulties inherent in the foreign aid program. It is only in an effort to be helpful and bring at least some degree of control over the expenditures of billions of dollars all over the world that I have offered my amendment. Certainly I am perfectly willing to consider very carefully the Senator's proposal, and I am sure other Senators will do likewise.

Mr. FULBRIGHT. When it comes to making an informed and final decision on a specific loan, we would certainly feel very hesitant about doing so without having a fully qualified staff study of the subject matter. If it involved engineering, we would want to have a qualified staff do that, and we would require the necessary personnel and facilities. I do not believe that we could exercise a competent judgment without doing that. Anything less would be irresponsible.

It is true that some committees might have attempted to do otherwise, for irrelevant considerations, but I am sure it would not be an orderly way to proceed. I believe that the suggested amendment, while it does not provide full veto power over these individual projects, would impose a definite restraint. In fact, if the planners knew a project would be subject to examination, there would be considerable discretion, and if the proposal was clearly improvident and based upon doubtful consideration, I think it would be unlikely to be offered. People who know their actions are going to be subject to this kind of scrutiny would be extremely careful.

I find myself unable to go the whole way with the Senator and say that we shall give a single committee of Congress the power to veto the programs of the Executive which the whole Congress has solemnly authorized in following the normal deliberative process.

Mr. PROUTY. I have the greatest respect for the Senator's committee, and I believe Congress would approve in most instances any action which the committee might take in the way of disapproval.

Mr. GORE. Madam President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. GORE. A determination upon a given development loan which may involve many policy questions is in fact an executive function. Should Congress undertake to exercise veto power over a particular loan, it would, it seems to me, be undertaking to that extent to partake of the executive function, a kind of function which the legislative branch is ill equipped to discharge.

The compromise which the distinguished chairman of the committee has suggested would, it is true, afford a 30-day period in which Congress could, if it so desired, act affirmatively. Even there I would think Congress would do so with the greatest of reluctance and only after very severe provocation. I would hope therefore that the distinguished Senator from Vermont would not press legislation which partakes of this executive function, more particularly in the foreign policy field for which we are so ill equipped, but would consider, as a considerately effective contribution on his part, the adoption of the amendment which the distinguished junior Senator from Arkansas has proposed.

Mr. PROUTY. I am grateful to the Senator. I certainly shall consider the amendment of the distinguished Senator from Arkansas. I have not called up any amendment at the present time, as the Senator knows.

Mr. FULBRIGHT. I appreciate the Senator's statement. I would like to cooperate with him. I do not profess to know all the answers to this question, but I can see great difficulties with giving such a veto to a single committee. We do know that Congress at any time can repeal the law if that should become advisable.

Madam President, I yield the floor.

HIJACKING TO HAVANA OF PAN AMERICAN PLANE ON FLIGHT FROM HOUSTON TO MEXICO CITY

Mr. SCHOEPPEL. Madam President, I believe it may be of more than passing interest, because of proposed legislation with reference to the hijacking of planes, that I report on the following item which appears today on the ticker, from New York:

NEW YORK.—A Pan American DC-8 jet was hijacked today after it had left Houston, Tex., on a scheduled flight to Mexico City, a spokesman for the airlines reported.

A spokesman at Idlewild Airport said the plane, with 72 passengers and a crew of 9, was "diverted to Havana."

The plane, which left Houston at 10 a.m., e.d.t., and was scheduled to arrive in Mexico City at 12:30 p.m., e.d.t., was reported scheduled to land at Havana 3:40 p.m., e.d.t., according to the Pan Am spokesman here.

I may say to the distinguished Senator from Wyoming [Mr. McGEE], who also is a member of the Commerce Committee, and is about to address the Senate, that I am sure he agrees with me

that the importance of the consideration and the passage of proposed legislation in this field, which is to be reported from our committee, is emphasized all the more vividly by acts such as this one.

Mr. McGEE. Madam President, the Senator from Kansas is so correct in suggesting that the additional incident today brings home all the more vividly the urgency of the taking of quick action on measures to deal with the hijacking of aircraft.

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. McGEE. Madam President, I wish further to consider the discussion which is underway on the foreign aid program and particularly to weigh some of the long range aspects of that measure. The question comes to a head when we consider the lessons from the past; and in certain unfortunate instances some of the mistakes. Whatever else in our kind of society, we still possess the right to make a mistake, provided we learn from that experience. Yet, given all the mistakes, on balance, which are laid before us on the floor as we consider this measure, I believe one has also to count the gains that we in this country have made around the globe.

For a very desperate period we were concerned about the immediate encroachments of Communist imperialism in large sections of the globe.

I think it a fair statement to suggest that in military terms, after many sacrifices and many risks and great costs, we have arrested this advance.

However, with the adeptness of the Soviets and of the Communist group in trying every tactic and every conceivable means to attain their goal, the problem now assumes quite a different context, with different proportions, than faced us 15, 10, or even 5 years ago.

While our immediate task after the war and for more than a decade was the stopping of the geographical expansion of world communism, the task which concerns us now and the opportunity which presents itself to us now is not only that of stopping communism, but helping people. This ultimate phase is the greatest opportunity that faces a country like our own. It is this which gives us the chance to do that which we in this country have proved in our history we can do best.

As the noted historian Toynbee has said:

> Our age will be remembered not for its horrifying crimes or its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race.

What it comes down to is our opportunity now to measure what it is that we as a people can do for people. Our opportunity to project the strongest and most inspiring kind of image not only of America but of the way of life we hold out to the rest of the world as preferable to the alternatives which are now presented.

The providing of aid to the underdeveloped countries, especially the newly emerging ones, involves probing new and untried fields where there is no past experience to act as a guide, fields other than those into which we have already ventured.

Madam President, we undertake this task not without some experience and not without having witnessed a most important course of events in the world.

Today we view the periphery of what was once an area of expanding Soviet aggression, whether in the East or in the West. But today a definitely more stable situation is emerging there. In southeast Asia, where the now independent countries were once given not even 6 months to live, their governments are becoming strong. And there is no indication that they will not continue that growth in the immediate future.

In India, once the soft spot of Asia, as to which uncertainties prevailed as to whether she could marshall her resources well enough to be able to challenge the potential test posed by Communist China, we find today great and lasting progress.

And so, Madam President, as our eyes range across the rest of subcontinent, we find similar progress being made.

In the Middle East, where the tensions were once so great, conflict, at least has been held in check. And even in Iraq, although once we were told that when Mr. Kassem came into office, he would take Iraq into the Communist camp, we find some of the strongest anti-Communist statements being issued.

In Egypt, where once the Government seemed to be playing "footsie" with the Kremlin, we find that at this time Mr. Nasser himself has issued a series of extremely strong pronouncements against the Kremlin.

Furthermore, Madam President, the rest of the periphery shows the kind of firming up which indicates that, for the moment, although there is neither war nor an enduring victory in the quest for the rights of peoples around the earth, we now have won a chance to do something about the peoples everywhere on the globe who seek a better stake in life. The price we have already paid for that chance and the risks we have already taken in earning that chance should haunt us every night. What we do with it is to be spelled out by means of the effort which now unfolds itself before us in what the President of the United States himself has described as the new decade of development.

I think one of the wisest pronouncements which has been made was the simple suggestion that someday, when the historians write our history, those who read the few pages which will be required in order to deal with the events of this period will learn that the great stress was less on Communist aggression than it was on the exploding aspirations of people, the emergent dignity of nations, the requirement that peoples be free, regardless of their nationality or the color of their skin. This should be the dominant overtone of our time.

Therefore, this becomes our American target and goal and the substance of a program adopted in an effort to achieve a better atmosphere and a more favorable climate for conditions which we believe to be necessary for the continuance of the human race on the earth.

In providing a new approach to that very troublesome and often confusing phase of our foreign policy, I believe it well to remember that the present administration has proposed lines of conduct which give us reason to believe that a new day is dawning for the decade ahead. I suggest that the incidents of the past not be allowed to plague our thinking or our dealing with the opportunities of the present and of the future, as we make these new approaches.

We are setting up new and tangible goals for self-sustaining growth which will help these countries help themselves, because self-sustaining self-interest is the primary incentive. We are providing the sinews, the vital means of help that will bridge the gap between their capabilities and their urgent need for speedy development in achieving their own ends.

I hasten to add that these are not just bridges; instead, they are long-range, permanent changes which can be effected. Our aim must be to help these societies raise the level of their living standards and to change the fabric of their economies. This must result not only in the building of ports or dams or bridges or roads, but also in the setting up of criteria for human progress through the improved use of human resources.

Madam President, can a time element be applied to these needs? I seriously question whether any living man is sufficiently omniscient to be able to sense whether these things can be done in 2, 3, 5, or 7 years. Yet we can measure these specific projects in terms of termination dates.

Madam President, we are concerned with more than the preservation of a military alliance. We are concerned with developing friendships, preventing what might once have been the collapse of an economy, aiding in the development of peoples and assisting them to obtain the fruits of an abundant life on this God-given earth.

This, then, is the real substance, the meat of the new approach to foreign aid that is ours to consider at the present time.

In providing this, I think we do well to go into it with some regard to experience, for it can show us the type of program which will give us, the results we seek. There is an immediate advantage to be had by profiting from such experience. The type of specific program that starts peoples and nations on their way to self-respecting independence will be the ultimate measure of our country's contribution to the opportunities for a free and uninhibited international existence on the part of all national groups. It is this that is the true face of America.

We find it difficult to project in an inspiring way just the military face of our country, for militarism, in the form in which we have been compelled to adopt it, is negative. It is indispensable, but it is negative. People everywhere have asked many of us, as we have traveled in various parts of the world, "What are you for?" I think we now have an opportunity to make clear to the rest of the world what America is for.

For example, I remember an interesting experiment in India, which we observed when we were there several years ago. It shows in specific terms the opportunities we have, with relatively small expenditures of funds, to do a great deal in terms of net gain. The experiment I have in mind had to do with quadrupling the fish catch in India. India has, as part of her 5-year program, the attainment of self-sufficiency in the production of food. The goal of providing enough food for her 450 million people will at best take a long time to achieve. But with the aid of a small financial grant from the United States, and working with India's Ministry of Agriculture, the United States aided India's special fish production development program so as to multiply it 400 percent in a very brief time. The result has been that refrigerated transportation introduced into the subcontinent has made fresh fish available in many parts of India, where otherwise the people would have been far short of the amount of protein food so necessary as part of a balanced diet.

I hasten to add that the project now has been turned over to the Government of India, which it runs and pays for it. This, then, is one of the measures of a determinable kind of program that is of help to peoples who desperately seek to help themselves.

Madam President, a few minutes ago, the Senator from Kansas [Mr. SCHOEPPEL] called attention to the hijacking of an airplane which occurred today. That incident is not unrelated to one aspect of the matter we now have under discussion, in that when there is such a hijacking, there is a strong temptation to seek a quick solution. The incident is aggravating and disturbing, and makes one wish to take quick action, and the great danger is that we shall take a drastic step in an attempt to appease an emotional frustration. This action may do a great deal of harm, instead of good, which would result from a sober consideration and solution of the problem. This is all the more reason why we should concern ourselves with trying to improve the lot of persons around the world who live under conditions which encourage those who advocate another way of life "to go fishing" from time to time.

A specific case in point came to our attention in Africa, last winter, when we were visiting in Ghana. There, in a part of Ghana through which we traveled, there were 1,500 square miles, an area larger than that of the State of Rhode Island, which, because of a water shortage, was ruled to be unfit for agricultural and livestock development. By means of a cooperative effort on the part of our Government and the Government of Ghana, four American technicians helped to plan and supervise the construction of a number of dams and a rebuilding program for the area. Three Ghanaians received training in the United States. By early next year Ghana will have put into this project about $1,225,000, and the United States will have put into it $217,000. Out of it will come an area which will help the Ghanaians to help themselves—an area that will permit new grazing facilities and new agricultural development that will make it possible for Ghana to sustain her independence.

There are many other cases in point. I have selected two or three, to suggest that we already have experience on which we can draw for guidelines as we shape our response to the opportunity now presented to us.

But no single experiment or experience excites me more than does one of personal concern to me, and of personal concern, also, to the occupant of the chair, my distinguished colleague from Wyoming [Mr. HICKEY]. I refer to a part of the foreign aid development program in which the University of Wyomining has played a most vigorous part. This is through the contract the University of Wyoming had with the Government of Afghanistan. As we know well, Afghanistan lies in one of the critical peripheral areas of the world. It is bounded on the west by Iran, on the south and east by Pakistan, and on the north by Soviet Russia. Afghanistan lies astride and athwart the gateway to India, by means of the Khyber Pass. Thus, for strategic reasons Afghanistan has long been a critical area. For years she was a backward area; and she still is, in many respects. But the University of Wyoming was chosen to work as a partner with Afghanistan, in an attempt to see what could be done to help that country help itself. The University of Wyoming was selected because in part of the similarity of the geographical features and climatic conditions of Wyoming and Afghanistan.

Both areas have to depend a great deal on grazing. And because of the similarities there, there seemed to be a tie-in of interests.

The story that follows from 1954 and 1955, when the University of Wyoming went into Afghanistan with this program in agriculture, engineering, and teaching, is the story of a small State and Commonwealth, Wyoming, with 300,000 people, creating a considerable impact on an independent country of the world that lay some 12,000 miles away. It is additionally significant because that country is literally on the frontline in the power struggle between the Soviets and the Americans; between the forces of freedom and those of totalitarianism.

The location of Afghanistan created an opportunity, but likewise presented risks and dangers. Afghanistan is largely agricultural. It has to depend on the development of new sources of water to bring its parched areas under additional cultivation. So, to undertake the task at hand, under the direction of the University of Wyoming, a vocational agricultural education program was established in Afghanistan. Between fiscal 1955 and 1960 our university provided advisers and instructors for an aid project aimed at establishing a vocational agricultural high school in Kabul. Columbia University Teachers College provided English instructors. Afghanistan made available utilities, building materials, maintenance services, and funds for operating expenses.

As a result, the Kabul Vocational Agricultural High School was established, and to date 195 students have been graduated, with two-thirds going on to university level. Special teaching materials were provided to equip primary teachers to give instruction in agriculture. A demonstration garden and poultry project is used as a teaching device. Kabul Vocational Agricultural School now has an enrollment of nearly 250 students. An important attribute is that that vocational agricultural school, once manned by the professional personnel from an American university, is now directed by citizens of Afghanistan, with only one or two professional appraisers standing by as counsel and advisers in troublesome situations for which the Afghans have had no earlier parallels in their own experience.

This becomes a rich experience, not only for what it has done for Afghanistan in educational instruction, but it illustrates that there is a terminal point. At the beginning, it was a long-range program, but they themselves have taken measurable steps with our assistance to take over their own opportunities in education.

With respect to the Afghan Institute of Technology, Afghanistan needed a technical school adequately equipped and fully staffed by Afghan personnel, to provide technical training at secondary level.

Aid from the University of Wyoming provided technical advice and participant training for the institute. The Government of Afghanistan constructed the physical plant facilities, and provided utilities and operating costs and maintenance of boarding students.

More than half a dozen Afghan education specialists were trained abroad and returned to the institute, where they are teaching at the present time.

Total enrollment in this technical institute is now well over 300, with 60 graduates annually.

The University of Wyoming successfully completed its mission, and the Afghan staff is growing as the number of American participants and experts is declining. Today there are 27 Afghans on the staff, and 4 Americans.

Or, if one considers the fact that agriculture and engineering are on a higher level in education, once more it is the same story we have to tell. The project began in 1956 with the University of Wyoming providing technicians and some commodities necessary for professional training.

As a result, a 4-year curriculum in basic agriculture and engineering were designed and instituted in 1956 at Kabul University.

Practical experience in plant science with demonstration plants scattered around the country occurred.

Eighteen Afghans were sent to the United States for advanced training in agriculture and engineering.

Enrollments continued to mount. These people are now able to provide their own expert personnel in this highly technical field.

The same can be said about long-term agricultural development plans across the country of Afghanistan as a whole.

As a consequence, once more, the impact on the primary, secondary, and university level is measurable, and indeed considerable.

At the same time we have been reading headlines about the great inroads made by the Soviet Union in Afghanistan, I think this must be said. Russia is across the border, next door. The Russians have had some dramatic success in building silos, surfacing roads, and extending several millions of dollars in credit at low rates of interest to the Afghan Government. These have been dramatic and have been designed to capture the imagination, and presumably, the allegiance of the Afghans. The Russians have been giving them everything in their effort to try to bring these people into their fold.

Out of it all the record shows that, in material development, the Russians have put into Afghanistan twice the amount of money that our own Government has sought to invest there. Yet out of it, where do we stand? I think the simple explanation of the relative postures of our two governments in Afghanistan was best put by a citizen of that country, a well-educated man, who said:

> Although we have given permission to the Soviet Union for airports, silos, bakeries, and roads, we have given the minds of our children and our youth to the United States. It is the Americans who are shaping our minds.

There, in my judgment, is the nub of one of the most exciting opportunities we have, multiplied many times in almost unlimited corners of the undeveloped areas of the world.

When we come to measure how we inspire people, how we invite their cooperation, I think we should turn more and more to these less tangible fruits of the American way. I mean the dignity of the individual, education, rise in social status, and creation of new economic opportunity. For this we have a measure of comparison in a critically important and strategically situated land, Afghanistan.

Although the Soviet Union continues its economic efforts and its political bombardment, I think the telling blow in the whole struggle is what we have done in education. What it says to us is that the ultimate victory in the kind of contest that is going on now cannot necessarily be measured in legions, in regiments, in planes. It is going to be measured in the minds of men. And before those impatient Americans sell us short, let us be certain that we take a long look and take a long measure of the kind of cooperation and help that stands the test of time. That is not equated on statistical tables at the expiration of an annual budget or at the end of a fiscal year. It can be measured only in the hearts and souls of men.

So, under the circumstances, the experience of the University of Wyoming in that land discloses that here, in this simple way, we have the opportunity, by multiplying it many times, to project what I would regard in our history as the most exciting and the truest American profile—good face of America, in extending help to those who seek to help themselves.

We know, as we assess our role in these days, that there are forces sweeping around the globe, over which we have very little control, if any. I hasten to add that these forces would be sweeping around the world if there were not a Russian in the world, if there had never been a Communist in the world. These are the forces that America can change. They are forces that stem from the innermost wellsprings of humanity, that reflect human aspirations for a better life, and that represent human dignity and the expression of the individual.

I submit that, in all candor, the Communists, or the Soviet Union cannot call the tune on these forces. Unfortunately, much of the time the Communists have recognized the forces for what they are and have tried to channel them into their own carafe, where they see a possible hope to twist them into their own patterns.

I hasten to add that we have failed by seeing in every movement of this sort that goes on around the world a Communist motivation, by seeing a Communist behind every banana leaf, and by seeing a Communist behind every coffee bean. As a result of this we have handed over to the Communists, ready made, a propaganda weapon with which they can beat us over the head.

These forces which are loose, the forces of history, are even bigger than Republicans and Democrats, and the sooner that we face up to the force of the change that is engulfing the globe, the sooner we will be able to create for ourselves the opportunity to shape the nature of that change. The chance to take a step toward this goal is ours at the present moment.

I close with the suggestion from the inaugural address of President Kennedy when he reminded us:

> To those peoples in the huts and villages across the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich.

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. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

SERVING AMERICA'S DISABLED: THE GREAT MISSION OF THE SISTER ELIZABETH KENNY FOUNDATION

Mr. HUMPHREY. Mr. President, on August 2, 1961, the Senate approved H.R. 7035, the 1962 fiscal year appropriation bill for the Department of Health, Education, and Welfare. This legislation includes funds for the U.S. Office of Vocational Rehabilitation and the National Institutes of Health, among other organizations.

Through this bill, the Senate took sound action to strengthen the Federal Government's health efforts. But this action does not for one moment lessen the parallel and more significant role of what the American people do for their own health through their private actions.

It is on citizen action and citizen organization that I speak today. I will refer specifically to one type of action—through the voluntary health agency.

PRIVATE ACTION NEEDED MORE THAN EVER BEFORE

The fact is that the voluntary health agency is needed more vitally than ever before. This is thanks to the wise decision of the Congress to expand Federal teamwork in cooperation with private health groups.

Mistakes and shortcomings of the past on the part of some private groups should not obscure the tremendous need for voluntary health agencies. Mistakes and shortcomings must be, and in a number of instances have already been, remedied. But the concept of enlightened voluntary action must not be impaired.

VOLUNTARYISM AND 20 MILLION HANDICAPPED

The voluntary health agency is widely recognized as a unique and powerful force in American life. Next to the Federal Government, it is the most important single source of funds for medical research.

The preservation and the expansion of the activities of the voluntary health agency is essential if this country is to continue to make progress in its fight against disease and suffering.

Paradoxically, the success we have had in saving and prolonging life—for which our voluntary health agencies deserve much of the credit—has in turn created new medical problems—the problems of aging, chronic illness, and chronic physical disability. The number and percentage of persons 65 years of age and over in the United States is steadily increasing. By 1980, it is estimated that there will be an estimated 22 million U.S. citizens over age 65. This age group, of course, has the highest incidence of chronic illness and disability.

The number of physically handicapped persons of all ages in the United States is estimated at 20 million.

Unless more of our disabled citizens can be maintained at their maximum capacity for usefulness, it will not be

long before we are overwhelmed by their need for care and by their economic dependency.

The rehabilitation of the chronically ill and handicapped, their restoration to the maximum degree of self-sufficiency, represent a great challenge to the voluntary health agency.

DR. KRUSEN'S COMMENTS AT AWARD CEREMONY

The need for a voluntary health agency to carry on a massive assault on disability was eloquently expressed here in Washington in May. The speaker was Dr. Frank H. Krusen, who is on leave of absence from Mayo Clinic, to serve as president of the reorganized Sister Elizabeth Kenny Foundation. Dr. Krusen is a world leader in the field of physical medicine and rehabilitation.

Let me quote some of the remarks made by Dr. Krusen when he received the Goodwill Industries of America award here in Washington on May 5:

In recent months, there has been a great deal of earnest soul searching going on over the definition of this country's national purpose.

It seems to me that a national purpose, like a tradition, will emerge naturally. If it's there, you'll find it without looking.

I believe that the United States has a national purpose and that we have progressed quietly and steadily toward its fulfillment. This national goal can be defined in the words—man's humanity to man.

The American people have achieved an unequaled record of progress in caring for and about their fellow men. If Americans have any single distinguishing national trait, it is a spirit of openhearted generosity and unhesitating readiness to help those in need.

The overwhelming testimony of this spirit is to be found in the record of public support of voluntary health agencies.

This spirit, combined with the American talent for organization and fundraising on a grand scale, has created a system unparalleled anywhere on earth.

Each year, Americans freely contribute nearly $1.1 billion to voluntary health agencies. These funds have financed massive assaults on disease and human suffering.

Everyone knows the results. Through the impetus created by the National Foundation, we have reached the point where killed virus, together with live virus, may soon be capable of virtually eradicating paralytic poliomyelitis.

Not many years ago, tuberculosis was accepted as an inescapable curse of all mankind. Now our Nation's TB sanitariums stand nearly empty. Another voluntary health agency—the National Tuberculosis Association—was in the vanguard of this victory.

In 1960, cancer detection campaigns, combined with improved medical skills, saved the lives of an estimated 40,000 Americans who would have died of cancer in 1945. In 1945, less than $1.5 million was devoted to cancer research in the United States. By 1960, this figure had risen to $130 million. The American Cancer Society has led the vast frontal attack on this disease.

Other voluntary health agencies are receiving millions upon millions of dollars to combat heart disease, mental disease, neuromuscular diseases, blindness, leukemia, and mental retardation.

The voluntary health agency system is one of the mightiest forces ever arrayed against human need and suffering.

The voluntary health agency has become the channel for vast floods of public funds for use in combating specific diseases. However, in proportion to human need, rehabilitation has received only token support from this source.

The field of rehabilitation would be transformed overnight if it were supported by public giving on the same scale as other fields.

How can we marshal the American public's full capacity for giving behind the needs of the handicapped? This is the great question before the field of rehabilitation today.

Only thus can we finance the truly massive effort required to bring timely and adequate help to all of our chronically ill and disabled.

There is no lack of concern for the handicapped in our State and Federal Governments. But the public at large should share this concern. While Government aid is essential, the need is too great to be met by Government alone.

There are more than 20 million persons in the United States who have difficulty in moving or who cannot move about without help. These are victims of multiple sclerosis, automobile accidents and other injuries, hemiplegics, paraplegics, victims of cerebral palsy, muscular dystrophy, stroke, epilepsy, and poliomyelitis.

Three million persons in the United States are feasible for rehabilitation to the point of remunerative employment. The State and Federal programs conducted by the Division of Vocational Rehabilitation rehabilitate less than 90,000 individuals per year. This is only one-third of the total number of persons who annually become disabled through accident and disease.

Last August, Representative JOHN E. FOGARTY, speaking before the Third International Congress of Physical Medicine here in Washington, D.C., said:

"Rehabilitation services must be expanded to the point that the opportunity to benefit from these services is available to every person who needs them at the time needed."

If we accept this as our goal, it is painfully clear that our handicapped are now in the middle of a tragic rehabilitation gap.

There is a tragic gap between the number of persons who need rehabilitation services and the personnel and facilities for providing these services. There is a tragic gap between the scientific advances in this field and the techniques which are now in general practice. We possess the knowledge to restore millions of handicapped persons to independent, productive living, but, alas, we lack the trained minds and hands, the facilities and equipment necessary to apply these skills to those who need their help.

The shortage of professional personnel in the field is fantastic. The specialist in physical medicine and rehabilitation—the physiatrist—is, of course, the key man in any comprehensive rehabilitation program. How many of these specialists do we have? Less than 350—out of 241,000 physicians licensed to practice medicine in the United States. We could use 500 additional physiatrists tomorrow morning. Because of the shortage of qualified teaching personnel, physical medicine is taught in only one-third of our schools of medicine.

In 1959, there was a need for 5,800 additional physical therapists; 1,000 occupational therapists; and 12,000 social workers in all fields. There is also an annual need for 600 additional counselors trained in rehabilitation techniques.

These figures merely represent vacancies in existing rehabilitation facilities. If we had an adequate system of rehabilitation facilities, merely in terms of physical plant, the needs would be far greater.

How can we marshal the support of the American public in closing this tragic rehabilitation gap?

These remarks can be summed up by saying that only mass education and mass public giving can meet the massive proportions of the problem before us. The number of persons who annually become disabled or chronically ill through aging, accidents, and injuries is increasing each year. If we continue at the present pace, we will not be able to keep up with the rehabilitation needs of those entering the ranks of the disabled each year, let alone care for the enormous backlog of patients now awaiting help.

It is curious how our attitude toward the disabled differs from our attitude toward victims of acute illness and injury. Somehow, we feel that their conditions persist so long it makes them more bearable. We forget that the longer they endure these conditions, the greater is their suffering.

Imagine our feelings if these millions of Americans had by some tragic disaster become disabled in a single day. Such an occurrence would be greeted as a national calamity, sending a wave of shock and horror into every home in the country. And from every home, funds and assistance of every kind would pour out in a merciful flood to aid these victims.

Essentially, there is no great difference between such a national disaster and the plight of our chronically ill and disabled. This is a national calamity. And I appeal to the American people to respond to it as such. Winston Churchill once said: "You can measure the civilization of a people by the way they treat their older folks." It may be said just as truly that you can measure the civilization of a people by the way they treat their chronically ill and disabled. Measured by this yardstick, we can be proud of the degree of civilization we have attained. We have made truly astounding progress in caring for and about our chronically ill and handicapped. But the help we provide is still pitifully inadequate to the need that exists.

We must also remember that our responsibilities to the handicapped are not circumscribed by national boundaries. Our concern must be worldwide.

Our efforts to help the handicapped both at home and abroad can have a far-reaching influence on the attitudes of other nations toward the United States and our way of life. Rehabilitation is a triumphant affirmation of our belief in the intrinsic worth and dignity of the individual. According to this concept, eligibility for rehabilitation is not measured by an individual's potential usefulness to the state—his ability to bear arms, produce his production quota, or qualify as a useful member of society according to utilitarian standards.

Rehabilitation may mean that an individual will merely be able to raise a fork to his lips, hoist himself from a bed to a chair, or clutch a pencil in a clawlike device. It may mean that he will need an intricate arrangement of pulleys, weights, and springs to perform some of the simple actions of everyday life. But the mere fact that he is a human being is sufficient reason to exert all of our efforts to help him use his remaining abilities, no matter how slight they may be.

Imagine the impact of this philosophy on people living under other political systems. We are currently engaged in a war of ideologies, one which holds that man exists for the state and our own which holds that the state exists for man. We have sought to establish the superiority of our way of life in various ways; by pointing to our high material standard of living, by vaunting our industrial might, by competing feverishly to assert our military supremacy.

But the American qualities which have a greater appeal to the minds and hearts of our neighbors can be found in our simple human concern for a handicapped child or a disabled older person.

On the one hand the world is faced with a system under which one of its leaders—Mao Tse-tung—is capable of saying that he would readily sacrifice 100 million of his countrymen's lives to gain his military ends. On the other hand, the world sees a system which mobilizes all of the agencies of science and society to aid an individual with a damaged body return to life.

If we can summon the full support of this country's resources of generosity, and compassion, we can close the rehabilitation gap quickly and dramatically. We can respond to the needs of our handicapped here and abroad on a scale which can win us lasting respect and understanding. And in so doing we will proclaim more eloquently than any technological breakthrough, the true meaning of our way of life.

PROFESSIONAL COMPETENCE OF KENNY INSTITUTE

Dr. Frank Krusen, whose remarks I have just quoted, is head of the Kenny Rehabilitation Institute, Minneapolis, Minn. The institute has attracted worldwide attention for its outstanding success in restoring the chronically ill and handicapped to a maximum degree of physical, social, and vocational independence.

The expansion of this institution's services to the point where it can realize its full potential would be an enormous step forward in the field of rehabilitation.

The institute is a subsidiary of the Sister Elizabeth Kenny Foundation. Last September, the foundation underwent a complete reorganization following an investigation of fundraising irregularities conducted by the Minnesota State attorney general's office.

The Kenny Rehabilitation Institute was in no way implicated in this investigation.

The reorganization resulted in the removal of the officers charged with misuse of funds, and placed the foundation in the hands of a group of outstanding citizens, representing the clergy, the medical profession, banking, and industry.

The integrity of the foundation is now beyond question. Remedial steps have been taken so as to assure the most unimpeachable procedures and personnel. The foundation will be a model for other voluntary groups.

The new foundation was extremely fortunate in securing the services of Dr. Krusen as president of the foundation and director of the Kenny Rehabilitation Institute.

Prior to accepting this appointment, Dr. Krusen was for 25 years associated with the Section on Physical Medicine and Rehabilitation at Mayo Clinic, Rochester, Minn., first as director of this department and later as senior consultant. He was granted an indefinite leave of absence from Mayo Clinic in order to accept this post.

Dr. Krusen is one of the world's foremost authorities in his field.

His pioneer work in the field of rehabilitating the handicapped has earned him the unofficial title of "Father of Physical Medicine."

Serving on the new Kenny Foundation board of directors is another outstanding leader in the field of rehabilitation, Dr. Frederic J. Kottke, director of the Department of Physical Medicine and Rehabilitation of the University of Minnesota.

Minnesota's leadership in the great humanitarian mission of helping the handicapped was evident last year when Dr. Krusen served as president of the International Congress of Physical Medicine held here in Washington, D.C., while Dr. Kottke served as president of the American Congress of Physical Medicine which sponsored this worldwide gathering.

Minnesota has made vast contributions to many areas of medical science through the University of Minnesota Medical School and Mayo Clinic. The Kenny Institute and the rehabilitation center, with the University of Minnesota, offers the potential for making an equally great contribution in the field of physical medicine and rehabilitation. If it receives the support it deserves the Kenny Rehabilitation Institute can make an enormous contribution to closing the rehabilitation gap.

REHABILITATION CENTERS IN THE MAKING

I am hopeful of further great achievement along these lines.

Part of this hope rests on the splendid decision of the Senate and House Appropriations Committees to provide in H.R. 7035 for regional rehabilitation centers in the United States. These centers would really be national "showcases"—national models of the greatest deeds of physical medicine and rehabilitation.

The case for these centers had been made in eloquent testimony before both committees by both Drs. Krusen and Kottke. The American people will always be indebted to these two great individuals for their personal presentations at the crucial time of the hearings. I am delighted to say that, in heartwarming response, both committees, in their official reports, cited the opportunity for each such center to be established at a leading medical school with the close cooperation of a voluntary health agency and of State and local governments.

I know of no circumstances in the 50 States where there is closer professional and lay cooperation than that which exists between the Kenny Institute, the University of Minnesota, and State and local authorities.

I am hopeful therefore than an application for a center which will be made by these experts will receive favorable action by the Office of Vocational Rehabilitation.

If it does, as I believe will be the case, then the need for citizen support will be heightened.

This, I repeat, is not a local or regional matter; it is a national need. A great pilot program will be launched. The eyes of the Nation will be upon it.

A magnificent chapter in physical medicine and rehabilitation will thereby be written. And countless disabled will benefit—directly and indirectly.

Thus, the voluntary health agency will require and I believe receive a new mandate from the American people.

It is their instrument—their servant. The Kenny Institute will, I believe, establish bold new precedents in competent and unimpeachable leadership.

The next step is up to our citizens to give it the necessary support; as I believe they will.

FEDERAL POWER COMMISSION

The Senate resumed the consideration of the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission.

Mr. HICKEY. Mr. President, the implications which have been made about the oil and gas industry by my esteemed colleague from Wisconsin during the debate on the nomination of Lawrence O'Connor to the Federal Power Commission are of much concern to me. This industry is one of the major economic forces in the State of Wyoming. Some of the greatest oil and gas fields in the whole world, many of them as yet untapped, comprise one of our leading natural resources. The industry has been an integral part of the economy of my State during my entire lifetime.

The implications with regard to Democratic Senators representing oil- and gas-producing States cannot go unnoticed. I have been a candidate for public office on the Democratic ticket since 1936 and have been three times elected to public offices of responsibility, including that of Governor of Wyoming. Neither my colleague, Senator GALE MCGEE, who has also run and been elected on the Democratic ticket in Wyoming, nor I have ever received any money or thing of value from the oil and gas industry, nor have we been contacted after our election by industry representatives for the purpose of exerting influence on behalf of their business. The people employed by the oil and gas companies have always been among our closest friends, and they have been our allies on many occasions. The rank and file of the men and women employed by the industry have proved themselves creditable citizens of the great State of Wyoming.

The industry itself, by virtue of the expenditure of large sums of money for nonproductive, as well as producing wells, has contributed tremendously to the educational benefits afforded the children of Wyoming. Were it not for the development by this industry, the great expanded campus of the University of Wyoming would have been impossible and many of the benefits of our State educational system would have been denied generations of children.

The industry has also provided, through its employees, fine homes and fine public citizens participating in the municipal, county, and State life of our State. Therefore, it occurs to me that the implications directed toward the industry are unwarranted as a part of an objection to a nominee of the President's for the Federal Power Commission.

Two very fine Wyoming citizens have served on this Commission, Mr. Claude

Draper for many years, and Judge Arthur Kline for one term. These respected citizens of Wyoming have been acquainted with the segment of the industry so important to our State, as we have been, and I am sure that their public record will stand the search of the most diligent eye without revealing any taint of industry favoritism.

I fully acknowledge the right and duty of the Senator from Wisconsin to be diligent in the examination of nominees upon which the Senate is required to advise and consent, and I respect him for his thorough exploration of their character. However, I cannot agree with the implications contained in the record that the people in the oil and gas industry, which has been developed by strong, diligent, independent individuals contributing so much to the economy of my State, are people with ulterior motives.

The PRESIDING OFFICER. A quorum being present, the Senate in executive session will now, under its order, resume the consideration of the nomination of Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission, with debate thereon limited to 20 minutes equally divided and controlled by the majority leader and Mr. PROXMIRE.

The question is, Will the Senate advise and consent to this nomination?

Mr. MANSFIELD. I have no request for time on this side of the aisle, but I will yield myself 2 minutes on behalf of the nomination of Mr. O'Connor.

As the Senate knows, we have been debating the subject for the past 3 days. The Senator from Wisconsin has gone into great detail relative to the reasons why he thinks the nomination should be rejected. As I understand his argument, it is based on the fact that Mr. O'Connor has had too close a business association with the oil and gas industry, and therefore should not, on that basis, be considered as a member of a quasi-judicial board which will pass on matters affecting the interests of a particular segment of our economy.

The nomination was reported by the Commerce Committee by unanimous vote after hearings It has been discussed on the floor over the past several days by Senators like Senators PASTORE and MAGNUSON, who serve on that committee and who are satisfied that in this new position Mr. O'Connor would conduct his duties impartially and with no special regard for the oil and gas industry.

The question of Mr. O'Connor's finances has been brought up and answered to the best of the ability of the chairman of the Committee on Commerce. If my understanding is correct, Mr. O'Connor has said that he would either give away or deed his holdings which might be considered a conflict of interest, so that he could assume his office.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time of the Senator has expired.

Mr. MANSFIELD. I yield myself 1 additional minute. It is my further understanding that there is in existence a special committee within the Federal Power Commission which passes on these matters of holdings. I understand further that these holdings of Mr. O'Connor have been delineated into three groups. In the light of the existence of that committee as well as the unanimous opinion of the membership of the Commerce Committee, I believe that Mr. O'Connor is a fit candidate and deserves approval of the Senate for appointment to this most important post, and I shall vote for confirmation of the nomination. I reserve the balance of my time.

Mr. PROXMIRE. I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. I thank the Senator from Montana, the majority leader, for the questions which he asked in my behalf when I was away from the floor this noon, because I had to keep a speech commitment at the Mayflower Hotel at that time, to address a luncheon of more than 300 teachers who are in the city and who are very much concerned about Federal aid to education legislation.

The Senator from Montana, acting with a sort of power of attorney, did an outstanding job in presenting the questions which concern me, which are as follows:

I should like to point out that this nominee, in my judgment, has been guilty of conflict of interest in a high public post for quite some time, because he has been serving as the Oil Import Administrator in the Department of the Interior. In my judgment he has shown a lack of sensitivity with regard to the matter of conflict of interest by holding that job and not disposing of his vested interests in the oil and gas industry.

Second, I wish to point out for the record that these hearings do not give to the Senate information in regard to the economic interests he has in the gas and oil industry, and I believe that the Senate is entitled to have that information.

Before we vote on the nomination I wish to note that my friend from Washington takes the position that it does not make any difference whether a man owns 1 stock or 10,000 stocks. I completely disagree with him. I believe we can take judicial notice of the fact that the extent to which a man may have a conflict of interest and have an economic interest in an industry may have a direct effect as to our evaluation of the extent to which he may able or may not be able to act impartially in carrying out his duties as a member of a commission, particularly a regulatory commission.

My third point is that in my judgment that, as the Senator from Wisconsin says, as far as his research is concerned, this is the first person to be appointed to this Commission right out of the industry, and that fact cannot possibly meet the test that a juror must meet, to say nothing about the test that a judge would have to meet. As I said in my argument this morning, this man would be subject to a challenge for cause if he sought admission to any jury box in this country in connection with any case that would involve the interests on which he would have to pass judgment as a member of the Federal Power Commission.

Furthermore, in most jurisdictions, if he were a judge, he would be subject to a successful affidavit of prejudice that would disqualify him to sit in judgment as a judge on matters that would be adjudicated by the court.

As I said this morning, up until the courageous speech of the Senator from Wisconsin, and until he submitted the evidence which he submitted in his speech, I had every intention of voting for the confirmation of the nomination. If anybody had told me yesterday that I would not be voting for the nomination today, I would not have believed him.

I will vote against the nomination because in my judgment this man is not qualified to sit on a quasi-judicial commission. He does not meet the test that must be met by anyone who is to sit in judgment in a jury box or on the bench in cases involving an industry in which he had a record of selfish interest such as this man has had in connection with the gas and oil industry.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I have not been happy with the nomination of Mr. O'Connor. I have read the record carefully. I have listened to a great deal that my distinguished colleague and friend, the junior Senator from Wisconsin, has said. I come to the conclusion that there are not sufficient reasons for me to deny confirmation of this nominee.

When Mr. J. Swidler was nominated, certain Senators from the Southwest asked me to give them a confidential assessment of Mr. Swidler who, as you know, Mr. President, had been General Counsel for the Tennessee Valley Authority. In giving to my colleagues that assessment, I expressed the view that Mr. Swidler would as a public official not only be able to exercise discriminating judgment, but that he would have the courage and the ability to do so fairly and courageously.

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

Mr. GORE. May I have 2 more, 1 more minute.

Mr. MANSFIELD. One more minute.

Mr. GORE. I have returned to those fellow Senators and had expressed by them the same view of this nominee. They have expressed to my confidence that he can and will render public service in the public interest. Therefore I conclude that I will invest confidence in this man, in my colleagues' opinion of him, and in the committee who rendered a unanimous report in his favor. Therefore, despite some doubts that I have entertained, I now conclude at this hour of decision to vest this confidence in this man, believing that he, as other Americans have done in the past, can and will put the public interest foremost.

Mr. MANSFIELD. Mr. President, I yield the balance of the time remaining to me to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PASTORE. Mr. President and colleagues, first of all I wish to congratulate my distinguished colleague from Wisconsin for the service he has rendered to this body and to the Nation in emphasizing the interest of the consumers of America in natural gas, in oil prices, and all the other matters that come under the jurisdiction of the Federal Power Commission.

I must say to my colleagues in the Senate that I searched my soul with respect to this nomination that is before us. The main feature that has convinced me I should vote for Mr. O'Connor is the fact that his background, his affiliations of the past, have been fully scrutinized and analyzed by the White House. His nomination was sent here by the President of the United States, who understands and feels for the consumers' interest I daresay more than any other individual in this country of ours. We Senators have sensed and shared that concern with him in his days in this very Chamber.

I am convinced that the impartiality of an individual lies in his character more than it does in his previous affiliations. I know that Mr. O'Connor was interested in the natural gas business and in the oil business. I have had a very sincere and profound talk with Mr. O'Connor. I have been assured by him that he will consider the consumers' interests. I have been assured by him that he will be impartial and judicious in all the matters that come before him; and I am therefore willing to give him the benefit of my faith in his responsible character and I shall vote for him and urge my colleagues to do likewise.

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, the Federal Power Commission has been described by Dean Landis as the single most dismal example of the breakdown of the administrative process. The reason the Federal Power Commission has broken down and has not been able to do its job is because it has fallen under domination by the industry it is supposed to regulate; namely, the producers of natural gas. The outstanding evidence of this breakdown is that the Federal Power Commission has persistently refused to obey the clear dictates of the Congress of the United States as expressed in the Natural Gas Act of 1938, of the Supreme Court decision in the Phillips case in 1954, and the very sharp reminder in the Catco case in 1959.

The Federal Power Commission has a duty—not a choice, but a duty—to regulate the price of natural gas at the wellhead, but they have refused to do so. They have said no, they will not do it. Why? Because the natural gas producing industry has been able to work its will on the FPC year after year.

The Senate is just not realistic if it does not recognize this situation. And now, for the first time in the history of this Nation a nominee to the Federal Power Commission comes from the natural gas industry and from the producing segment of that industry which has had this enormous influence.

The nominee has spent most of his adult life as vice president of a natural gas company. He has been a major district vice president, a committee chairman, of the principal lobbying association of that industry, the IPAA. Now he is being put on the Federal Power Commission.

Mr. President, the issue is very clear. If the Senate really does believe in the Natural Gas Act of 1938, if we really do believe consumers should have any kind of fair break, then we should not place on the Federal Power Commission, in this position of quasi-judicial authority, a man whose whole background, whose whole identification, has been with the very industry that has successfully gutted the Federal Power Commission.

While the burden of my case has been that we are placing on the Federal Power Commission a man with this highly suspect industry background, I also call attention to the unresolved problem of the nominee's large oil and gas industry holdings. What he will do with them is not at all clear. It is said he will give a large amount to his own mother, who has been described as elderly. If he does this he will be the sole heir, as the Senator from Oklahoma has stated of the very holdings he has been told he must divest himself of. This is an unresolved conflict of interest question that will continue to hang over this nomination.

Mr. President, from the standpoint of equity and justice for the American consumer, this is an unfortunate nomination. I strongly believe the Senate should reject it.

One more word, Mr. President. If there is one sure thing in politics, it is the influence and power of the oil and gas industry. If there has been one sure thing about the regulatory commissions, it is that they have become dominated by the groups they were created to regulate.

Should the Senate now put a man directly out of the oil industry on the Federal Power Commission? This would again break faith with the consumer, who has been waiting for 22 long years for effective regulation of this industry. Here would be a commissioner who will sincerely vote against the consumer, a commissioner who will honestly vote against the consumer, and who will vote against the consumer as an expert commissioner. The fact is, if experience of a lifetime means anything, a vote for this appointment is a sure vote against the consumer.

Mr. President, will the majority leader join me in yielding back the remainder of the time available under the agreement?

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time under my control.

Mr. PROXMIRE. Then, Mr. President, I do likewise.

The PRESIDING OFFICER (Mr. PELL in the chair). All remaining time, under the agreement, has been yielded back.

The question now is, Will the Senate advise and consent to the nomination of Lawrence J. O'Connor, Jr., to be a member of the Federal Power Commission?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alabama [Mr. SPARKMAN] and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness. If present and voting, the Senator from Maryland would vote "yea."

The Senator from Nebraska [Mr. HRUSKA] is necessarily absent, and if present and voting, would vote "yea."

The yeas and nays resulted—yeas, 83; nays, 12, as follows:

[Ex. No. 2]

YEAS—83

Aiken	Fong	Monroney
Allott	Fulbright	Morton
Anderson	Goldwater	Moss
Bartlett	Gore	Mundt
Beall	Hartke	Muskie
Bennett	Hayden	Neuberger
Bible	Hickenlooper	Pastore
Boggs	Hickey	Pell
Bridges	Hill	Prouty
Burdick	Holland	Randolph
Bush	Humphrey	Robertson
Byrd, Va.	Jackson	Russell
Byrd, W. Va.	Javits	Saltonstall
Cannon	Johnston	Schoeppel
Capehart	Jordan	Scott
Carlson	Keating	Smathers
Case, N.J.	Kerr	Smith, Mass.
Case, S. Dak.	Kuchel	Smith, Maine
Clark	Long, Mo.	Stennis
Cooper	Long, Hawaii	Talmadge
Cotton	Long, La.	Thurmond
Curtis	Magnuson	Tower
Dirksen	Mansfield	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	

NAYS—12

Carroll	Gruening	McNamara
Church	Hart	Morse
Dodd	Kefauver	Proxmire
Douglas	Lausche	Young, Ohio

NOT VOTING—5

Butler	Hruska	Symington
Chavez	Sparkman	

The PRESIDING OFFICER. On this vote, the yeas are 83, the nays are 12; and the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the nominations on the Executive Calendar be considered.

The PRESIDING OFFICER. The clerk will state the nominations on the Executive Calendar.

U.S. DISTRICT JUDGES

The Chief Clerk proceeded to read sundry nominations for U.S. district judges.

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

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

U.S. ATTORNEY

The Chief Clerk read the nomination of Vernol R. Jansen, Jr., to be a U.S. attorney.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. MARSHAL

The Chief Clerk read the nomination of William Marshall Broadrick to be a U.S. marshal.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk read the nomination of Capt. James C. Tison to be Deputy Director of the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Michael H. Fleming to be an ensign.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the nominations just confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

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

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. DIRKSEN. Mr. President, it seems that plane hijacking is the favorite outdoor sport right now. I suppose if it comes close enough, and they hijack a plane from the National Airport in Washington, we will finally come to our senses and take some action.

I was going to suggest to the majority leader that, in view of the fact that the Commerce Committee has reported a bill relating to hijacking, it might at this time be very opportune to call up the bill for immediate consideration, and have it disposed of, so the Senate will be on record with reference to this type of offense.

Mr. MANSFIELD. Mr. President, in response to the suggestion made by the distinguished minority leader, I can think of no more reasonable request at this particular time, and in accordance with that request, I ask the distinguished chairman of the Commerce Committee to report the bill, which I understand was reported unanimously from the Commerce Committee today.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. President, the Senate Commerce Committee yesterday ordered reported a bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce. The bill was reported out unanimously. It was the result of three or four suggested pieces of legislation following the first hijacking incident. The committee worked long and hard on the bill, particularly the Aviation Subcommittee, headed by the Senator from Oklahoma [Mr. MONRONEY].

The bill is practically the version of the bill of the Senator from California [Mr. ENGLE], with some amendments. There is a committee print. I am going to ask the Senator from Oklahoma, chairman of the subcommittee, to report the bill. The bill provides penalties which were lifted from the piracy-at-sea law. In view of that situation, I think the Senator from Washington will yield to the Senator from Oklahoma, with the permission of the Senator from Oklahoma and the Senator from Illinois.

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

Mr. MAGNUSON. I was going to yield.

Mr. DIRKSEN. I have the floor.

Mr. MAGNUSON. I wanted to finish the statement.

Mr. DIRKSEN. Very well.

Mr. MAGNUSON. I would suggest an amendment which would make the death penalty mandatory in these cases.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield to me.

Mr. DIRKSEN. I yield.

Mr. HARTKE. Mr. President——

Mr. SCOTT. Mr. President, the Senator from Illinois has the floor, and he has agreed to yield the floor to me.

Mr. HARTKE. Mr. President, I had understood the Chair recognized the Senator from Indiana.

Mr. DIRKSEN. Mr. President, the regular order.

The PRESIDING OFFICER. The Chair recognized the Senator from Illinois [Mr. DIRKSEN], and afterward the Senator from Illinois yielded.

Mr. DIRKSEN. Mr. President, I have the floor, and I yield to the distinguished Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I demand the regular order.

The PRESIDING OFFICER. Is there objection to the Senator from Illinois yielding to the Senator from Pennsylvania? The Chair hears none.

Mr. SCOTT. Mr. President, the Senator from Illinois promised to yield to me.

I have a bill before the Commerce Committee which would make the penalty for hijacking a plane a permissive death sentence. As the Senator from Washington has suggested an amendment to that effect, I will certainly be glad to join in it. I had hoped the Commerce Committee would act on it, but this is a more expeditious way to handle the matter.

A short time ago today I notified the office of the chairman of the Commerce Committee [Mr. MAGNUSON] that I was going to ask for the floor. This gives me an opportunity to make the suggestion I had in mind.

It was and is my intent to urge that immediate consideration be given to the bill reported to the floor today, a bill introduced by the Senator from California [Mr. ENGLE], part of which was taken from suggestions by the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Texas [Mr. YARBOROUGH], a bill of which a number of Senators, including myself, are cosponsors.

I think it is extremely important that the Congress be heard and that action be taken in this body, and I hope in the other body, so the bill can be promptly enacted into law. This seems to be the better way than the other alternative which could also be used, to give Castro 24 hours to surrender the plane and people, and if he does not do so, send an aircraft carrier in there with instructions to take such military reprisals as may seem necessary. Meanwhile the method of legislative action is urgently needed.

Mr. DIRKSEN. Mr. President, I have the floor. I ask unanimous consent that I may yield to the Senator from Oklahoma for the purpose of presenting the bill, without losing the floor.

Mr. MONRONEY. Mr. President, on behalf of the Senate Commerce Committee I report favorably, with an amendment, the bill introduced by the Senator from California [Mr. ENGLE], S. 2268, to amend the Federal Aviation Act of 1958 to apply the Federal criminal statutes to crimes occurring aboard aircraft in flight in air commerce and to add specific penalties for hijacking of aircraft, and I submit a report (No. 694) thereon.

The PRESIDING OFFICER. The report will be received and printed.

Mr. MONRONEY. I ask unanimous consent that the names of the following Senators be added as cosponsors of S. 2268: Senators MAGNUSON, PASTORE, MONRONEY, SMATHERS, THURMOND, LAUSCHE, YARBOROUGH, BARTLETT, HARTKE, MCGEE, SCHOEPPEL, BUTLER, COTTON, CASE of New Jersey; MORTON, SCOTT, BRIDGES, WILLIAMS of Delaware, BENNETT, BIBLE, ALLOTT, JORDAN, YOUNG of North Dakota; CAPEHART, MUNDT, BUSH, BEALL, SMITH of Massachusetts, and BYRD of West Virginia.

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

Mr. MONRONEY. I would suggest that other Senators who wish to join as cosponsors leave their names at the desk. It seems as though every Senator wishes to join.

Mr. MONRONEY. Mr. President, I ask for the immediate consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the applica-

tion of Federal criminal law to certain events occurring onboard aircraft in air commerce.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment.

Mr. MONRONEY. Mr. President, the Senate and the country owe a debt of gratitude to the Senator from California [Mr. ENGLE] for the speed with which he analyzed the problem which has developed during the past few weeks and for the speed with which he prepared and submitted legislation to correct it. Before yielding to the principal sponsor of the bill for a fuller explanation of its contents, I would like to make one further comment.

The primary purpose of this bill is to discourage the hijacking of aircraft and the interference with flight crews in the performance of their duties by imposing severe criminal penalties for such acts. It is not a solution to the acts of piracy which have already occurred. It may be that the Government of Cuba has no responsibility for the repeated thefts of U.S. aircraft which have occurred and the kidnapping of U.S. citizens. However, if the Government of Cuba does not wish to assume the responsibility for such action, there is a very simple way for them to demonstrate it. They can jail the pirates and return them to the place where the crime was committed for trial and they can return the pirated property.

It is my understanding that two of the motors are still running on the plane at the airport at Havana. If Mr. Castro means what he says, and denies responsibility for these crimes, he can give orders to permit the plane to take off and continue to its destination.

If they choose to harbor the pirates and retain the benefits of their piracy, it seems to me that they leave the Government of the United States no alternative but to take whatever action is required and by whatever means are necessary, as it has in the past, for the suppression of piracy where it is harbored.

When we suffered from crimes by the Barbary pirates and the rulers where those pirates took refuge could not control their crimes, it resulted in the birth of the Marine Corps, which remembers in song its heroic acts of that time.

It is an opportune time for the Senate to take action on this bill and to perhaps provide the even stiffer penalty which has been suggested, and so serve notice that the Federal Government will not deal patiently with these crimes which are occurring with all too great frequency.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to yield to the Senator from Texas [Mr. TOWER], without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, I associate myself with the remarks of the distinguished Senator from Pennsylvania [Mr. SCOTT] and the distinguished Senator from Oklahoma [Mr. MONRONEY], and reiterate the demand that we call on the President to ask for a return of this aircraft, and if it is not returned and if the passengers are not returned in a brief time that we go to where it is and take it. We have become a laughing-stock to the rest of the world. Having taken the firm position that we have on Berlin, we must realize that as long as those two aircraft are in the possession of a petty Communist tyrant we are a symbol of weakness to the rest of the world.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Texas [Mr. YARBOROUGH].

Mr. YARBOROUGH. Mr. President, in committee I brought up my own bill which would establish the death penalty for hijacking of planes. The bill provides that the penalty for hijacking a plane is death, or life imprisonment, or a term of not less than 5 years, as the jury may direct. That is not an excessive sentence. That is a sentence in keeping with the present, existing Federal law. We have a law that provides the death penalty for kidnaping and carrying persons across State lines unless they are left unharmed. We have a law that provides that if a bank robber takes hostages, the death penalty may be imposed. There is no requirement that the criminals receive a lesser sentence if the hostages are released unharmed.

There are three different places in the law where there is such a penalty: One, while in the act of robbing a bank; two, while fleeing the scene of robbery; and three, while disposing of goods acquired in a robbery.

The crime of hijacking a plane is a more dangerous one than that of taking hostages, because the instant a plane is seized at the point of a gun or with firearms, every passenger in that plane is in peril.

I ask unanimous consent to insert at this point in the RECORD an editorial from the Cleveland Press of August 4, 1961, entitled "The Head Pirate."

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

THE HEAD PIRATE

Senator RALPH YARBOROUGH of Texas said it yesterday:

"When civilized nations begin hanging air pirates, piracy will disappear from the airlanes."

It is surprising, in view of repeated instances of this crime, that legislation providing appropriate penalty has not been on the books. Bills now have been introduced in Congress to provide the death penalty for airplane hijacking.

They should be passed without delay and should include imprisonment for anyone who boards a plane carrying arms, unless he has a specific Government permit.

It might be a good idea to authorize pilots and copilots to tote arms. The old stagecoaches had a man "riding gun."

But these recent incidents emphasize a situation going well beyond domestic crime. Whether Fidel Castro had anything directly to do with the pirating of the Continental Airlines jet yesterday is uncertain.

For that matter, no one apparently knows whether Castro ordered the hijacking of the Eastern Air Lines Electra just 9 days earlier. The hijackers in both cases were American citizens.

But Castro became party to the crime of July 24 when he kept the plane and protected the criminal who took it at gunpoint. Yesterday's hijackers tried to take the plane to Cuba, and it must be assumed they would have been welcomed.

By making Cuba a pirate's den for hijacked planes, Castro provides the necessary base for this traffic and is, in fact, the head pirate.

This incident has shortened the Cuban dictator's rope. The time certainly must be fast approaching when he must return the pirated plane, give up the man who stole it, and give assurances against taking part in further such incidents—else our Government will be forced to act, with or without the cooperation of the Organization of American States.

Mr. YARBOROUGH. The editorial refers to the bill I introduced last week, providing for an optional death sentence in the case of hijacked planes.

With reference to the plane now in question, the Government should demand the return of the plane within 24 hours, and if that is not complied with, we should declare an embargo on Cuba and enforce that embargo by war planes and ships.

The masthead above the editorial says, "Ohio's largest daily newspaper," which commends the act I introduced here last week providing for an optional death sentence in the case of a hijacked plane.

This is not an invasion. It is an embargo that I think would get the job done by act less than an invasion.

If the Senator will permit me, I yield to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I yield to the Senator from Vermont.

Mr. AIKEN. I can understand the intensity of feeling here this afternoon, and if the Cuban Government is involved in this in any way, I think the President would be perfectly justified in giving the Government of Cuba a time limit in which to return the plane and the passengers.

However, I am a little apprehensive about legislating at such a heated time as this is and in demanding the death penalty, making it mandatory in the case of the hijacker of a plane.

It seems to me that any hijacker who saw himself likely to get caught in the act, either when landing or in any other way, would most certainly destroy the plane and all the passengers in it.

I am wondering if making a mandatory death penalty for hijacking the plane is not also making the death penalty mandatory for the crew and the passengers.

Mr. DIRKSEN. I yield, without losing the floor, to the Senator from Washington.

Mr. AIKEN. I would have no objection to making a death penalty for the crime, but as for making it mandatory, I would not want to inflict that penalty on the crew and the passengers.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I have yielded to the distinguished Senator from Washington.

Mr. YARBOROUGH. Mr. President, if I may interrupt for a moment——

Mr. MAGNUSON. I think the Senator from Vermont makes a good point that is concurred in, I am sure, by the Senators from California and Oklahoma and myself.

The chairman of the committee was going to suggest, and the committee bill as introduced says, in section 3:

> Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed aboard a vessel on the high seas, would constitute piracy, as defined by section 1651, title XVIII, United States Code, shall be imprisoned as provided therein.

Section 1651, under the title, "Piracy Under the Law of Nations," provides:

> Whoever, on the high seas, commits a crime of piracy as defined under the law of nations and is afterward brought into and found in the United States, shall be imprisoned for life.

The chairman of the committee, and following the lines of the Senator from Texas, too, suggests that we add to section 3, "and/or death penalty as provided by the United States Code."

Now, there are other penalties for various degrees of this. Unless it is defined as piracy—and, of course, if a murder is committed aboard a plane that is hijacked, that is one thing. This is what I want to suggest, and I submit to the desk this amendment of section 3.

Mr. DIRKSEN. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to say to the Senator from Washington that I can agree with the bill as written. There has been so much talk here lately about imposing the mandatory death penalty upon the hijacker of a plane that I just do not want to impose the death penalty on 75 people because one of them happens to commit the crime. But with the bill as explained by the Senator from Washington, I would have no controversy and no objection.

Mr. DIRKSEN. I yield to the distinguished Senator from Indiana.

Mr. CAPEHART. I stated on the floor of the Senate after the first airplane was hijacked that I thought the President of the United States should give Castro 24 hours, or go get the plane. I have not changed my mind.

I further stated at that time that if we did not take that action there would be other hijackings and the time would come when we would have to do it, in my opinion.

Now, we have another plane hijacked and sent to Cuba and yet no action.

I urge that we take action because, if we do not, there will be more planes hijacked and Mr. Castro will further humiliate the United States in the eyes of the people of the world.

Mr. DIRKSEN. I ask consent to yield to the distinguished Senator from New Hampshire.

Mr. COTTON. Mr. President, I merely wanted to add one word on this point of the penalty that is being considered here.

It was carefully discussed, as indicated by the distinguished chairman of the Commerce Committee, and the chairman of the subcommittee.

It was the opinion of the distinguished Senator from California [Mr. ENGLE], who for many years was a successful prosecuting attorney—it was the opinion of some of the rest of us who have been prosecuting attorneys—that the worst thing the committee could do would be to have a mandatory death penalty, or to have the penalty so stiff and so mandatory that there was no chance for flexibility.

It is not that any offenders would escape their just punishment. It would be an obstacle to convictions, as it has always been.

So I trust that in the heat and emotional feelings of this afternoon, when the entire Senate, and not one of us is an exception to that, I am sure, is incensed at what is taking place, let us not make the error of putting the mandatory death sentence into effect. The original suggestion of the Senator from Texas was discussed thoroughly in the committee and we all agreed, after careful consideration, that this kind of a penalty was not the proper way to approach this problem. It would sound well to send out the word to the country that a mandatory death penalty had been put on, but I am sure that every Senator will agree that it would not be effective and what we want is something that is effective.

Mr. MAGNUSON. There is no mandatory provision.

Mr. COTTON. They were going to offer the amendment.

Mr. DIRKSEN. I ask the Senator to yield to the distinguished Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Kentucky.

Mr. MORTON. I think the Senator has yielded to me.

Mr. MAGNUSON. Will the Senator yield to me?

Mr. MORTON. I have just gotten the floor.

Mr. MAGNUSON. I offer a substitute for——

Mr. DIRKSEN. You cannot, yet. I have yielded under consent. I yield to the distinguished Senator from Kentucky. Then I am going to yield to the distinguished gentleman from California.

Mr. MORTON. I realize I am shooting in the dark here. This is no time to legislate on this matter. This is "ticker-tape legislation" we are talking about. We are all excited by something that is on the ticker. Let us sit down. Let us think about this a little bit. Let us know what we are doing. Let us not sweep something through here in an emotional fit just because it happens to be politically popular at home or elsewhere.

I am not for hijacking airplanes any more than anybody else is but I am for law and justice. I am for seeing this body act in less emotion than the emotion that is being displayed here now.

Mr. DIRKSEN. Mr. President, in response to what the Senator from Kentucky said, actually, this bill was voted out of the committee yesterday.

Mr. MORTON. Yesterday, yes.

Mr. DIRKSEN. Long before this incident came on the ticker tape this afternoon.

I think everybody knows what he is doing. I think they are approaching this in a calm and dispassionate manner.

I yield to the Senator from California who has had a large share in preparing this bill and at this point I am going to yield the floor.

I yield to the Senator from California.

The PRESIDING OFFICER. The Senator from Tennessee has a point of order to make.

Mr. GORE. Is it not the regular order for the author of a bill to get recognition in his own right and present the bill? I do not want to make a point of order against one man holding the floor and yielding to everyone.

Mr. ENGLE. He is going to give it up next.

Mr. DIRKSEN. The procedure is entirely regular, and now I ask consent to yield to the distinguished Senator from California and then I shall yield the floor after he is recognized.

Mr. GORE. Very well.

The PRESIDING OFFICER. The Senator from California.

Mr. PASTORE. May we have order so we can have the bill explained?

Mr. ENGLE. I appreciate the courtesy of the Senator from Illinois.

In response to my good friend from Kentucky, I would say that this bill has been very carefully considered. It has been gone over in great detail by the Subcommittee on Aviation, and it has been introduced for over a month and has been pending before the Congress of the United States.

I will go through the bill very briefly.

Certain acts of violence which, if committed within the special maritime and territorial jurisdiction of the United States, would be crimes as defined by section 113, 114, 1111, 1112, 1113, 1363, or 2111 of title 18, United States Code, would also constitute crimes if committed on board an aircraft in flight in air commerce. Included would be varying degrees of assaults, maiming, first and second degree murder, manslaughter, attempt to commit murder or manslaughter, malicious destruction of property, and robbery.

Any person who obtains or attempts to obtain control of an aircraft by unlawful force or threat of force would be subject to a fine of not more than $10,000 or imprisoned for not more than 20 years, or both. If such act was committed with the use of a dangerous weapon, imprisonment would be for life but not less than 20 years.

One who assaults, intimidates, or threatens to interfere with a flight crew member in such a way as to interfere with his duties to safely operate the aircraft would be subject to a fine of up to $10,000 or imprisonment of not more

than 20 years, or both. If a deadly or dangerous weapon was used in the commission of such offense, the penalty would be imprisonment for life or not less than 20 years.

An act which would constitute the crime of piracy if committed aboard a vessel on the high seas would also constitute a crime if committed aboard an aircraft in flight in air commerce. The offense would be subject to imprisonment for life.

To knowingly impart or convey false information concerning an attempt or alleged attempt to unlawfully obtain control of an aircraft, to interfere with a flight crew member, or to commit piracy would be subject to a fine up to $1,000 or imprisonment up to 1 year, or both.

With the exception of law enforcement officers and others who may be authorized under appropriate regulations issued by the Federal Aviation Agency, any person who while aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft with such a weapon would be subject to a fine of up to $5,000 and imprisonment up to 5 years, or both.

All violations of the above shall be investigated by the Federal Bureau of Investigation.

The Administrator of the Federal Aviation Agency is empowered to authorize by means of appropriate regulation any air carrier to refuse to transport persons or property when such transportation might prove inimical to safety in flight.

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

Mr. ENGLE. I yield.

Mr. BUSH. Does the bill apply to American airplanes and American-licensed airlines?

Mr. ENGLE. That is correct.

Mr. BUSH. Does it apply to private aircraft?

Mr. ENGLE. Yes; it applies to all airplanes in air commerce, which includes, of course, not only commercial aircraft, but private airplanes as well.

Mr. BUSH. Does it apply to foreign aircraft over American soil?

Mr. ENGLE. It applies to such aircraft.

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

Mr. ENGLE. I yield.

Mr. KEATING. May I ask whether the bill as written or the amendment which is at the desk provides for the death penalty being discretionary?

Mr. ENGLE. The bill as written provides for mandatory life imprisonment for piracy. It provides for the death penalty in the event of murder. Under the amendment offered by the Senator from Washington the death penalty would apply as an alternative. Under the substitute to be offered by the Senator from Texas, the penalty would be death or imprisonment for life for such term of years, not less than 5, as the jury may direct. The death penalty is not mandatory.

I much prefer more flexibility for reasons which were stated a few minutes ago by the Senator from New Hampshire.

Mr. KEATING. I agree with the Senator from New Hampshire. One of the difficulties in the District of Columbia is that it is the only jurisdiction left where there is a mandatory death penalty provision in the law. It is extremely difficult to get convictions under that provision of the law. District attorneys and others favor some flexibility in order to get convictions. I respect my dear friend from Kentucky, but I must disagree with him, because I believe we must legislate in this field. The committee reported the bill yesterday. It was brought about by the hijacking of these planes. That is the way we often have to legislate, in order to meet situations that arise quickly.

Probably we should have legislated in this field long before this. I do not believe it is merely reaction to the ticker tape. It is desirable legislation if worded in a way that meets the problem. If we make the death penalty discretionary, this legislation can certainly be useful. The more flexible, the better, provided, however, that it does under certain extreme circumstances provide for the death penalty.

This situation has become intolerable. In addition to what the Senator from Indiana has said and what the Senator from Texas has said, I believe we should have long before this by embargo prevented shipments of foreign weapons into Cuba, and, with the exception, perhaps, of medicine and food we should have stopped all trade with Cuba. These events are not isolated. They all show a pattern.

Castro is still holding an Eastern Air Lines plane taken several weeks ago. Mr. President, I believe the time has come for the President to issue an ultimatum. If both planes or the 81 persons on board this latest plane are not returned within 48 hours, we should go in and get them. Whether Castro is responsible or not, he has full power to release the plane and passengers.

This incident may have been deliberately to coincide with the meeting in Uruguay where Secretary of the Treasury Dillon is preparing with full Latin American cooperation for a program of economic and social progress. This may be Castro's way of telling other states that they too can scorn us. The demonstrations against Ché Guevara in Uruguay show that Castro and communism are not really popular in Latin America, but Castro may be still trying to use "dare devil" support and make us lose face.

Our reaction should be clear and unmistakable. We must get our planes back. Recovery of the planes will demonstrate our power, which has been mocked in Cuba and elsewhere since the failure of the spring invasion. But our quarrel is not with the Cuban people and we should certainly not allow ourselves, through Castro's teasing, to become militarily involved in Cuba at the moment beyond the recovery of the planes.

If their recovery is resisted, we will have no alternative. We cannot permit our great and powerful and noble Nation to be made a laughingstock.

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

Mr. ENGLE. I yield.

Mr. MORTON. I am in full agreement with the Senator from New York. I am not arguing that we do nothing at all. I am all for going into Cuba and getting the planes. I am a member of the Commerce Committee and of the Aviation Subcommittee, and I say that we are now legislating under the pressure of an incident which happened today, and about which we know very little except for a few details. I ask the Senator from California, for whose judgment I have the highest respect, can we not put this off for 24 hours?

Mr. ENGLE. It would not bother me at all to do that, but I am sure we would pass the same bill anyway.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. CASE of South Dakota. I note that in two or three places the bill refers to "aircraft in flight in commerce." In those instances, apparently, it relies upon the definition in the Federal Aviation Act of 1958 for the meaning of "air commerce." Can the Senator from California or perhaps the Senator from Oklahoma give us that definition of "air commerce"?

Mr. ENGLE. The definition of "air commerce" appears in section 101 of the Federal Aviation Act of 1958 (72 Stat. 737, 49 U.S.C. 1301). It reads as follows:

> (4) "Air commerce" means interstate, overseas, or foreign air commerce or the transportation of mail by aircraft or any operation or navigation or aircraft within the limits of any Federal airway or any operation or navigation of aircraft which directly affects, or which may endanger safety in, interstate, overseas, or foreign air commerce.

The definition is broad enough, as pointed out by the Airline Pilots Association, to take in privately owned as well as commercial aircraft.

Mr. CASE of South Dakota. I have one further question. I note that the subparagraph (j) in the bill reads as follows:

> (j) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft carrying such a weapon shall be fined not more than $5,000 or imprisoned not more than five years, or both. Violations of this subsection shall be investigated by the Federal Bureau of Investigation.

The language is not objectionable, but for the purpose of legislative history I should like to ask a question. Some of my colleagues on the floor have come to South Dakota and have brought with them deadly weapons to be used to shoot pheasants. I want them to be welcome

to come to South Dakota to shoot pheasants. I believe the language in the bill is broad enough to cover the taking of weapons aboard aircraft if they are to be used for the purpose I have indicated. I would like to have the Senator from California, as the author of the bill, state what his interpretation is.

Mr. ENGLE. We went into that very carefully. The section applies to concealed weapons. In the State of California, as in the State of South Dakota and in other States, airplanes, such as Pacific Airlines, take deer hunters and duck hunters and pheasant hunters to various places in the State for hunting purposes. We have no intention of stopping that kind of transportation of weapons. Of course there are rules and regulations in connection with putting firearms on airplanes. For instance, they have to be carried in the baggage compartment, and the ammunition must be kept separate, and the weapons must be unloaded, of course. Those are current regulations. But this section applies only when one has a concealed weapon. It does not apply to the duck hunter, the pheasant hunter, the deer hunter who in carrying his rifle complies with the usual regulations—and it is so intended.

Mr. CASE of South Dakota. The first part of the description of the weapons provision I think is perfectly clear on that. The question might arise in the clause which reads "or attempts to board such an aircraft carrying such a weapon." But I understand the author of the bill now to say that that carrying of such a weapon means carrying a concealed weapon, and would not affect weapons which are carried aboard aircraft openly and which are properly broken down or properly encased and delivered to the people in charge of the aircraft, placed in their custody.

Mr. ENGLE. The Senator is correct.

Mr. SALTONSTALL rose.

Mr. ENGLE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from California a question. Section 1 covers crimes committed, and described below. Section 2, on page 3 of the bill, describes what will happen if someone attempts to obtain, or does obtain, control of the aircraft by unlawful force or violence or the threat of force or violence; or assaults, intimidates, or threatens so as to interfere with any flight crew member.

Am I correct in understanding that any passenger on any airplane comes within this section of this act? What I have in mind is that four people, we were told, were held on the plane as hostages in this El Paso holdup or hijacking. It does not seem to me that the passengers are covered in this section, if held aboard the plane as hostages. Am I incorrect or correct in that? It does not seem to me that the individual passenger, not a crew member, but who, we will say, is held as a hostage, but upon whom no other crime is committed, is provided the protection of 113, 114, and so forth.

Mr. ENGLE. That situation is covered by incorporating into the bill by reference section 113 of title 18 of the United States Code dealing with assaults. With respect to the passengers, of course, in the El Paso case the hijackers there have been charged with kidnaping, because they held those people as hostages and thereby violated the Federal kidnaping law. This bill would make it a criminal offense to assault a passenger with intent to commit a felony, assault with dangerous weapon, assault by striking and beating, and so forth.

So the passenger is protected under the provisions of section 1 of this bill, in addition to existing law, kidnaping being one instance.

Mr. SALTONSTALL. If there is a hijacker on the plane let us say, from California to Massachusetts and over the various States, who rounds up the passengers and puts them in one section of the plane, or something of that character, that is a violation of the Federal law committed against an individual not a member of the crew; is it not?

Mr. ENGLE. That situation would be covered by the provisions of this bill.

Mr. SALTONSTALL. And that would be so provided in the new law?

Mr. ENGLE. It would be.

As an illustration, in flying over California, the venue of a crime is the county where the crime occurs. It is now of course very difficult to determine venue in a jet flying 500 or 600 miles an hour. So that in cases where these jets are moving at a great speed, we can establish venue without a great deal of hassle as to where venue may lie.

Mr. SCOTT. The proposed bill refers to "aircraft in flight in air commerce." I would like the Senator's judgment as to whether or not this covers an aircraft in the course of landing and takeoff procedures in the course of waiting on the tarmac or being on the runway, having in mind, for example, that a part of the crime committed in the El Paso incident occurred when this hijacker fired a weapon at the feet of one of the crew members, I believe, while the plane was actually on the ground, I believe.

In this instance the attempt to take over the plane, to make the arrest and the resistance to arrest, occurred while the plane was on the ground. Other parts of the offense occurred as the plane was moving along the runway, as the Senator well remembers. Does the language of the bill, in the Senator's opinion, cover the aircraft whether in flight or in the course of flight procedures, of taking off or landing, or in the course of its presence on the runway? I understand this latest Mexico City incident, the hijacking, took place immediately after leaving Mexico City, and it later may be determined that part of it occurred while the plane was on the runway.

Mr. ENGLE. The committee report very carefully takes care of this situation. We considered it, in order to be precise about it, because we could get into questions of jurisdiction. We take the regular definition of what "flight" means. Flight starts at the time the takeoff roll commences and ends at the time the landing roll ends—and that is exactly where we want to start Federal jurisdiction.

In the case at Chico, Calif., the assaults occurred while the plane was on the ramp being loaded and taxiing into position. In this situation the local law takes over and is adequate. For instance, there was attempted murder, assault with a deadly weapon. It was our view that we should not in this situation impose Federal law any further than we had to in order to take care of the unique requirements of air transportation; and wherever it was possible we ought to maintain the integrity of local law, both local and State. Wherever the local authorities can handle the situation, we want them to handle it. But when the airplane gets into position to start its takeoff roll and until the time it ends its landing roll, and in between those two, then the Federal law would take over, because that is where we have the extreme problems of getting law enforcement into operation. So, to take the case at Chico, that fell under local law, and the local law is adequate to handle it.

In instances after the planes start to be airborne, then the Federal law would take over and we would prefer that, in order not to abridge any further than necessary the police powers of the State, which traditionally, and under our Constitution, actually belong to the State and local governments.

Mr. SCOTT. I thank the Senator, because we are trying to make some legislative history. I assume the Senator prefers this language to language which would change the phrase "aircraft in flight in air commerce" to language referring to being in the plane or in any phase of flight procedure in air commerce, or some such language. The Senator feels that would not help the bill, it would not aid the purposes which the sponsors, of which I am one, have in mind. Is that correct?

Mr. ENGLE. The Airline Pilots Association proposed that. They would prefer that the jurisdiction start with the flight procedures; but we did not think it was necessary, because local law can handle that. The local law is already in existence. There is no problem about venue or jurisdiction, and there is no problem about getting hold of them. All of the crimes outlined in this section are covered.

But when the airplane starts to roll, the local arm of the law no longer reaches the situation, and we need the long arm of Uncle Sam; and that is where we start to put Uncle Sam in the picture.

Mr. MILLER. I would like to ask the Senator from California a few questions for purposes of clarification. The language affecting the carrying of weapons aboard aircraft, as the Senator from South Dakota pointed out, relates to law enforcement officers of any municipality, State, or of the Federal Government. Would this also cover officers of a county government, such as the sheriff, for example?

Mr. ENGLE. In my opinion it would, because at least in the State of California the county governments are implementations of the State government, more or less.

Mr. MILLER. I might suggest to the Senator that he might consider a possible modification of this to have it read, for example, "except for Federal, State, or local law enforcement officers." Then we have it without any question.

Mr. ENGLE. I would be glad to have it clarified by adding the word "county" if that appears to be necessary. We would be glad to have the Senator submit an amendment which would add the word "county," so that for purposes of clarification it might be included. We want to include all law enforcement officers, both local and State, authorized to carry firearms. That is a helpful suggestion, and we would be glad to have that included.

Mr. MILLER. I have a further suggestion for the Senator from California. What about some of the non-law-enforcement officers who may be employees of the Government in a rather sensitive position, who hold valid permits from Federal, State, or local governments for the carrying of concealed weapons. As I read the amendment here, they would not be covered, but would be exempted. I think I can understand how some of them, because of their positions, because of their having permits, might be almost equally important to exempt from this provision. Would it be feasible, for example, to add here, following the word "administrator" on line 4 of this particular section, language like this, "or under permits issued by Federal, State, or local governments"?

Mr. ENGLE. We considered that, and the problem was that if we tried to write all of the exceptions into the act, we just would not know where to stop. Very obviously a local or State or Federal law enforcement officer who is required or authorized to carry arms, is an exception. Then, of course, we can go on from there a long ways, for instance, to those who are honorary deputy sheriffs, and so on.

So we did not know just where to stop; and rather than try to spell it out in the law, and thereby get ourselves into a straitjacket, we have included the provision "and except for such other persons as may be so authorized under regulations issued by the administrator."

The purpose is to make it possible for the administrator to establish the regulations the Senator has in mind; and the administrator then can change them in such ways as experience may indicate to be necessary. But if we put all that into the law, we would straitjacket the administration.

Those who want that authority will then contact the administrator; and under this section he will make up a list of those who might receive such authority—a list which might even go beyond the very fertile comprehension of the distinguished Senator. It might include a Secret Service man or even an FBI man put on a plane for a particular purpose, although ordinarily not authorized to carry arms.

We thought it wiser to leave that subject to rules and regulations to be issued by the administrator, rather than to write such a provision into the law. So, rather than write it into the law, we proceeded to do just the opposite.

Mr. MILLER. I recognize the propriety of that approach. But I trust that it will be the intention of the Senate to have the administrator promulgate regulations which will cover permit holders, for example, in particular cases, so this matter can be handled on an administrative basis, but so that a failure to include permitholders——

Mr. ENGLE. I have no doubt that Mr. Halaby will do that. He has an intense interest in this matter, and certainly he will try to issue regulations in regard to every agency concerned.

Mr. MILLER. My other question is this: What provision of the bill will cover or apply to the situation which developed this afternoon on the flight between Mexico City and Guatemala City?

Mr. ENGLE. This bill would apply to the situation which occurred this afternoon, if we could get hold of the hijackers. The bill is written in such a way that it applies over the ocean areas and also over other countries. For instance, on a flight from Alaska to some other State of the United States, if the plane were crossing Canada, although it would be over territory under Canadian jurisdiction, yet the bill would nevertheless apply under those circumstances.

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

Mr. ENGLE. I yield.

Mr. MANSFIELD. I have discussed this matter with the Senator in charge of the bill, with the chairman of the committee, and with the distinguished minority leader. In view of the fact that what we now have before us is a mimeographed copy of Senate bill 2268, and also in view of the fact that amendments are being offered on the floor, we thought it might be well for the Senate to have an opportunity to consider the amendments and the bill in some detail, by having the bill and the amendments printed in the RECORD and by having clean copies on the desks of Senators tomorrow.

Therefore, Mr. President, I ask unanimous consent that Senate bill 2268 be made the pending business at the conclusion of the morning hour tomorrow—and after, of course, the debate on the bill this evening.

Mr. BUSH. Mr. President, reserving the right to object——

Mr. CARROLL. Mr. President, reserving the right to object, let me say that I commend the majority leader; I think what he proposes is wise. I commend him for his excellent idea.

Mr. MANSFIELD. Let me say it is not only my idea; it is also that of the Senator from Tennessee [Mr. GORE], the chairman of the committee [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], the Senator from New Mexico [Mr. ANDERSON], and numerous other Senators.

Mr. CARROLL. Mr. President, still reserving the right to object, I say to all those Senators that this is the wise thing to do, because in the heat of reaction following a recent event, we should be able to read calmly a report on the bill and have before us a clean copy of the bill, and examine all the amendments to the bill. This proposed measure will amend the Federal Aviation Act by incorporating certain provisions of title 18 of the Judicial Code. In addition it creates new provisions in the Aviation Act which are actually new criminal statutes. Mr. President, these are matters that are more properly within the jurisdiction of the Judiciary Committee. Although I have no desire to in any way impede or restrain action on this very important measure, I am concerned, as a member of the Judiciary Committee, about hasty adoption of new criminal statutes. I am wondering, for example, whether the Justice Department has testified on this measure and if so what is its opinion. The basis for new criminal legislation must be sound and I want to carefully examine the hearings on this matter and judge the testimony. I have no firm conviction on this matter. I merely ask for the right to study the reasoning behind proposed new criminal statutes which normally would be studied by the Judiciary Committee.

It is obvious that the Commerce Committee could retain jurisdiction of this bill only by amending the Federal Aviation Act, and I raise no objection to this.

However, this is a matter affecting the criminal statutes and should be considered by this body only after careful deliberation. This is why I believe the course the majority leader proposes is wise.

There is no intention to hinder or delay this measure. But tomorrow we should have full and complete debate on the question after the hearings are made available to us.

I commend the majority leader.

Mr. MAGNUSON. Mr. President, will the Senator yield——

Mr. BUSH. Mr. President, reserving the right to object, although I do not intend to object, let me ask whether the majority leader will indicate the hour when the Senate is likely to convene tomorrow.

Mr. MANSFIELD. At 10 o'clock.

Mr. President, I have asked unanimous consent that when the Senate concludes its session this evening, it adjourn until tomorrow at 10 a.m. And I now express the hope that we shall be able to end the session today at around 6 o'clock.

Mr. JAVITS. Mr. President, perhaps the majority leader will be willing to make only one request at a time.

Mr. MANSFIELD. Very well, Mr. President; I withdraw the request.

Mr. JAVITS. Or perhaps the majority leader will make both requests at the same time. But at least I wish to have an opportunity to be heard.

Mr. President, I reserve the right to object, only for the purpose of saying

that the very seriousness of the issue we face makes me feel that what the majority leader and the minority leader have done is most creditable. This matter is very serious. It may well endanger the peace of the whole Western Hemisphere. It may result in some very drastic action as to Cuba. This is all the more reason for dealing very seriously and thoughtfully with this measure, and for putting over until tomorrow its further consideration, so that very careful consideration can certainly be given to it.

So I commend the majority leader for his statesmanlike action.

Mr. ANDERSON. Mr. President, reserving the right to object——

Mr. MAGNUSON. Mr. President——

Mr. ENGLE. Mr. President, have I the floor? If so, I yield to the Senator from Washington.

Mr. ANDERSON. Mr. President, I rise to a point of order: How can the Senator from California have the floor?

Mr. ENGLE. I have had the floor all the time.

Mr. ANDERSON. If the Senator from California had the floor all the time, how did the majority leader get the floor?

Mr. MANSFIELD. I did not have the floor; I asked the Senator from California to yield to me.

Mr. MORSE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. When a unanimous-consent request is before the Senate—in this case, the proposed agreement requested by the majority leader—is not each Senator entitled to make his reservation in regard to possible objection by him, in order to have opportunity to seek to obtain necessary information from the majority leader?

The PRESIDING OFFICER. That is correct.

Mr. MORSE. Mr. President, I wish to reserve the right to object, and I may object——

Mr. MAGNUSON. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from New Mexico previously reserved the right to object.

Mr. ANDERSON. Yes, I did.

Mr. President, reserving the right to object, I merely wish to commend the majority leader and the minority leader for their proposal that our further action on this measure be put over until tomorrow. In that connection, I remind the Senate that once upon a time there was before the Senate a labor situation which seemed to be of very great urgency; and in response to a request by the President, the legislative committee concerned proposed a measure which was such that it would have involved very seriously the shipment of thousands of bushels of grain on the railroads. But the late, great Senator Taft, of Ohio, took the position that the Senate could well wait 1 day; and it was found that the Senate could wait 1 day; and that was done. And the next day, the Government still stood.

So I am happy that this attitude is being taken today; and I congratulate the majority leader, as did the Senator from New York.

Mr. MORSE. Mr. President——

Mr. MANSFIELD. Mr. President, I renew my unanimous-consent request.

Mr. MORSE. Mr. President, reserving the right to object——

Mr. MANSFIELD. And then Senators can proceed to object.

Mr. MAGNUSON. Mr. President, I have reserved the right to object, for I wish to clarify the RECORD. Many Senators have asked me about the suggestion that the further consideration of this measure go over until tomorrow. Many of them have thought the bill was developed just this afternoon, as a result of the incident which occurred this afternoon. But I wish to have the RECORD show that the Commerce Committee and, in particular, its Aviation Subcommittee, have been working—and I have checked on this matter again—4½ weeks on this measure, and have finally developed a bill which the full committee endorsed unanimously yesterday; and today we asked the majority leader and the minority leader whether we could file the report, out of order, and bring up the bill tomorrow, anyway. It just happened that the new incident occurred today. So there has been no haste about the bill; it was not prepared under emotional stress or anything of this sort.

The bill is a good one. Both the subcommittee and the full committee have been unanimous in regard to the bill; and I want the RECORD to show that, so that neither the press nor anyone else would think we got the bill together in haste, just today, because of the latest incident.

As the Senator from California said, I thought that perhaps the bill would be passed by the Senate this afternoon. But no doubt it will be passed equally well tomorrow. Certainly it is just as well for Senators to examine in detail the amendments.

I thank the Senators for allowing me to speak for 2 minutes.

Mr. MORSE. Mr. President, reserving the right to object, can the Senator from Montana give us assurance that tomorrow there will be on the desk of Senators not only printed copies of the bill and printed copies of the amendments, but also the printed committee report and the printed volume of hearings on the bill?

Mr. MAGNUSON. Oh, yes——

Mr. MANSFIELD. The chairman of the committee says "Yes."

Mr. MAGNUSON. I am not so sure that all the hearings on the bill are printed. I would have to check on that. But we have the committee report, which we intended to file late today, and I am sure it will be ready tomorrow. It may then be in mimeographed form, because of the jam of work in the Printing Office. But it will be ready.

Mr. MORSE. From my point of view, the hearings are much more important than the report, for I can write my own report; but I think it important that Senators have access to the hearings on which the bill and the committee report are based.

So I wish to join the Senator from New York [Mr. JAVITS] in the very wise counsel he gave the Senate.

In view of the Latin American situation, I think it is of the utmost importance that the Senate carefully consider the facts and the implications of its course of action.

I heard so much discussion in the cloakroom that I thought I should accommodate those in the Senate who would want to declare war against Cuba, by offering such a declaration of war against Cuba, this afternoon, and then let Senators vote for it or against it, as they might prefer. Of course I speak half jocularly.

But certainly this is a time for us to take ample time to study carefully this matter and all its implications. Therefore, I think we should have the committee report and the committee hearings on our desks tomorrow, before we vote on this measure.

Mr. MANSFIELD. Mr. President, I assure the Senator that we shall do our best to have all that material on the desks of Senators tomorrow.

Furthermore, tomorrow, at the conclusion of the morning hour, the Senator from Kentucky [Mr. MORTON] will offer a resolution of disapproval in regard to Reorganization Plan No. 7, I believe, which has to do with the Maritime Administration.

Mr. KERR. Mr. President, reserving the right to object, I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. The Senator from Oklahoma expects to offer the following amendment, and he would like to know if it is germane:

It is hereby declared to be the sense of the Senate that the President of the United States be requested to advise Castro and the Government of Cuba that unless the airplanes now in Cuba, which are the property of American citizens, which airplanes have been taken to Cuba without the consent of their American owners, be, within 48 hours, made available for return to the United States, together with any of their passengers and crew in Cuba or that the Government of the United States will take such action as may be necessary to recover and return said airplanes, passengers, and crews to the United States.

The PRESIDING OFFICER. It is immaterial whether or not it is germane to the issue. There is no rule of germaneness with respect to an amendment to a Senate bill.

Mr. KERR. I thank the Chair. I send the amendment to the desk and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. DIRKSEN. Mr. President, if the majority leader will yield, I wish only to say with respect to the observation of the distinguished Senator from Oregon and the distinguished Senator from New York that whenever lives of American citizens become a consideration that is secondary to what may be going on in Montevideo, in Uruguay, we are in an unhappy state indeed.

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

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. KEATING. Mr. President, reserving the right to object, I wish to asssociate myself completely with the remarks of the minority leader. This action is urgent. We should take action promptly. Human lives are at stake. The life of anybody who steps on a plane is at stake. This is a matter of great urgency, and should be acted upon promptly. It would help our representatives at Uruguay if we acted promptly, because it would strengthen their hands and show that this country cannot be pushed around by a Communist dictator in this hemisphere or anywhere else.

Mr. THURMOND. Mr. President, reserving the right to object, I wish to associate myself with the remarks of the distinguished minority leader.

I sent a telegram today to the President of the United States on this subject, which reads as follows:

Strongly urge you issue ultimatum immediately to Premier Castro to return hijacked Eastern Air Lines and Pan American Airlines planes within 12 hours or U.S. Armed Forces will be sent to Cuba to recover planes and passengers and crew. Such action is mandatory not only from the standpoint of airplanes and persons involved but also in demonstrating to the world that the United States will not permit piracy or blackmail, and will not knuckle under to threats from any nation. Here is an opportunity to finish the job we failed to complete in April and to impress Mr. Khrushchev that we have the will to win and the determination to use force to protect our national rights and honor in any struggle against any oppressive forces. Respectfully.

Mr. LAUSCHE. Mr. President, reserving the right to object, what the circumstances were in the seizure of the airplane in Mexico today I do not know with exactness at this time. However, we will soon learn whether Castro contemplates holding a plane which obviously was stolen from its owners. If within a reasonable time he does not release that plane, but insists upon maintaining it as the property of the Cuban Government, it will be manifest that he is holding stolen property and refusing to deliver it to its true owners.

If such conduct is perpetrated by an individual, he is guilty not only of violating the law but all rules of morality. If Castro insists upon holding that ship tomorrow, or for any length of time beyond that necessary to return it, it will be evidence that he is in possession of property not belonging to him, stolen from an American citizen, to whom it rightfully belongs.

I support the expressions made here today that if, within a reasonable time, that airplane and its passengers and crew members are not released to be returned to their native soil and the property to be returned to its owners, the Government of Cuba is guilty of violating not only international law, but the law of human decency and property.

I therefore suggest that a reasonable time be permitted to determine whether or not the airplane, the passengers, and the crew will be returned, and if they are not returned, that our Government use whatever steps are necessary to maintain its honor, protect its citizens, and protect the property of Americans who were rightfully on the plane.

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. YARBOROUGH. Mr. President, reserving the right to object——

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Texas.

Mr. YARBOROUGH. Mr. President, reserving the right to object, and I may say that were I not recognized, I intended to object, I want to see the death penalty——

Mr. MANSFIELD. Mr. President, does the Senator object?

Mr. YARBOROUGH. I do not object at this time. I reserve the right to object. This is not a jumped-up thing, offered for the first time today. I introduced a bill on August 3. That matter was heard by the subcommittee. It was reported by the subcommittee to the full committee, and the full committee came up with a composite bill.

I have proposed an amendment to this bill. It is my understanding it is acceptable to the principal author of the bill, but since he is not present, I ask that the amendment be printed and lie on the table.

The amendment reads as follows:

In paragraph 2 of subsection 902(i) as proposed in the committee bill, strike the last sentence and insert:

"Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon, shall be punished by death, or by imprisonment for life, or for such term of years not less than twenty, as the jury may direct."

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the desk.

Mr. CASE of South Dakota. Pertinent to action of Latin America, to whatever action we may take here, is the fact as reported under one of the press dispatches that among the passengers aboard the hijacked airliner were Colombian Foreign Minister Julio Cesar Turbay Ayala, and Roger Wollin, Pan American public relations director for Latin America.

It should also be borne in mind, I think, that undoubtedly a great many passengers are citizens of some Latin American countries.

My own reaction is that these citizens, and these other countries and the governments of these other countries who have had officials aboard this plane, would have some healthy respect for action taken by the United States to protect the security of their people as well as our own.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. Reserving the right to object, and I will not, I very much approve the words of the minority leader, the Senator from Ohio, the junior Senator from New York, and others who have spoken on the bill. We talk as Americans about speaking softly and carrying a big stick, and God knows we have been speaking softly long enough.

I think that we have only one alternative, to deliver an ultimatum to Castro on this matter and give him a reasonable time to act, and then use the big stick. But these two airplanes are not the only airplanes involved. Just this spring, a young man from Colorado got clearance from Havana for a flight over Cuba to Nicaragua, and 90 minutes after he had left Key West, which meant at the time that he was over Havana, the flight plan was canceled. He was forced down by a fighter. The Federal Government ignored this, did almost nothing about it. Finally, we secured his release through the Swiss Government.

Nevertheless, they kept his plane, although they did not make any charges against him, and as far as I know, that plane which is a $50,000 plane and represents a good portion of the assets this young man and his brother have been able to accumulate, still sits in Cuba and nothing is done about it.

So I do not feel that we can afford to be soft any more.

I intend to offer tomorrow an amendment similar to the one offered by the Senator from Texas which is an amendment of section 902(i), but this language, I understand, is in the words of the Justice Department and language that they might prefer, although I have no direct word from them. This is the word I get indirectly. I send the amendment to the desk and ask that it be printed.

I thank the Senator.

The PRESIDING OFFICER. The amendment will be received and printed.

Mr. MORSE. Reserving the right to object, and I may object, I want to make a brief comment on the observation of the minority leader and the Senator from New York [Mr. KEATING], in which I think they have clearly left in the RECORD the implication that the Senator from Oregon, because of his observations, would place American lives secondary. He wants the RECORD to show that it is because he places American life in first position, and primary, that he has been counseling at least thorough consideration of this matter before the Senate.

The question is how best to protect American life. Now, of course, we can propose a resolution such as that one of my colleagues just proposed. That

would constitute an act of war on the part of the United States against Cuba if we carried out the resolution without declaring war against Cuba. That is not going to place American life in a primary position.

Mr. MANSFIELD. Will the Senator yield?

Mr. MORSE. Not at this point.

The point has been made that some Latin American countries also have a great interest in this hijacking, and so they do. What we ought to do is take the time to study the procedures we ought to consider in trying to right this wrong if it is found that Cuba is involved as a motivating force in the hijacking.

I happen to think, Mr. President, that there are some procedures that ought to be considered to which we have not given any thought, before it is suggested that we commit an act of aggression against the Government of Cuba because we know a crime has been committed.

Mr. President, if there ever was a time when we ought to follow the advice of the Senator from New York [Mr. JAVITS], and the advice of the Senator from Colorado [Mr. CARROLL], and the advice of the Senator from Kentucky [Mr. MORTON], and others, that we proceed to a thorough consideration of this matter before the suggestion of precipitate action is really seriously considered, the time is now.

The senior Senator from Oregon will be right in there urging that we take whatever action we decide on the basis of the facts as the action that ought to be taken to protect American lives.

Mr. President, I do not propose to go along, swept off my feet here in the Senate, with any proposal to commit an act of war against Cuba by way of such resolutions as have been suggested, until we first ascertain what the facts are.

Mr. MANSFIELD. Mr. President, I renew my request.

Mr. BRIDGES. Mr. President, I have listened to some of the remarks made here today, and I think that, generally speaking, the action which the majority leader seeks is the correct course.

Let me say first that I congratulate the Committee on Commerce for their expeditious and prompt action on their legislative proposal. I think it is sound.

As to the situation that has been referred to by the distinguished Senator from Oregon, when he virtually insinuates that men on this floor want us to jump into war with Cuba; no one wants war with Cuba or anyone else, but we can reach a point in the affairs of this country when we cannot take any more, and that point has pretty nearly been reached at the present time.

I do not know whether Mr. Castro had anything to do with hijacking this plane or not, but if he did not, he can show his good faith in the next 48 hours by returning the plane, the crew, those passengers, and the hijackers, and the difficulty can be very simply solved.

If he did not mastermind the hijacking, then I think that we should give him an ultimatum to return the plane, the passengers, the hijackers, the crew, and so on.

If he does not comply, then I think we should take the necessary means to bring them out of Cuba.

Mr. LAUSCHE. The Senator then takes the position that Castro's state of mind will be revealed, whether he does or does not release this ship to its rightful owners?

Mr. BRIDGES. That is correct.

Mr. LAUSCHE. If he does not release it, there will be evidence that there was participation or at least approval after the act was done?

Mr. BRIDGES. I agree.

Mr. CASE of South Dakota. Do not receipt and retention of stolen property constitute complicity in the theft?

Mr. BRIDGES. Absolutely.

Mr. JAVITS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. My name has been mentioned here a few times and I had better get my position straight rather than be linked with a position which I do not espouse.

Mr. President, I have many times agreed with the Senator from New Hampshire, who has just spoken about this matter. I do not give precedence to Montevideo over Cuba. I think banditry and piracy must be punished. I believe the United States must sustain its honor and dignity. I yield to no man in this Chamber in my willingness to face that issue.

Mr. President, I was only suggesting, more as a lawyer, really, than a legislator, that having gotten a report about a very serious act which may very well lead us into some kind of conflict, and quite properly, we ought to have all the facts, which is precisely what the Senator from New Hampshire said, and what we must all say, so that whichever side of this question one may espouse, however it may be characterized tonight, one thing is clear, that as men with a tremendous and awful responsibility, which we have now, all of us know that this bill is not just a bill to deal with the crime of hijacking, which we did not happen to cover by law before it leaves here. It is going to say a lot more than that, and it should. It should respond to the existing situation. But let us at least know what the situation is. Let us know its implications, at least overnight, in terms of the facts, and in terms of its effect upon all the Americas.

Then we can really do what we ought to do, and I agree with the Senator from New Hampshire and the Senator from Oregon, face the issue with a clear and factual eye; so that my suggestion, in terms of my approval of what the majority leader has done, is good for 24 hours only; but I think we need to do the right, the vigorous, the forceful, the effective thing for our country.

I am grateful for the opportunity afforded me.

Mr. MANSFIELD. I renew my request.

Mr. MONRONEY. Mr. President, many of the Members seem to feel that this was pulled together out of the top of somebody's head in the last few minutes since the hijacking of this plane to Cuba.

I would like to say that Senator ENGLE has worked with the Federal Aviation Agency attorneys, with the Department of Justice, for more than 4 weeks. The Subcommittee on Aviation, and I as its chairman, have been in consultation for the past 2 weeks over the best means of approaching with proper penalties and proper enforcement the crime of hijacking and violence aboard airplanes. So the resulting bill is not a suddenly considered bill.

I can say that it has been as carefully considered as any aviation legislation that has come before our Aviation Subcommittee. As a matter of fact, most of the legislation merely applies the time-tested and time-honored maritime laws for crimes committed on the high seas and in the territories to crimes committed in air commerce. There are carried into the law certain sections verbatim from this time-tested and time-honored law, including the law of piracy. So this is not a question of whether the language is correct, or the committee's language is correct. This is the time-honored law.

The other sections of the bill pertain to obtaining or attempting to obtain control of an aircraft by unlawful force or violence, or assault, intimidation, or threat of a flight crew member with a deadly weapon so as to interfere with the performance of his duties.

We apply a very important safety measure, I believe, in requiring that no one can board, or attempt to board, an aircraft carrying concealed weapons except law enforcement officers authorized to carry weapons. The Administrator could authorize others to carry weapons aboard by appropriate regulations. This, I think, is a wise provision.

The bill includes a provision which would make it a crime to knowingly impart or convey false information under specified conditions. It is the same language and the same penalty that applies to the bomb hoaxes that we have had in the past.

We had one further section that I think will be of great help and that is to allow the carrier, under regulations prescribed by the Federal Aviation Administrator, to refuse to haul a passenger, or to refuse to haul his baggage. This would give us an opportunity for closer surveillance of people boarding the plane. They can ask for identification, driver's licenses, local references, or, if suspected that the man may be carrying concealed weapons, while not demanding the right of search, may have him voluntarily yield to a search in order to see that the weapons were not aboard.

As the chairman of the Judiciary Committee knows, we carefully——

Mr. EASTLAND. Will the gentleman yield?

The Senator's bill is well and good, but does the Senator know what is the heart of this question?

Mr. President, the Internal Security Subcommittee has documented how the American Government placed Castro in power in Cuba, and now our chickens have come home to roost. The same State Department is doing everything it can today to weaken our stand against Castro's tyranny. We have got to face up to the fact that if the matter is cured, we will have to amend the civil service laws so that the President can clean out the State Department of the United States.

We have testimony from former ambassadors, and in particular from the man who was American Ambassador to Cuba at the time Castro came to power, who have detailed step by step how our own Government placed Mr. Castro in power in Cuba, and they did it with due knowledge that he was an international Communist.

Mr. MONRONEY. I thank the Senator. This is a matter beyond the jurisdiction of the Aviation Subcommittee. This deals, of course, with taking airplanes and air property and endangering human life in flight, and I merely want the Senate to know under this reservation that we have tried carefully and thoughtfully, hearing all the witnesses without any panic, on any sudden crime, to carefully go into this, and the subcommittee has met not less than three times to consider various drafts of this legislation. The full committee discussed it for well over an hour before this was reported to the floor as it was this afternoon.

It was due to be reported, anyway, had there not been a hijacking of this plane.

It was due to be reported, even had there not been any hijacking of planes.

FURTHER CONSIDERATION OF S. 2268 — UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I renew my request that S. 2268 be considered further this evening and made the pending business after the conclusion of the morning business tomorrow morning.

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

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet tomorrow at 10 o'clock a.m.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMUNISTS AND FREEDOM RIDERS

Mr. THURMOND. Mr. President, for some months now the Nation, and indeed the whole world, has been subjected to the spectacle of busloads of American citizens traveling to the southern part of the United States for the sole purpose of promoting their own arrest by local authorities. While it has been difficult for me to understand what could possibly be accomplished by the so-called freedom rides, it is becoming increasingly clear that to at least one important organization in the United States these rides have been an unqualified success. I refer to the Communist Party, U.S.A.

An interesting editorial fully documenting this statement appeared in the August 3, 1961, issue of the Charleston Evening Post of Charleston, S.C., entitled "Communists and Freedom Riders." The enlightening editorial points out that certain freedom riders arrested in Jackson, Miss., this year have also been identified as members of the Communist Party and have on other occasions taken other free rides in the discharge of their party duties. Among those countries recently visited by these gregarious travelers are Cuba, Czechoslovakia, and the Soviet Union. I ask unanimous consent to have the Post editorial printed in the RECORD at the conclusion of these remarks.

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

COMMUNISTS AND FREEDOM RIDERS

The so-called freedom rides were made to order for Communists and others of their ilk—and they lost no time moving in with the riders to give generously of their skills as agitators and makers of trouble.

While the Congress of Racial Equality (commonly referred to as CORE) initiated and has financed the drive to integrate bus facilities and other public accommodations in Southern States, the Communists were quick to see that the rides offered an ideal vehicle for advancing their program of creating public disorder, dividing the people, and sharpening racial friction.

Spokesmen for CORE have pooh-poohed charges that Communists and party-liners have had anything to do with the rides but the Evening Post has information which positively refutes their "not guilty" contention. Furthermore, it is information which an official investigation could substantiate.

A number of Communists and fellow-travelers have taken CORE-sponsored rides into the South, most of them heading for Jackson, Miss., to be arrested.

There was Rose Schorr Rosenberg, active in subversive causes in the Los Angeles area for the last 15 years, who was jailed in Jackson July 15. Two former Communists, in testimony before the House Un-American Activities Committee (Milton S. Tyre and A. Marburg Yerkes), identified Rose Rosenberg as a member of the Communist Party. On October 1, 1952, she refused to answer questions concerning her membership in the party.

There was Jean Kidwell Pestana, arrested in Jackson July 15, who was conducted on a "by-invitation-only" tour of the Soviet Union and Czechoslovakia last year. In April 1960, she attended a conference of the Women's International Democratic Federation in Copenhagen. The federation has been cited by House and Senate committees as an international Communist front. En route to Denmark, Mrs. Pestana stopped off in England to participate in a protest march on behalf of nuclear disarmament.

There was Norma Libson Lubka, who rolled into Jackson on June 25, as a freedom rider from Philadelphia where she has been active in youth affairs of the Communist Party and has also shown active interest in the Fair Play for Cuba Committee.

There was James R. Wahlstrom, arrested in Jackson June 6, an active supporter of the pro-Castro Fair Play Committee, who flew to Cuba last December on a holiday tour sponsored by the committee. A University of Wisconsin student, Wahlstrom made sensational charges of abuse of freedom riders by Mississippi authorities following his arrest.

There was Katherine Pleune, arrested in Jackson June 10, also a supporter of the Fair Play Committee in the Chicago area. She, too, took a holiday tour to Cuba last December.

The June 11 issue of the Worker, official organ of the Communist Party, reported that outdoor rallies in defense of the freedom riders had been held in Harlem and in the fur and garment markets and that at least 750 workers heard Benjamin J. Davis, national secretary of the Communist Party, call for the release of the freedom riders and the arrest of the racist leaders in the South.

"We have not organized the freedom rides, but we give them full support," Gus Hall, the Communist Party's general secretary, has said, in effect.

A total of 267 riders were arrested in Jackson between May 24 and July 23. If promoters of the movement had any plans to prevent infiltration by Communists, such plans were not entirely effective.

Surely the Kennedy administration, whose policies encouraged the freedom riders to invade the South on a troublemaking crusade, ought to be interested in the news behind the news of these incidents. The President and his brother, Attorney General Robert F. Kennedy, are reported to have cooled off some from their support of the rides. A thorough probe would reveal to them and to the Nation as a whole the truth about Red tactics on this front of the cold war.

DEFENSE LEADERSHIP AND RESPONSIBILITY

Mr. THURMOND. Mr. President, Mr. Anthony Harrigan, director of the Foreign Policy Research Institute of South Carolina, and associate editor of the News & Courier of Charleston, S.C., has printed an excellent bulletin entitled "Defense Leadership and Responsibility," which I take pleasure in calling to the attention of the Senate. It is a very strong and eloquent argument against muzzling our military leaders in expressing themselves on matters of importance to our Nation.

I ask unanimous consent that Mr. Harrigan's bulletin be printed at this point in the CONGRESSIONAL RECORD.

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

DEFENSE LEADERSHIP AND RESPONSIBILITY

(By Anthony Harrigan)

No weapon in the arsenal of American democracy is so important as the soldier's faith in the rightness of his country and the wisdom of its course of action. A nation can possess the most superior weapons, but without good morale it will go down to defeat.

Morale, as defined by Dr. William Y. Elliott, professor of government at Harvard University, is "the faith that a nation has in its destiny and its world position and mission." Therefore, consciousness of the need for strengthening morale, for putting on the armor of national faith, always should be in the minds of officers of the U.S. Armed Forces and the civilian chiefs.

The enemies of the United States are keenly aware of the importance of striking at American morale, at the will to resist. They spread the falsehood that America is a purposeless society and that the military lack adequate goals.

In noting this interest on the part of the enemy in the U.S. will to resist, it should be understood that in former times territory was the first strategic objective of a conquest-bent nation; today it is the will to resist on the part of nations marked for conquest. V. I. Lenin, leader of the Bolshevik revolution in Russia, regarded an enemy's will as the supreme military objective. In 1920, Lenin discussed the Russian civil war and commented:

"In the last analysis, victory in war depends on the morale of the masses which are shedding their blood on the battlefield. The conviction of fighting a just war and the willingness to give one's life for one's brothers, therein lies the morale of the soldier. This is his readiness to make enormous sacrifices."

This comment is grounded in the experience of warfare. The spirit of troops is the spearhead that makes for victory. While the United States continues to develop new weapons—missiles, tanks, artillery, and other devices and equipment—it cannot afford to neglect the inner preparation of the Armed Forces from private soldier to general officer. Nor, for that matter, can the morale of the civilian populace be neglected in an age of total war that affects the civilian as it touches the man in uniform.

Leadership of the American Armed Forces cannot be limited to purely technical and administrative functions. Instruction of troops must go far beyond indoctrination in tactical operations and in the use and management of new devices. The dialog between the military and the civilian elements in the country also must continue unhampered if national morale is to remain strong. Lines of communication between ordinary soldier and high-ranking officer and civilian citizen must be kept open so that each can contribute to the common fund of patriotism and national understanding of issues before the country.

A strong America demands that both civilian and uniformed elements in our population have a clear understanding of national goals and of the objectives and methods of the Sino-Soviet enemy. It is not enough for an American in uniform to be considered a mere technician and handler of weapons; he also must be viewed and treated as a responsible citizen who has something to contribute to the decision-making process of his country.

Vice Adm. Hyman G. Rickover, U.S. Navy, asserted this principle with vigor in a recent statement, "Whether one becomes an officer in the Navy or a Senator," said Admiral Rickover, "he is in a position where he knows more than many other people. Therefore he has a corresponding duty to alert his fellow citizens to what's going on. I think he's derelict as a citizen if he doesn't criticize."

Certainly, an officer in the Armed Forces must be circumspect in language and behavior. But this should not be equated with silence on basic public issues. It was the view of the military as a professional caste, with no special obligations to the public, that was the undoing of the German Army during the rise and rule of Adolf Hitler. Had the German officer corps borne in mind that it had a responsibility to the German people, not simply to the German chief of state, a great world tragedy might have been averted. When called to account after the end of World War II, the German generals pleaded they had no responsibility for political decisions. The Western allies properly held this to be an unfounded assertion.

An officer, said the allies, cannot divorce himself from his responsibilities as a citizen. There are times when he must speak his mind even if it hinders professional advancement. Anyone who wears the uniform of the United States is first a citizen and then second a member of a professional military organization. The obligations and restraints imposed by the U.S. Constitution fall no less on military men than on civilians. Indeed the soldier, sailor and airman takes an oath to uphold the sacred principles of the American Government.

This attitude is deeply rooted in American history. Our first President was a soldier. From George Washington to Dwight D. Eisenhower, distinguished American soldiers have played the most important roles in the decisionmaking process of this democracy. Indeed military leaders of the highest caliber always have been regarded as statesmen. Witness Adm. Alfred Thayer Mahan, the great naval strategy expert, and General of the Army Douglas MacArthur, who served as American proconsul in the Far East.

It is very important that this aspect of American military tradition not be ignored in the United States at this time. There are some persons who would have the country radically depart from this tradition and who want men in uniform to be mere robots in the service of the state. This would be dangerous for the United States. To detach military leaders from their views on national issues would be to detach them from the responsibilities of citizenship.

Not only would such detachment do injury to the outlook of American officers but it would deprive enlisted men of needed advice and counsel—in short, of leadership—but it also would deprive the civilian populace of counsel that is essential to full understanding of national issues. Consider, for example, what the postwar history of the United States would have been had a ban on discussion of national issues been imposed on Adm. Chester Nimitz, Gen. Carl Spaatz, Gen. Curtis LeMay, Adm. Arleigh Burke, Gen. James Van Fleet, and Gen. Matthew Ridgway, to cite only a few of the outstanding military statesmen who have well served their country by explaining the dangers we face as a people.

The American system of freedom of thought and speech demands that lines of communication be kept open so that our military leaders may give to the Nation their candid appraisal of dangers and needs. If censorship should replace communication, not only the Military Establishment but the entire country would suffer and be in danger. Such censorship would hurt morale and affect the national will to resist.

CONSIDERATION OF REORGANIZATION PLAN NO. 7, WITH REFERENCE TO THE MARITIME BOARD

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is the intention some time tomorrow, shortly after the morning hour, to bring up a resolution of the distinguished Senator from Maryland [Mr. BUTLER] disapproving the proposed reorganization of the Maritime Board.

Mr. MORTON subsequently said: Mr. President, I serve notice on the Senate that I intend to call up a privileged motion tomorrow in connection with Reorganization Plan No. 7, the proposed reorganization of the Maritime Board. I expect to bring it up, if recognized, after the disposition of the pending business, which will be the so-called airplane hijacking bill.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, there will be no further votes tonight. It is hoped that we will shortly be able to adjourn.

AMENDMENT OF ACT OF JUNE 30, 1948, RELATING TO FORT HALL INDIAN IRRIGATION PROJECT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1294) to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936, which was, on page 2, lines 21 and 22, strike out "until modified by the Secretary of the Interior".

Mr. CHURCH. Mr. President, S. 1294, as passed by the Senate, provided in section 3 that the duty of water on the Fort Hall Indian irrigation project should be increased and continue at 3½ acre-feet per annum until modified by the Secretary of the Interior. The House amendment removed the authority of the Secretary to make any modification so that 3½ acre-feet of water will be delivered provided it is available. This amendment was adopted in the House at the request of the Fort Hall Water Users Association. It is my understanding that the Department of the Interior has no objection, and it is satisfactory to me as the sponsor of this legislation in the Senate.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN IDAHO, WYOMING, AND WASHINGTON

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to S. 1085 to provide for disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes.

The Chair laid before the Senate the amendment of the House of Representatives to the bill (S. 1085) to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes, which was, to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized to sell the following described lands, together with any improvements located thereon:

(a) Block 67 of the reclamation townsite of Rupert, Minidoka project, Idaho, containing 1.64 acres, more or less;

(b) Lots 21 and 22, block 48, of the reclamation townsite of Powell, Shoshone project, Wyoming, containing 0.48 acre, more or less; and

(c) Block 23, town of Zillah, Washington, containing 1.65 acres, more or less; a parcel located in the south half northeast quarter southwest quarter southwest quarter of section 25, township 9 north, range 24 east, Willamette meridian, Washington, lying below the Sunnyside main canal, containing 4.36 acres, more or less, and that part of the northwest quarter southeast quarter of section 12, township 8 north, range 22 east, Willamette meridian, Washington, containing 1.16 acres, more or less, beginning at the northwest corner of the southeast quarter of said section 12, township 8 north, range 22 east, Willamette meridian,

thence north 89 degrees 44 minutes east 337.9 feet; thence south 9 degrees 58 minutes west 35 feet; thence south 14 degrees 18 minutes west 25 feet; thence south 19 degrees 23 minutes west 25 feet;

thence south 24 degrees 46 minutes west 25 feet; thence south 34 degrees 46 minutes west 25 feet; thence south 53 degrees 13 minutes west 25 feet; thence south 64 degrees 13 minutes west 20.8 feet;

thence north 87 degrees 22 minutes west 253.3 feet, more or less, to the north-south line of the centerline of said section 12; thence north 00 degrees 22 minutes west along said north-south centerline 136.3 feet, more or less, to the point of beginning, all located on the Yakima project, Washington.

Sales shall be by public auction to the highest qualified bidder, but in no event shall any sale be for less than the appraised valuation, as approved by the Secretary. Any of the lands described above, together with improvements located thereon, which are not sold after being offered for sale at public auction, shall remain available for sale at not less than the appraised valuation, until withdrawn from sale by the Secretary.

SEC. 2. The proceeds from the sale of the property described in section 1(a) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Gravity division of the Minidoka project, Idaho. The proceeds from the sale of the property described in section 1(b) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Shoshone project, Wyoming. The proceeds from the sale of the property described in section 1(c) of this Act shall be available for expenditure by the Secretary for the construction of an operation and maintenance headquarters and related facilities, as determined by the Secretary to be necessary for the operation and maintenance of the Sunnyside division, Yakima project, Washington.

SEC. 3. Any of the proceeds from the sales which are authorized by section 1 of this Act and which are not required for the construction of operation and maintenance headquarters and related facilities, as authorized by section 2 of this Act, shall be applied as provided by subsection I, section 4, Act of December 5, 1924 (43 Stat. 703).

SEC. 4. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect: *Provided, however,* That nothing in this Act shall be construed as authorizing additional appropriations in carrying out the provisions of this Act.

Mr. MANSFIELD. Mr. President, the Senate recently passed S. 1085, a bill disposing of certain Federal property on three projects in Idaho, Wyoming, and Washington. The House subsequently passed H.R. 7601, an identical bill except for various technical amendments. The House bill is entirely satisfactory to the Senate sponsors, Senators McGEE and HICKEY, and to the Senator who reported the bill, the senior Senator from Idaho [Mr. DWORSHAK].

Inasmuch as the Senate has already adopted the substance of the bill by a unanimous vote, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF RAILROAD RETIREMENT ACT

Mr. BURDICK. Mr. President, I send to the desk, for appropriate reference, a bill to amend the Railroad Retirement Act of 1937.

Section 1 of the proposed bill would make men who have attained age 62 and who have less than 30, but at least 10, years of service eligible for an annuity on an actuarially reduced basis. Women already have this right under the Railroad Retirement Act. The 1961 amendments to the Social Security Act—Public Law 87-64—made men, who have at least the minimum of service needed to qualify for benefits under that act, eligible after attainment of age 62 for old-age benefits on a reduced basis. Women were eligible for reduced old-age benefits in such circumstances under that act even before the 1961 amendments.

Section 2 of the proposed bill would enable a wife or husband who meets the age and other eligibility conditions for a spouse's annuity to receive such an annuity either immediatey after marriage, or at the time when she or he meets those conditions, if in the month prior to marriage she or he was eligible for a widow's, widower's, parent's or a child's disability annuity; and would shorten from 3 years to 1 year the time which must elapse after marriage before a wife or husband, who was not eligible for such an annuity and is not the parent of her or his spouse's children, can receive a spouse's annuity.

The cost of the bill is estimated to be $2 million a year. Although the bill makes no provision for financing the cost of the bill, I understand that, because of the rather small cost involved, the Association of American Railroads and the Railway Labor Executives' Association, the two responsible groups which pay the taxes under the Railroad Retirement Tax Act to support the railroad retirement system, are in favor of this bill.

I ask unanimous consent that the text of the bill be included at this point in my remarks.

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

The bill (S. 2395) to amend the Railroad Retirement Act of 1937, introduced by Mr. BURDICK, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(a)3 of the Railroad Retirement Act of 1937 is amended to read as follows:

"3. Men who will have attained the age of sixty and will have completed thirty years of service, or individuals who will have attained the age of sixty-two and will have completed less than thirty years of service, but the annuity of such men or such individuals shall be reduced by 1/180 for each calendar month that he or she is under age sixty-five when the annuity begins to accrue."

SEC. 2. Section 2(f) of the Railroad Retirement Act of 1937 is amended by striking "three years" and inserting in lieu thereof "one year" and by inserting after the word "filed" where it first appears the following: ", or in the month prior to her or his marriage to such annuitant or pensioner was eligible for an annuity under subsection (a) or (d) of section 5 of this Act or, on the basis of disability, under subsection (c) thereof".

SEC. 3. The amendments made by this Act shall be effective with respect to annuities beginning to accrue in calendar months after the calendar month of enactment thereof.

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. CHURCH. Mr. President, one of the salutary developments in these otherwise bleak post-World War II years has been the economic recovery and subsequent economic boom in Western Europe. The emergence of economic vigor combined with freedom and political stability in this area has been, among other things, a strong deterrent to the spread of communism. It is also a tribute to American foreign policy. Funds provided under the Marshall plan seeded and nourished Western Europe's prodigious economic growth.

No one could contend that the role of the United States in Western Europe has been other than generous. In addition to the billions of dollars we have spent there since the end of World War II to promote full economic recovery, the United States has formally committed itself to the defense of Western Europe. We have joined the NATO alliance. We have kept large contingents of American troops in Western Europe at our own expense. Today we maintain five divisions in West Germany in readiness to defend that country or, if need be, Berlin.

But in addition to all this, Mr. President, we have long subsidized the military forces of our NATO partners in Western Europe. There was a time, perhaps, when this was justified, in the years immediately following the war. However, during the past 10 years, since 1950, it has become increasingly apparent that these countries can easily afford to maintain

their own military establishments without further help from the United States. Indeed, some of these countries have now become so prosperous that their per capita income rivals that of some of our American States.

Yet, throughout the whole 10-year period, our military assistance program to these countries has continued unabated. Between 1950 and 1960, we have given nearly $13 billion worth of military aid to our NATO allies in Western Europe alone. Congress stopped further substantial economic aid to these countries 7 years ago, recognizing they had fully recovered their capacity to be self-supporting. It's long past time for us to take a stand on military aid. Unless we do, the subsidy will never stop; it will continue forevermore.

Mr. President, in order to show the amounts of military aid we have furnished our NATO allies in Western Europe over the past decade, I ask unanimous consent to have printed in the RECORD at this point a chart detailing these figures on a country-by-country basis, and giving the totals of the 10-year period, as well as the breakdown for each year since 1956.

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

NATO–U.S. MAP deliveries, defense expenditures, and defense expenditures as percent of GNP, by calendar year

[Millions of dollars]

Country	Total, calendar years 1950–60			Calendar year 1960			Calendar year 1959			Calendar year 1958			Calendar year 1957			Calendar year 1956		
	MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures	
		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount	Percent of GNP		Amount [2]	Percent of GNP
Belgium-Luxembourg	$1,175	$3,904	3.5	$13	$400	3.2	$22	$386	3.2	$59	$375	3.2	$32	$376	3.2	$96	$349	3.2
Denmark	476	1,327	2.8	22	150	2.6	45	143	2.6	24	143	2.9	20	146	3.1	47	136	3.1
France	4,117	29,815	7.4	39	3,831	6.8	147	3,630	7.0	130	3,355	7.0	159	3,159	7.5	400	2,975	7.9
Germany [3]	897	20,714	4.3	58	2,886	4.3	86	2,640	4.4	78	1,631	3.0	380	2,134	4.1	295	1,717	3.7
Greece	904	1,316	5.6	69	159	5.0	70	154	5.1	139	149	5.1	79	149	5.4	81	135	5.3
Italy	1,944	9,798	4.0	140	1,136	3.7	112	1,067	3.8	72	1,035	3.9	144	977	3.9	257	934	4.0
Netherlands	1,104	4,321	5.0	53	455	4.1	26	396	3.9	41	436	4.6	84	486	5.2	152	488	5.7
Norway	634	1,413	3.8	10	145	3.3	51	155	3.7	47	143	3.6	38	147	3.7	69	135	3.6
Portugal	279	832	4.1	4	100	4.5	12	98	4.5	24	86	4.2	25	83	4.1	20	80	4.1
Turkey	1,618	1,480	5.0	85	270	5.6	124	241	5.4	251	163	4.2	208	141	4.1	171	129	4.8
United Kingdom	989	48,285	8.1	26	4,856	7.0	199	4,679	7.1	43	4,684	7.3	97	4,707	7.7	75	4,788	8.3
NATO area programs	1,166	------	------	238	------	------	143	------	------	137	------	------	127	------	------	83	------	------
Total, NATO	15,303	123,205	5.9	757	14,388	5.4	1,037	13,589	5.5	1,045	12,200	5.2	1,393	12,505	5.7	1,746	11,866	5.9
Canada	------	17,903	5.9	------	1,654	4.7	------	1,642	4.7	------	1,740	5.3	------	1,829	5.8	------	1,888	6.3
United States	------	453,838	10.4	------	46,552	9.3	------	46,614	9.7	------	45,503	10.2	------	44,548	10.1	------	41,773	10.0

[1] U.S. military assistance furnished to countries includes deliveries of equipment and supplies, expenditures for repair and rehabilitation of excess stocks, training, packing, crating, handling and transportation, nutrition surveys, construction and credit assistance under sec. 103(c) MSA.

[2] Based on NATO definition of defense expenditures. For the United States it includes expenditures for military functions of the Department of Defense, the military assistance program, the Atomic Energy Commission, Coast Guard, National Aeronautics and Space Administration, veterans' insurance and indemnities and residual expenditures by ICA for the direct forces support program.

[3] German defense expenditures data for all years are ICA estimates. Germany's expenditures through 1955 were largely occupation-support costs. Military assistance expenditures represent physical deliveries to the Federal Republic of Germany.

NOTE.—Precise comparisons of levels of defense expenditures between European countries and the United States are not possible. Conversions of national currency data into dollars have generally been made on the basis of official foreign exchange rates, and the purchasing power of dollar equivalents is appreciably higher in most European countries than that of the dollar in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations. A uniform exchange rate has been applied for all years in order to preserve the trend of the national currency data and eliminate distorting fluctuations in the dollar figures caused by devaluation.

Mr. CHURCH. Mr. President, it is to be noted from this chart, that none of the prosperous countries in Western Europe are making as much of an effort, in proportion to their own resources, to maintain their armed forces, as we have been making in proportion to ours. During the decade, we spent 10.4 percent of our gross national product on our military forces, compared to an average of 5.9 percent on the part of our NATO allies.

Moreover, it cannot be argued that the continuing American subsidy is furnishing these countries with an inducement to make a greater effort on their own, since it is clear from the chart that the average yearly military expenditure of our NATO allies has fallen off from 5.9 percent in 1956 to 5.4 percent in 1960.

Mr. President, just to make plain beyond argument the level of wealth that has now been achieved by most of our NATO partners in Western Europe, their resultant capacity to maintain their own armed forces without American subsidy, and the lesser effort they are actually making compared to our own, I ask unanimous consent to insert an appropriate chart containing these figures for last year, 1960, at this point in the RECORD.

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

Selected economic and defense expenditures data on European NATO countries and United States, calendar 1960

	Population (in thousands)	Total GNP (millions)	GNP per capita	Private consumption per capita [1]	Defense expenditures (millions)	Percent of defense expenditures to GNP
Belgium-Luxembourg	9,490	$12,275	$1,293	$896	[2] $400	3.2
Denmark	4,640	5,690	1,226	827	161	2.8
France	45,500	54,400	1,196	728	3,831	6.8
Germany (West)	52,321	63,740	1,218	706	2,886	4.3
Greece	8,691	3,120	359	270	159	5.0
Iceland	176	155	881	500	------	------
Italy	49,315	30,360	616	390	1,136	3.7
Netherlands	11,480	10,990	957	540	455	4.1
Norway	3,590	4,465	1,244	724	[2] 145	3.3
Portugal	9,124	2,220	243	187	[2] 100	4.5
Turkey	27,518	4,680	170	134	[2] 270	5.6
United Kingdom	52,375	68,950	1,317	863	4,856	7.0
Total, European NATO (excluding Saar)	274,220	261,045	952	604	14,399	5.4
United States [3]	179,894	494,500	2,749	1,730	46,552	9.3

[1] At 1959 market prices.

[2] Partly estimated.

[3] Alaska and Hawaii excluded.

NOTE.—All data are preliminary and subject to revision.

NOTE.—Precise comparisons of the levels of gross national product and of defense expenditures between the European countries and the United States are not possible. The conversion into dollars has been made on the basis of official foreign exchange rates, and the purchasing power of the dollar equivalent is appreciably higher in most European countries than in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations.

Source: European Data Book.

Mr. CHURCH. Mr. President, I send to the desk an amendment to the pending bill and request that it be printed. I also ask unanimous consent that the text of the amendment appear at this point in the RECORD.

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

The amendment ordered to be printed in the RECORD is as follows:

On page 38, after line 5, insert the following new section:

"SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished."

Mr. CHURCH. Mr. President, it should be understood that this amendment would not affect any firm commitment we have already made, that is, prior to July 1, 1961, to furnish military aid to any country in Western Europe. It would not prohibit future cash or credit sales of military equipment, services, or supplies, to any of these countries. It would merely provide that no further military assistance shall be furnished on a grant basis to a country of Western Europe, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

What more reasonable limitation, calculated to protect our national interest, could be imposed than this? The pending bill authorizes nearly $2 billion a year, for each of the next 2 fiscal years, to be spent on continuing military aid abroad. In the coming year, 22 percent of this amount is to be given the countries of Western Europe. Some of these countries may still need our help, and this amendment would not prevent the President, in such cases, from giving it. But the amendment would put an end to further subsidies, shelled out by American taxpayers, to the prosperous countries of Western Europe that can well afford to maintain their own military establishments.

I know, Mr. President, that the outcry will be heard: "This is not the time to cut off any subsidy to Western Europe, not now as the storm clouds gather over Berlin." But if we must defer until a time when there is no crisis, who knows how long we will have to wait?

I say, Mr. President, it is error—worse still, it is error compounded with weakness—to believe that any alliance can be served or strengthened through needless subsidy. Such a practice is degrading to donor and donee alike. History clearly demonstrates that it is self-defeating. The record shows that it has not worked, and is not working, in the case of NATO today. None of our NATO allies in Western Europe have met the military goals set for the alliance nearly 2 years ago. We are 400,000 men short of the agreed level of strength, but neither West Germany, France, nor the United Kingdom, though peering into the very teeth of the Berlin crisis, have undertaken any buildup of their own defenses comparable to what the President has asked of the United States.

Congress has already approved the President's supplemental requests. Our country will go on carrying more than its share of the load in the NATO partnership. Even now it is our own Strategic Air Command, built and maintained at a fantastic cost to the American taxpayers exclusively, that constitutes NATO's main deterrent power. But we are foolish indeed if we think that continued handouts of military aid to our prosperous allies in Western Europe will ever cause them to do their share. It has not in the past; it is not now; it will not in the future. It is just the kind of extravagance that brings the whole foreign aid program into disrepute.

Mr. President, I have supported the foreign aid program as indispensable to our national survival in this precarious world. But the American people are fed up with the waste that is in it. Their resentment today can lead to reaction tomorrow so widespread as to fill these Halls, and the White House as well, with men who would sever our world commitments and withdraw the United States into a lingering, lethal, and last isolation.

If this happens, Mr. President, we will look for someone else to blame, but heavily the blame will lie upon each of us who, through hesitancy and inaction at these desks, failed to stop the abuses in the foreign aid program that threaten to turn the people against it.

It is to correct one such flagrant abuse that I offer this amendment. Our prosperous allies in Western Europe do not need further subsidies of military aid from the United States. If Congress will adopt this amendment, we will be saying to our NATO allies: "We expect you to do your part for the alliance, even as we intend to do ours." In that spirit only can we serve our mutual interests best.

Mr. President, I urge the Senate to adopt the amendment.

USE OF SERVICE BANDS IN PUBLIC CELEBRATIONS

Mr. COTTON. Mr. President, some weeks or 2 or 3 months ago, in the performance of my work as a Senator, I had occasion on behalf of a town in the State of New Hampshire which was celebrating its bicentennial, its 200th anniversary, to forward a request to the Department of the Army that a military band from a neighboring military reservation participate in the event. Apparently on the eve of the celebration the musicians' union of the city of Manchester, N.H., objected and invoked a directive which is apparently in effect governing the use of military bands.

I was somewhat amazed the other day to receive a letter which I desire to read into the RECORD, and I wish to read my reply, and state that subsequently I shall take some time perhaps to comment on the attitude of this and other labor organizations and their arrogance, and to call attention to some instances.

This letter is headed, "Manchester Musicians' Protective Association, Local No. 349, A.F. of M., AFL–CIO, Roger Carrier, president." It says:

MANCHESTER, N.H.,
August 4, 1961.

HON. NORRIS COTTON,
U.S. Senate Building,
Washington, D.C.

DEAR SIR: Last Tuesday, August 1, it was brought to the attention of the board of directors of Local No. 349, American Federation of Musicians, that the 18th Army Band from Camp Devens in Ayre, Mass., had been ordered out to play at the bicentennial celebration in Goffstown, N.H.

This act was in direct violation to the War Department directive concerning Army bands off military reservations; section 35, Act 3, June 1916.

Upon learning that such a move was anticipated, local No. 349 was left no alternative other than to take measures to prevent such action. An immediate meeting of the local's directors was called, and it was unanimously agreed upon not to grant permission as this function was of a competitive nature and it deprived our members of work.

The city fathers of Goffstown and the chairman of that committee, Mr. Alfred W. Poore, Jr., were quite upset with this decision. However, upon learning the true facts from us, they readily understood that they were "caught in the middle" of a controversy. Our local was threatened with bad publicity via the newspapers. If all the facts were brought to light, it would have caused your office much embarrassment.

At such a late date that we were notified, and too, in learning of your involvement in a sincere effort to help the good people of Goffstown in their hour of "social need," a meeting was again hastily called, and, our directors reversed their previous decision and agreed to allow the 18th Army Band to play at this social function.

To prevent any further misunderstandings in the future, please be advised that all Army bands off military reservations must receive clearance from that local in whose jurisdiction it plans to perform whether the function is competitive or not.

Kindly confirm this letter.

Thank you.

Respectfully yours,
ROGER CARRIER,
President.

This is my reply:

MR. ROGER CARRIER,
President, Manchester Musicians' Protective Association, Manchester, N.H.

DEAR SIR: This will acknowledge the receipt of your letter of August 4 with reference to the engagement of the 18th Army Band from Camp Devens at the bicentennial celebration in Goffstown.

I note your statement that "if all the facts were brought to light, it would have caused your office much embarrassment," also your advice to me that all Army bands off military reservations must receive permission from you before they can perform.

Please be advised that as a Senator from the State of New Hampshire, I have always transmitted the request of any citizen or any town or city to the Department of the Army or any other Government department to which it should be directed. I shall continue to do so. If the Defense Department is subject to your authority, that is up to them. I am not.

If you have any facts which, if brought to light, will cause me embarrassment, by all means bring them to light at once.

I am waiting to hear what they are.

Very truly yours,

NORRS COTTON,
U.S. Senator.

I shall take occasion to comment on this and other incidents later.

ADJOURNMENT TO TOMORROW AT 10 O'CLOCK A.M.

Mr. DWORSHAK. Mr. President, I move that under the order previously entered the Senate now adjourn until tomorrow at 10 o'clock a.m.

The motion was agreed to; and (at 5 o'clock and 59 minutes p.m.) under the order previously entered, the Senate adjourned until Thursday, August 10, 1961, at 10 o'clock a.m.)

NOMINATIONS

Executive nominations received by the Senate August 9 (legislative day of August 8), 1961:

U.S. ATTORNEY

John T. Curtin, of New York, to be U.S. attorney for the western district of New York for the term of 4 years, vice Neil R. Farmelo.

U.S. MARSHAL

Emmett E. Shelby, of Florida, to be U.S. marshal for the northern district of Florida for a term of 4 years, vice Emerson F. Ridgeway.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 9 (legislative day of August 8), 1961:

FEDERAL POWER COMMISSION

Lawrence J. O'Connor, Jr., of Texas, to be a member of the Federal Power Commission for the term of 5 years expiring June 22, 1966.

THE JUDICIARY

U.S. DISTRICT JUDGES

James Braxton Craven, Jr., of North Carolina, to be U.S. district judge for the western district of North Carolina.

Andrew A. Caffrey, of Massachusetts, to be U.S. district judge for the district of Massachusetts. (Appointed during the last recess of the Senate.)

Lewis R. Morgan, of Georgia, to be U.S. district judge for the northern district of Georgia.

Earl R. Larson, of Minnesota, to be U.S. district judge for the district of Minnesota.

U.S. ATTORNEY

Vernol R. Jansen, Jr., of Alabama, to be U.S. attorney for the southern district of Alabama for the term of 4 years.

U.S. MARSHAL

William Marshall Broadrick, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years.

COAST AND GEODETIC SURVEY

Capt. James C. Tison, Jr., to be Deputy Director of the Coast and Geodetic Survey with the rank of rear admiral for a term of 4 years, pursuant to law.

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensign

Michael H. Fleming.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 9, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 6: 10: *Finally, my brethren, be strong in the Lord, and in the power of His might.*

Most merciful and gracious God, grant that during this day we may walk in the way of Thy commandments with a more fervent spirit and with an intensified desire to merit Thy favor and do that which is well pleasing unto Thee.

Emancipate us from pride and self-seeking and may all our aspirations and ambitions, our efforts and endeavors, our plans and purposes include the well-being and welfare of every member of the human family.

May the mind of our President, our Speaker, and the Members of Congress be fertile and fruitful in wise decisions and in programs of legislation that will kindle new hope in the heart of humanity, looking wistfully for the dawning of the day of universal peace.

In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales; and

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes.

The message also announced that the Vice President had made the following appointments:

Delegates to the International Parliamentary Union, to be held in Brussels September 14–22, 1961: Senators GORE, HUMPHREY, THURMOND, HART, HICKEY, MONRONEY, CAPEHART, SCHOEPPEL, ALLOTT, and KEATING. Alternates: Senators LONG of Hawaii, SYMINGTON, PASTORE, MUSKIE, MANSFIELD, and SPARKMAN.

Delegates to the NATO Parliamentarians Conference, to be held in Paris November 13–18, 1961: Senators JACKSON, KEFAUVER, CANNON, METCALF, BYRD of West Virginia, LONG of Missouri, MUNDT, JAVITS, SCOTT, and MILLER. Alternates: Senators LAUSCHE, JORDAN, MCGEE, BURDICK, WILLIAMS of New Jersey, and HARTKE.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962

Mr. CANNON. Mr. Speaker, on behalf of the gentleman from Texas [Mr. MAHON], I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 7851, the Department of Defense appropriation bill for the fiscal year 1962.

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

There was no objection.

FOREIGN AID BILL

Mr. MEADER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. MEADER. Mr. Speaker, I take this time to announce to the House that I intend to discuss foreign aid in a special order I have for this afternoon. I have been granted 60 minutes, and I intend to yield for questions. I hope some useful discussion will be generated.

Mr. Speaker, I feel very strongly that this bill will be one of the most important measures that this session of the Congress will consider.

H.R. 8400 as reported by the Foreign Affairs Committee removes the Congress from foreign aid activities for all practical purposes in the economic loan field for the next 5 years. It grants direct access to the Treasury for financing the program.

I cannot vote for the bill in its present form.

I have supported foreign aid for the 10 years that I have served in this Congress and I hope the House will study this bill carefully and will reshape it so that it will be something I can vote for.

KWAME NKRUMAH

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. GROSS. Mr. Speaker, in 1958 Prime Minister Nkrumah of Ghana came to this country and was given the red-carpet treatment. He was asked at that time in a television interview if he was a Marxist socialist, and the answer was an unequivocal "Yes."

Now I note in the papers that this same Nkrumah and this nation of Ghana is to get a $98 million loan from the World Bank, which we heavily underwrite, for the building of a power dam on the Volta River, and that the United States, on a unilateral basis, is going to give this same Nkrumah $98 million to build an aluminum plant in Ghana.

Then I note, Mr. Speaker, that in an appearance in Budapest, Hungary, on or about July 29, 1961, this same Prime Minister Nkrumah praised the Hungarian brand of communism and told a

workers rally at a giant Budapest telecommunications factory:

We choose for ourselves the same direction of development as you have chosen.

Mr. Speaker, there is no logic in fighting the Russian brand of communism and at the same time dish out millions of dollars to support the building of new Communist governments. This is using the worst kind of deception on those who pay the bills—the taxpayers of America.

We are either for or against communism and it makes no difference whether it resides in the Government of Russia or Ghana.

TRANSFER OF FREEDMEN'S HOSPITAL

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 405 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, House Resolution 405 provides for the consideration of H.R. 6302, a bill to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university and for other purposes. The resolution provides for an open rule, waiving points of order, with 1 hour of general debate.

The purpose of H.R. 6302 is to provide a modern teaching hospital for Howard University and to replace the obsolete plant at Freedmen's Hospital. The bill proposes to achieve this by transferring Freedmen's Hospital to the university, authorizing appropriation of funds to construct a new hospital, and authorizing appropriation of funds for partial support of the new hospital's operating expenses.

The bill establishes a policy that the new hospital shall become progressively more self-supporting.

Freedmen's Hospital was established by the Federal Government at the close of the Civil War to care for sick and destitute Negroes who came to Washington in great numbers. The present main building was constructed in 1908 on land belonging to Howard University. A tuberculosis annex was added in 1940. Freedmen's now has 437 beds and its budget for fiscal year 1962 requests funds to open a closed floor of the annex in order to utilize some 50 beds.

Freedmen's Hospital at the outset was operated by the War Department. Throughout the years, control over the hospital was transferred successively to the Department of the Interior, the District of Columbia government, back to the Department of the Interior, then to the Federal Security Agency, and finally, to the Department of Health, Education, and Welfare. It is the only general community hospital operated by the Federal Government.

The Freedmen's Hospital plant has been described as obsolete, uneconomical, and inefficient. The Secretary of Health, Education, and Welfare, in testimony before the Committee on Education and Labor stated that Freedmen's Hospital "putting it frankly, is a dump."

Transfer of the hospital to Howard University with provision for constructing a new teaching hospital was recommended in 1955 by a study commission appointed under authorization of the 83d Congress. Legislation to carry out that proposal was recommended by both the Kennedy and Eisenhower administrations.

Mr. Speaker, I urge the adoption of House Resolution 405.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. HOFFMAN].

Mr. HOFFMAN of Illinois. Mr. Speaker, we have no objection on this side to the rule being considered, and we have no requests for time. Consequently, I yield back the balance of my time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Alexander	Gray	McSween
Barrett	Hagan, Ga.	Milliken
Battin	Hall	Pilcher
Blatnik	Halleck	Powell
Blitch	Harrison, Va.	Rabaut
Breeding	Healey	Roberts
Buckley	Hoeven	Rostenkowski
Cook	Holifield	Santangelo
Diggs	Huddleston	Vinson
Dooley	Hull	Weaver
Ellsworth	Jones, Mo.	Westland
Evins	Kilburn	Winstead
Fogarty	Landrum	Young
Gavin	Lesinski	

The SPEAKER pro tempore (Mr. WALTER). On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SUBCOMMITTEE ON TRANSPORTATION AND AERONAUTICS

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce may be given permission to sit during general debate for the remainder of this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from Illinois [Mr. HOFFMAN].

Mr. Speaker, this resolution makes in order the consideration of the bill H.R. 6882 to establish an additional Assistant Secretary of Labor. The purpose of the legislation is to provide this new Assistant Secretary of Labor with jurisdiction and responsibility over the great avalanche of women employees and women connected with organized labor throughout the Nation.

Mr. Speaker, I want to commend the committee for bringing this resolution out, especially the gentlewoman from Washington [Mrs. HANSEN], and the gentlewoman from Oregon [Mrs.

GREEN], our colleagues, who have contributed so much to bringing this legislation before the House today.

Mr. Speaker, this is a highly necessary piece of legislation for the reason that today we have over 24 million women in our labor force throughout America. When the Women's Division or Women's Bureau of the Department of Labor was established back in 1920 there were only 6 million women in the labor force throughout America. In 1961 the number of women actively employed in various business and industry numbers over 24 million. It is expected that by 1970 there will be an increase of almost 6 million more women in the Nation's labor force. The President and Secretary of Labor have made a special request for the establishment of an additional Secretary of Labor to supervise and oversee the problems of women workers over the Nation.

Mr. Speaker, this is a highly necessary piece of legislation, and I hope that the resolution will be adopted without any opposition.

Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. COLMER].

PROGRAM FOR THE BALANCE OF THE WEEK

Mr. BROWN. Mr. Speaker, will the gentleman yield to me to inquire of the majority leader as to the program for the balance of the day and the rest of this week?

Mr. COLMER. I yield to the gentleman from Ohio.

Mr. McCORMACK. Mr. Speaker, I am very glad my friend asked me the question. For today there is the bill relating to Freedmen's Hospital and the bill for the additional Secretary of Labor.

Tomorrow two bills will be brought up: H.R. 7651, to amend the Career Compensation Act, which comes out of the Committee on Armed Services. It relates to flight pay in the armed services.

The other bill is H.R. 2732, to amend section 303 of the Career Compensation Act, also out of the Committee on Armed Services. I understand that relates to allowances for the movement of house trailers. If we dispose of those bills tomorrow, we shall go over until Monday.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I should like to know whether the distinguished majority leader can tell us when this foreign giveaway bill is to come up?

Mr. McCORMACK. Before answering that question, there is the usual reservation, that conference reports may be brought up at any time.

As to the gentleman's question, the bill, which is of vital importance to the national interest of our country, which the gentleman has in mind——

Mr. GROSS. That is H.R. 8400.

Mr. McCORMACK. That is the number of the bill.

Mr. GROSS. That is the foreign giveaway bill.

Mr. McCORMACK. The gentleman has his own characterizations. I say it is a bill in the national interest. But I do not wish to get into an argument on that now.

Mr. BROWN. Mr. Speaker, the gentleman from Ohio did not yield for political speeches by either of the gentlemen.

Mr. McCORMACK. The gentleman means by the gentleman from Iowa.

Mr. Speaker, I will say this: the probabilities are that it will be programed for Monday, but I would like to have until tomorrow before making that definite.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

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

There was no objection.

Mr. COLMER. Mr. Speaker, a few days ago we were advised and otherwise had brought to our attention the alleged fact that the Russians had put a manned satellite into orbit. There was a statement carried here locally that this second astronaut as he passed over Washington gave greetings to the people of America.

Mr. Speaker, the United States of America has put two astronauts into space. We know that we did because we saw live pictures of the whole ventures. We know that they actually went into space; we saw them take off, we heard them in the air, and we saw them when they landed. The Russians, the greatest propagandists in the world, say that they put their second man into orbit, and that he orbited the earth some 17 times or 20 times—the number does not make any difference. Proof that this occurred, we are told, is that he was heard talking as he passed around and over various countries of the world. But I do not know whether we heard him or not. I do know that a year ago we had a satellite in orbit and we heard President Eisenhower's voice coming from that satellite giving greetings to peoples of the various countries as the satellite went around the world. We know that voice was tape recorded. We have no knowledge on the Titov episode except what the Kremlin tells us.

Mr. Speaker, I repeat I am just a layman. I do not claim any scientific knowledge in this area. But as a layman of ordinary intelligence I must confess that I have my own misgivings about this affair. This is particularly true when one considers the timing in connection with the Berlin crisis.

When we attempt one of these space achievements we do so in a goldfish bowl like manner. The press, both domestic and foreign, is invited to witness the whole undertaking as in the Shepard and Grissom flights.

I have been concerned in my own mind whether the Russians ever really put a man into space. They do not let any photographers see this thing take off, they do not let any photographers see the thing come down. They do not let any foreign observers watch it. They do not tell us where it takes off from or where it lands. They do not permit press coverage. How do we know that the voice that was heard over Washington and over the other countries of the world was not a taped voice that was placed in that satellite that was sent up?

I say this has been concerning me for some time, although I hesitated to say anything about it, but last night when I went to my apartment I picked up the Washington Star and I read an article by the able and learned columnist, David Lawrence, "Doubts on Soviet Space Flight." He expresses this doubt much better than I am expressing it here today.

The Russians are not only the greatest propagandists in the world, they are also very careless with the truth. Maybe they did put a man in space, I do not know, and you do not know. There is nobody in this House who knows that that man went over Washington, and there is nobody in the world that can testify that they saw him, except the Russian propagandists. Maybe we are not as far behind Russia in this area as some think we are. You know, we Americans can be the most gullible people in the world; we are traditionally a God-fearing people who are taught to speak and act truthfully and honestly.

I would like to see the Russians give some further proof of the fact that they had this man in orbit before I as a layman am willing to accept it as a fact.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the article by David Lawrence to which I referred.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The article referred to follows:

DOUBTS ON SOVIET SPACE FLIGHT—RUSSIAN SECRECY ON NEW EARTH ORBITING CALLED BASIS OF POSSIBLE HOAX

IN EUROPE.—Until and unless the Soviet Union allows disinterested scientists and members of the press from other countries to witness the ascent into and descent from space of astronauts aboard satellites that circle the earth, the alleged exploit of Gherman Titov must remain a matter of doubt. It could have been the hoax of all times.

For everything that has been reported from Moscow and from other countries about conversations by radio to and from the satellite itself could have been reproduced artificially by tape recordings in advance without the actual presence of any astronaut aboard during the flight.

Indeed, a Reuters News Service dispatch from Cape Canaveral, Fla., on Sunday contains this significant paragraph about an American space project:

"A 2-ton Project Mercury capsule, it is hoped, will be launched into a single orbit by an Atlas rocket this month. This capsule will contain an 'artificial astronaut,' a 'crewman simulator' which will 'breathe, sweat, and talk.'"

The foregoing experiment, if successful, is to be followed later by a manned capsule sent into orbit by the United States. But the press of the world will be invited to see the launching and the return and to hear the uncoded reports from the spaceship.

In attempting to get ahead of America, the Soviets may well have "simulated" the whole flight. It seems incredible, for instance, that Titov would actually sleep 8 hours while engaged on such a hazardous and momentous undertaking wherein every minute, it may be assumed, would require him to be alert to see that nothing went wrong mechanically.

It doesn't seem possible that the astronaut, who is but 26 years old and supposed to be in the air only 25 hours, would waste any of those hours in sleep, or that he really could be so calm as to drop off into slumberland at the appointed time with the greatest of ease. In fact, the Moscow report said that by prearrangement he was supposed to sleep only 7½ hours, but extended his slumbers by 37 minutes.

This recess, incidentally, afforded an opportunity for complete silence in communications while the satellite was supposedly over certain parts of the globe. Whatever messages came from the ship and were heard at all could easily have been taped beforehand and broadcast from the satellite. It is significant that nobody but the Russian ground staff could communicate with the satellite during its flight and that no conversations from outside Russia were permitted. There were no television reels shown in Russia of pictures taken at the beginning or ending of the flight, though even these could also have been taped beforehand. A Moscow dispatch by Reuters says:

"Details of the landing were not disclosed immediately, but it was believed the spaceship came down suspended from parachutes. The procedure involves the firing of a retrorocket to take the ship out of its orbit and head it back to earth. There is also an alternative method whereby Titov could be ejected in an emergency and descend in his space suit by parachute."

All this is the kind of hazardous performance which, in the case of American astronauts Shepard and Grissom, the press and its photographers were able to witness. Television cameras at once gave the entire world a bona fide movie of what was happening in both instances. Why, then, did the Soviets prefer to do it all in secrecy? A United Press International dispatch from Moscow says: "Western observers were not permitted to witness Titov's takeoff or landing."

The claim was made in one of the Moscow dispatches that television cameras, presumably aboard the satellite, were sending back pictures of Titov in flight. But these pictures could, of course, have been made before the ship left the ground.

Many similarities between the alleged flights of Gagarin and Titov were noted in Moscow press dispatches. The first thought of both astronauts was to send greetings to the Central Committee of the Communist Party and to Premier Khrushchev. The messages were obviously prepared ahead of time for propaganda purposes.

Plans are being made already to send Titov as a "good-will ambassador" on trips to other countries. The flight itself was timed to coincide with the meeting of the Western Foreign Ministers at Paris and has all the aspects of a propaganda stunt, cleverly conceived and executed.

There is no reason to accept as a scientific fact that Titov made the flight—though the space ship, with recordings aboard for intermittent radio transmission, may well have been functioning as it circled the earth.

The Russians do not hesitate to lie or forge official documents or to fake stories of episodes for propaganda purposes. Despite the skepticism that resulted from the contradictions in the Gagarin story, the Communists have dared again to ignore the press of the free world on the Titov demonstration. Scientists would gladly have come from Western countries to witness the ascent of an astronaut in or descent from an earth-girdling satellite—if such an event really took place in Russia.

Mr. HOFFMAN of Illinois. Mr. Speaker, my distinguished colleague from Indiana gave a good explanation of the bill. In view of his statement that there were so many women going into labor, we do not want to object to the House working its will by having the bill come onto the floor.

I have no more requests for time, Mr. Speaker.

Mr. MADDEN. I have no more requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 369, nays 16, not voting 52, as follows:

[Roll No. 140]

YEAS—369

Abbitt
Abernethy
Addabbo
Addonizio
Albert
Alexander
Alford
Anderson, Ill.
Andrews
Arends
Ashbrook
Ashmore
Aspinall
Auchincloss
Avery
Ayres
Bailey
Baker
Baldwin
Baring
Barry
Bass, N.H.
Bass, Tenn.
Bates
Becker
Beckworth
Beermann
Bell
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Blatnik
Boggs
Boland
Bolling
Bolton
Bonner
Boykin
Brademas
Bray
Brewster
Brooks, La.
Brooks, Tex.
Broomfield
Brown
Broyhill
Bruce
Burke, Mass.
Burleson
Byrne, Pa.
Byrnes, Wis.
Cahill
Cannon
Carey
Casey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Coad
Cohelan
Collier
Colmer
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mo.
Daddario
Dague
Daniels
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Dingell
Dominick
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Everett
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Garmatz
Gary
Gathings
Giaimo
Gilbert
Glenn
Goodell
Goodling
Granahan
Grant
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halpern
Hansen
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Hébert
Hechler
Hemphill
Henderson
Herlong
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Holtzman
Hosmer
Hull
Ichord, Mo.
Ikard, Tex.
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King, N.Y.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kornegay
Kowalski
Kunkel
Kyl
Laird
Lane
Langen
Lankford
Latta
Lennon
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDonough
McDowell
McFall
McIntire
McMillan
McSween
Macdonald
MacGregor
Mack
Madden
Magnuson
Mahon
Mailliard
Martin, Nebr.
Mathias
Matthews
May
Meader
Merrow
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Mills
Minshall
Moeller
Monagan
Montoya
Moore
Moorehead, Ohio
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Norrell
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pirnie
Poage
Poff
Price
Pucinski
Quie
Randall
Ray
Reece
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Roudebush
Roush
Rousselot
Rutherford
Ryan
St. George
St. Germain
Saund
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Vanik
Van Zandt
Wallhauser
Walter
Watts
Weis
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Wright
Yates
Younger
Zablocki
Zelenko

NAYS—16

Alger
Andersen, Minn.
Bow
Davis, James C.
Dole
Hiestand
Horan
Johansen
McVey
Marshall
Martin, Mass.
Mason
Pillion
Taber
Utt
Van Pelt

NOT VOTING—52

Adair
Anfuso
Ashley
Barrett
Battin
Belcher
Blitch
Breeding
Bromwell
Buckley
Burke, Ky.
Cook
Curtis, Mass.
Diggs
Dooley
Ellsworth
Evins
Gavin
Gray
Hall
Halleck
Harding
Harrison, Va.
Healey
Hoeven
Huddleston
Jones, Mo.
Kilburn
King, Calif.
Landrum
Lesinski
Machrowicz
Milliken
Moorhead, Pa.
Moulder
Pilcher
Powell
Rabaut
Rains
Rivers, S.C.
Roberts
Rostenkowski
Santangelo
Sheppard
Smith, Va.
Toll
Vinson
Weaver
Westland
Winstead
Young

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Anfuso with Mr. Adair.
Mr. King of California with Mr. Hall.
Mr. Toll with Mr. Battin.
Mr. Gray with Mr. Kilburn.
Mr. Harrison of Virginia with Mr. Bromwell.
Mr. Healey with Mr. Halleck.
Mr. Rostenkowski with Mr. Weaver.
Mr. Santangelo with Mr. Milliken.
Mr. Barrett with Mr. Curtis of Massachusetts.
Mr. Evins with Mr. Hoeven.
Mr. Diggs with Mr. Belcher.

Mr. Rabaut with Mr. Gavin.
Mr. Powell with Mr. Westland.
Mr. Moorhead of Pennsylvania with Mr. Ellsworth.
Mr. Moulder with Mr. Dooley.

The result of the vote was announced as above recorded.

The doors were opened.

Mrs. GREEN of Oregon. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6882, with Mr. SMITH of Mississippi in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BRADEMAS].

Mr. BRADEMAS. Mr. Chairman, the purpose of this bill, H.R. 6882, introduced by the gentlelady from Washington [Mrs. HANSEN], is to provide for one additional Assistant Secretary of Labor. The bill was approved in the full House Committee on Education and Labor, without objection, on May 23.

Mr. Chairman, in explanation of the purpose of the bill, I might quote what Assistant Secretary of Labor George C. Lodge told the subcommittee during the hearings. Assistant Secretary of Labor Lodge said:

> The need for the enactment of this legislation at an early date arises from the expanding responsibilities and activities of the Department of Labor, a vital part of which concerns the increasingly essential role of women in our labor force. It is intended, therefore, that the new Assistant Secretary will perform functions relating primarily to the employment and effective utilization of women in our labor force.

Mr. Chairman, I think it is relevant to point out, in understanding the purpose of this legislation, that an additional 6 million women workers, an increase of 25 percent as compared to an increase of 15 percent for male workers in the same period, will become part of the labor force in the United States in the next 10 years.

When the Women's Bureau was established in 1920 there were only 8 million women in the labor force. Today there are about 24 million. By 1970 it is expected that there will be over 30 million women in the labor force. For this reason it has become increasingly apparent that adequate top policy level staff is necessary with respect to women workers and that expansion of the scope and functions of the Women's Bureau is necessary. The expansion of the present programs under the Department of Labor and the development of a number of new programs, for example, in the field of international affairs or in connection with the impact of automation, will place additional burdens on the existing structure of the Department of Labor.

Mr. Chairman, the Director of the Women's Bureau, in addition to her usual duties, at the present time is also used by the Secretary of Labor as a special assistant for the purpose of advising him on the broad range of women's activities as they relate to the problems of the entire Department.

For this reason, the Director of the Women's Bureau at present is handling matters that are not, technically speaking, under the Women's Bureau. There will be no duplication of effort if this bill becomes law because the position of the Director of the Women's Bureau will be eliminated with the establishment of the new position of Assistant Secretary. Although the new Assistant Secretary would supervise the work of the Department of Labor relating to women workers, the jurisdiction of the position is not confined to female workers. While the duties of the new job will be focused on problems relating to women primarily, they will also encompass other problems, for example, those relating to young people, family problems, and juvenile delinquency.

Mr. Chairman, it seems to me this is a most useful piece of legislation. The administration has testified on the importance of the passage of the bill. There is unanimous support for the bill in our committee. I hope very much the bill passes.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield.

Mr. WILSON of Indiana. May I ask the gentleman if this new appointee will be under civil service and therefore come under the Hatch Act, or will he be another man on the payroll going out around the country working for the Democratic Party and making speeches while on the public payroll?

Mr. BRADEMAS. I call the attention of my good friend from Indiana to the hearings, where on page 1 Assistant Secretary of Labor George C. Lodge, a very able and distinguished public servant, who is not a member of my political party, I am sorry to have to say, pointed out that the incumbent of the new position will be appointed by the President by and with the advice and consent of the Senate and for that reason would not be under civil service.

Mr. WILSON of Indiana. What will be his qualifications?

Mr. BRADEMAS. I have just indicated to the gentleman that he will not be under civil service. He will be appointed as is any other Assistant Secretary of any of the other departments.

Mr. QUIE. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, of course this bill will pass. There may be 75 votes against it. The necessity for this position I cannot learn. In referring to the appointee, the gentleman from Indiana [Mr. WILSON] said "he." My guess is the position will be held by a practical, expert, woman politician who will get votes for the Kennedy political machine. We can rest assured of that.

More women are employed from year to year. While granting every privilege, including every possible benefit, to the women, some of us still believe, contrary to what Russians believe, that our women should not be required to work in factories or on the land.

Our women should not be required to do manual work as do the Russian women.

Why do they want another Assistant Secretary of Labor? I will tell you: The administration seeks to increase its political power. As a Republican trying to adhere to the principles which it is said our party has, I cannot go on with these political moves of the present administration.

If you will take a look at the decisions of the Labor Board and the Supreme Court, you will find that the National Labor Board from the time it was created in 1935 has been a political agency or department of the party in power especially when Roosevelt and Truman were in office. When Eisenhower was in, we had a little more conservative Labor Department than before. But now with Secretary of Labor Goldberg we have the heat put on employers all the time on every possible occasion.

If there were any need, or if this Assistant Secretary of Labor would do anything for the country I would be for it; but I know just as well as I know I am standing here that the new Assistant Secretary of Labor will join Goldberg and be just that much of an additional drag on business, an aid to the union officials who put Kennedy in office.

Yesterday we had that provision in the Atomic Energy authorization act dealing with the Hanford powerplant. That seemed to me to be an absurd move, although I hasten to add I do not know anything about the technicalities of it—but basically what was it? It was a bill to put the Government into competition with the private power producers, put them out of business as it has in some instances and as it will in others, with the net result that the folks who are paying taxes will not be able to pay any more.

So where do I get? I get down to the personal, selfish interest of wondering who is going to pay my salary as a Congressman if we liquidate all the taxpayers, all the employers? And that seems to be what Goldberg has in mind, what some of the union officials—not the union men because they want to keep their jobs and they know an employer must be found before there is a job—but some of the union officials want to bring about.

Somebody asked me: How do you get elected over there? It is because the workers in my district desire to keep their jobs. They are thoroughly organized in the Fourth Congressional District. But they want permanent jobs at a fair wage, and they have them. They would rather go along and not go on strike because they own their homes and their kids are in school. They do not wish to follow the lead of some fellow from Chicago, New York, or Detroit, just for a fringe benefit and then be out of a job. They do not care so much about a raise of a cent or

two an hour; what they want is a permanent job, at a fair wage and that is what they have when all work in harmony—and they do usually.

From my experience of over 20 years here is that what will result when you get this new Assistant Secretary of Labor will be to have additional men going out in the districts making trouble.

Perhaps if the administration would direct some of the pressure Goldberg has been putting upon employers, to the Cuban situation, it might be helpful in settling our trouble with Castro.

If we are to avoid war, this afternoon's hijacking of a third plane makes obvious the need for some prompt, definite action.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as she may desire to the author of the bill, the woman from Washington [Mrs. HANSEN].

Mrs. HANSEN. Mr. Chairman, the points on behalf of the bill have been very ably covered by my distinguished colleague from Indiana [Mr. BRADEMAS].

There are currently three Assistant Secretaries: First, in the field of international labor relations; second, in the field of labor management; third, employment security and training. This fourth, I am informed, would be the additional Secretary at sub-Cabinet level for programs concerned with a wide range of problems including those of women workers and related to such problems as youth, the family, juvenile delinquency where the purview falls within the category of a labor problem or a problem created by working parents. With this secretaryship the Women's Bureau could be eliminated, placing the Assistant Secretary in charge of that entire field with the sub-Cabinet status which enables a proper development of policymaking.

Certainly this secretaryship would enable the Department of Labor to meet the increasing responsibilities in connection with the growing role of women in the Nation's work force.

When the present Women's Bureau was established in 1920, there were only 8 million women in the labor force. Today there are about 24 million. By 1970 it is expected that there will be over 30 million women in the labor force. Adequate top-policy-level staffing is necessary with respect to these women workers.

The expansion of the scope and function of these activities, programs, and the development of new programs within the Department of Labor all will place additional burdens on the existing departmental structure. At the present time the Director of the Women's Bureau also acts in the capacity of a special assistant for the purpose of advising the Secretary of Labor on the broad range of women's activities as they relate to the whole Department of Labor, thus the Director of the Women's Bureau handles matters which are not, technically speaking, under or belonging to the Bureau but are more properly part of an assistant secretaryship.

I would like to say in reply to those who bring up the question of women who work, that many of them do not of their own volition enter the economic field or the field of industry; it is sheer necessity that drives them to it. I know from experience in my own family. My father died when I was 8½ years old. This forced my mother to earn her living. This is true of many women the entire width of this Nation, and I am sure that all of us are interested in the day-to-day problems and programs of these women in industry. We can point out innumerable instances where they can be assisted by top-level staffing, by conferences, and by programs developed to that end.

What is automation doing? What are we doing about automation? About retraining women?

What are we doing to assist in the family problems that come about when women are forced into the labor field?

And, particularly, what are we doing about retraining the older women who must seek employment at a time when it is not easy to get employment—those women between the ages of 40 and 55?

What are we doing to make sure she takes her place in society? These are some of the very important reasons why many of us are deeply concerned and interested in women in industry. We think an Assistant Secretary of Labor, having the interest of women in mind, will be tremendously helpful to the entire working force of America.

Mr. BECKWORTH. Mr. Chairman, will the gentlewoman yield?

Mrs. HANSEN. I yield to the gentleman from Texas.

Mr. BECKWORTH. I want to commend the gentlewoman for the interest she has displayed in the type of people she has described. The gentleman from Rhode Island [Mr. FOGARTY] and I have been undertaking to get from officials of the Government some information as to the extent to which the Government itself helps this type of people. One of the things we come up with is they do not have the money to look up the figures as to how many older people are being hired. One of the things that occurs to me that can be done is to get the cooperation of the officials of this Government to find out the extent to which the Government is undertaking, not to announce a program of hiring older people, but to carry it out.

Mrs. HANSEN. The gentleman is quite right. There come across our desks inquiries as to what we can do. The question is asked, What information do you have about hiring and assisting in the employment of older people? We have called up the Department of Labor and they have told us repeatedly they do not have the staff and the material available to enable that job to be done. All of us who have served at State level, who have been in the State legislatures of this Nation, realize that we must depend on this material as a basis for enacting laws.

There is an ever increasing interest in the enactment of equal pay laws, particularly in heavily industrialized States, which indeed, highlights the pressing need for the best possible additional information on wage rates, salaries, and other pay provisions. An analysis of existing occupational wage data by the Department of Labor is most necessary before answers to this question can be found.

Other problems which would benefit from top-level staffing are those belonging to the increasing number of working mothers which indicate special consideration in the areas of day-care services, part-time work and adjustment of work schedules in order that mothers in the labor force can carry out their dual role as wage earner and homemaker. In this connection, may I say that all of us who have been interested in aid-to dependent-children legislation in our States are deeply concerned with making possible jobs of training mothers to earn some part or all of their way. Programs which will assist in this rehabilitation can be of immense value to the Nation.

Second. To assist public and private agencies and voluntary organizations in handling community programs which aid in meeting some of the present-day problems of women workers, the Women's Bureau has proposed to initiate a series of programs and conferences to alleviate these problems.

In closing, I urge you to support H.R. 6882 and its potentialities of serving the people whose grave problems we must meet and meet soon.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in support of this bill and legislation. I believe it is a very wise piece of legislation.

I am a Republican Congressman representing the southern part of the city of Pittsburgh, industrial and steel wards. Likewise, I represent the city of Clairton, known as the steel city. I have a number of mining towns in my district and one of the largest inland shipbuilding plants in the world. I have chemical and fabricating plants in my district; I represent many thousands of steelworkers, mineworkers, and union people. We are proud of the number of women who are employed in our industries, stores, service industries, hospitals, and schools. I believe Congress should give these women workers equal rights in the U.S. Department of Labor.

We know that the Department of Labor has been doing a good job under the Eisenhower administration. I would say, too, that we in our Pittsburgh district believe that Secretary of Labor Goldberg is doing a good job and working hard at promoting industrial peace, negotiation, and settlements in industrial disputes.

Mr. Chairman, of course, in our industrial civilization many labor management, wage, fringe benefit, and conditions-of-employment disputes arise that cannot be quickly settled. The role of the Government should be to help ascertain the facts, and to establish fair procedures to expedite the settlement of these differences, to assist the parties in reaching a mutual agreement voluntarily. The Labor Department at this time is efficiently carrying on that particular function.

As to an Assistant Secretary of Labor to promote women's productive activities and women's employment in our U.S. economy, it is long overdue. We do need in the Department of Labor someone who is responsible directly for guidance, training, and supervising good procedures and rules to protect the rights of women, yes, and making room for women in employment. When we consider there are 24 million women now being employed in this country, and there soon will be 30 million women productively employed in our U.S. economy, we do need to give women their just place in the sun, in the Department of Labor.

It has been estimated that of the young women now entering the labor force, of the age of those just coming out of high school and out of college, 90 percent of these young women will at some time in their lives be employed. That is a tremendous increase of the percentage of women in the labor and employed force in this country. We ought to recognize this new development and give it proper direction and, likewise, we ought to assist by adequate staff personnel and policy direction.

I would disagree with my friend, the gentlewoman from Washington, on the reason for women working. I believe a lot of women work not only because they have to by necessity, but because they like to work and like to make a constructive and effective contribution to the success and progress of the U.S. economy. Women can handle a job just as well as any man. Many women are career people and enjoy their careers. In the United States we have many competent women scientists, chemists, physicists, and engineers. I am on the Committee on Science and Astronautics, and can assure that there is room for women in the field of science and astronautics, aeronautics and outer space. We need women in these fields. The United States is short of competent scientists, and it has been estimated that in the next 10 years we are going to need 5 times more scientists, engineers, and technical people than we have, versed in physics, chemistry, electronics, radio, and the various new subjects that are necessary to keep our economy running at a high level.

I attended a session of women's groups of the AFL–CIO recently in Washington, and I am glad to say to my colleagues that these women's groups met on a very professional and on a nonpolitical basis to discuss methods and procedures for the progress of women in employment. The gentlewoman from Illinois [Mrs. CHURCH], and I, as well as other Congressmen, were at this particular breakfast at the Mayflower Hotel in Washington, D.C., and I found it a very stimulating occasion. As a matter of fact, the person who received the most applause of the morning at this particular AFL–CIO women's breakfast on women's activities was not a Democrat or a Republican man but the gentlewoman from Illinois [Mrs. CHURCH], a Republican woman of Illinois. She got a very wonderful welcome when she appeared and spoke.

Now, when we approach the problems of the U.S. Department of Labor, we must not think of it is as predominately a man's department any more. This Department has been looked at too much as man's concern. The U.S. Department of Labor is a department for every age group of our citizens, both men and women.

I cannot see at all the basis of the objection that our action today might lead to further assistant secretaries in other departments. With the women coming to their full strength in our labor and employment services, I believe they should likewise be represented in many of the other departments at policymaking levels. When you find that women have been in the minority so far, in employment and government, the men in this House should realize that in this country, numerically, there are more women than men, and the men are going to be outvoted if it ever comes to a test. So that maybe the men in this country ought to just ease over and make the treatment absolutely equal, as far as the men and women are concerned, before the men get crowded over in the future by a superior voting power of the women in this country. We are lucky, so far, we men, that they have never taken advantage, because the women could very readily run the country. While this is a humorous supposition, it does point up the fact that the place of women in the U.S. economy must be adequately recognized by the U.S. Congress.

Mr. Chairman, I do feel that this is a serious proposal, and I feel that the Labor Department must be shown to have support on expanded programs for women in the U.S. economy. I have called one rollcall so far on the rule, and I intend to call another rollcall on the final passage of this bill, to show overwhelming support for this position and for the passage of this bill.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I arise in support of the committee bill now before the committee. This bill constitutes one more effort, in an unending succession of efforts, to keep our Government abreast of the times.

It should be made clear at this point, that there is nothing in the bill that requires the newly created assistant secretaryship to be filled by the Director of the Women's Bureau, or by anyone else connected with the women's program in the Department of Labor. The law specifically provides that "each of the Assistant Secretaries of Labor shall perform such duties as may be prescribed by the Secretary of Labor or required by law."

And so it is apparent, Mr. Chairman, that it is within the discretion of the Secretary of Labor to assign to this newly created Assistant Secretary such responsibilities as he feels will best serve the interests of the Department.

The Welfare and Pension Plans Disclosure Act and the Labor-Management Reporting and Disclosure Act have augmented the duties of the Department substantially. The Fair Labor Standards Amendments of 1961 and phases of the Area Redevelopment Act have also greatly increased responsibilities. In other areas established programs are also being expanded. The Employment Service has put into effect special programs in the public employment offices to help young workers and older workers find suitable jobs and to assist local development groups in depressed areas create new opportunities for employment.

In the future, the Department of Labor will be increasingly engaged in the problems of training in connection with the growth and shifts in our labor force, and in the maximum utilization of workers, and in meeting the great challenges arising from automation.

It will be remembered, furthermore, that the growing impact of women on our industrial life has created serious problems. In 1920, when the Women's Bureau was created within the Department, there were only 8 million women in the labor force. During the intervening period that number has increased three times. It is estimated that within 10 years, the number will stand at 30 million, which will represent some one-third of the entire labor force.

Many millions of these women are breadwinners, in their own right, and are the sole providers for the members of their family. Yet many of the problems which women in industry have always faced, are still with us.

The tremendous increase in the number of persons in our labor forces makes it requisite that the Department be given the tools necessary to accomplish its task. It has requested that this change be made, and is entirely reasonable in such request. I urge, therefore, that the bill be enacted.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. KING of Utah. I yield to the gentleman.

Mr. KYL. Can the gentleman inform the House specifically what the duties of this new sub-Cabinet officer will be which are not presently being accomplished, specifically?

Mr. KING of Utah. I can give one illustration to the gentleman from Iowa: If the Director of the Women's Bureau is to be appointed, and I cannot say that she will be, but if she is, I know that the appointment would give her greater latitude in meeting and coping with her specific responsibilities. At the present time she has jurisdiction just over her own particular Women's Bureau. If she were given sub-Cabinet status it would enable her to deal with the problems of women in the labor force wherever those problems might be met, regardless of whether they came within the jurisdiction of the Women's Bureau.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. KING of Utah. I would be glad to yield to the gentleman from Connecticut for further answer to that question.

Mr. GIAIMO. Mr. Chairman, I might answer the gentleman by saying that in addition to the usual functions of the Women's Bureau it is contemplated that there will be additional duties once we have someone at secretarial rank—duties that will deal with problems which perhaps may only indirectly affect wo-

men, but which may affect all the people concerned with the problems of the labor force. These might be problems of youth, problems of the family, and especially problems of juvenile delinquency.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, may I ask someone on the majority side to answer a question or two? Is this part of a series of requests where the present administration is asking for an increased number of appointments? The Committee on Interstate and Foreign Commerce reported out a bill yesterday, without my vote, to create an additional Assistant Secretary in the Department of Commerce. Is this another one of a series of such bills?

Mr. BRADEMAS. I certainly would not go along with the proposition that this is one of a series of moves by this administration to bring in new Assistant Secretaries or other officials as part of some overall plan. The reason I support this legislation and the reason I think our committee gave it such strong support was that there is need for an additional Assistant Secretary in the Department of Labor. I would hope that the gentleman and his own committee would determine whether or not to support an additional official in the Department of Commerce solely on the basis of whether or not it is justified. If I did not think this Assistant Secretary of Labor justified I would not support it.

Mr. DEVINE. My concern arises also out of the fact—and I am not sure whether one is permitted to use the name of a Member of the other body—that a report on Federal employees indicated that the present administration employed 33,000 new employees during the month of June. I wonder if we must have a series of high-paid executives to handle these new employees.

Mr. BRADEMAS. The fact that 33,000 employees were brought on in June or last month or this month has nothing to do with whether or not we need an Assistant Secretary of Labor. But I am sure the gentleman from Ohio, who had the good judgment to be born in my congressional district, would not quarrel with this.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Iowa.

Mr. KYL. If I have read the foreign aid authorization bill correctly, that bill calls for five additional Assistant Secretaries of State, not one but five.

Mr. DEVINE. One thing I learned in the last few days concerns me very much. It does not confine itself necessarily to the Department now under consideration, it has to do with the Department of Justice. I was employed in the Department of Justice over 16 years ago. I learned from a person of very high integrity that there are over 12 lawyers in 1 division of the Department of Justice who are doing absolutely nonlegal work. They are answering White House mail, that has nothing to do with the Department of Justice. They are under the civil service and have nothing to say about it. But that is how they are being used. If lawyers in high civil service grades are being used to do work of this type, I think it is time we took a good look at this apparent abuse by the administrative branch of the Government.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I ask unanimous consent to speak out of turn.

The Chairman. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

TITOV FLIGHT OF AUGUST 6, 1961

Mr. BROOKS of Louisiana. Mr. Chairman, I did not hear the remarks of my distinguished colleague from Mississippi [Mr. COLMER] in which he referred to the statements made by a distinguished writer that the Russian flight in orbit of a man in space, recently completed, was a hoax and was not true. I have expected these charges to arise. My Committee on Science and Astronautics has not had hearings on this particular Russian matter. I think, however, it is fair to say something to the House at this particular time. I have, therefore, asked for this 5 minutes to speak out of order.

We expect such charges to come up after each achievement the Russians make in space. They came up after Sputnik I was flown around the earth. We had serious charges carried in national publications after the flight of Lunik I. The Committee on Science and Astronautics then held special hearings, to which hearings we invited everyone who had any information to show that Sputnik I was a hoax and a fraud upon the world to come forward and give us that information. One witness came forward to give that information. He was highly unsatisfactory to the committee. The committee abandoned the hearing, because it was obvious that Sputnik I was not a hoax and not a fraud upon the peoples of the world.

Mr. Chairman, our committee has investigated these claims of hoaxes on several occasions. We inquired, for example, thoroughly into this matter after the so-called Russian lunik shots, one of which impacted the moon and the other circled the back side of the moon and took a crude photograph of it. After careful inquiry into this matter, in both open and executive session, no doubt was left in the minds of any of the committee members that the Russians had done what they said they did. We could find no substantial evidence to back the theme of a hoax. The same claim was put forward again in April when Major Gagarin made the initial orbital flight around the earth, and again our committee inquired carefully in closed session into whether this flight was actually made. We reached the same conclusion that we had reached earlier—that the flight had been made as the Soviets had stated.

After these hearings, the committee was convinced, and I think without a single exception on the committee, that the Russians had done what they claimed they had. The recent flight of the Russian in orbit around the earth has been completed. Now, according to press statements, Major Titov carried on conversations at different places in the United States. So far as we know, we have nothing to show there was a hoax or a fraud perpetrated upon the peoples of the world. We do not place this above the level of Khrushchev and his Communists. On the other hand, I wish we could show that the Russians are inept, incapable, and ignorant and not able to do the things of which they boast. Frankly, we do not have that evidence. On the contrary, our experience is that when the Russians in the past have made these sensational claims that they have been right, as in the case of Sputnik I and Lunik I and some of the other flights.

I think, until we get some substantial evidence to show that the Russians are trying to perpetrate a fraud upon the peoples of the world, we do our own people a disservice when we seek to underestimate the ability of the Russian in space and to underestimate the ability of the Russian in technology to carry out some of these things that they claim to be doing.

We recently had hearings on the matter of Russian development in aircraft. I am seriously concerned by the progress which the Russians are making in aircraft development, and I will make this prediction to the House at this particular time—unless we step up our pace in aircraft development, we are going to find that the Russians are ahead of us in advanced aircraft development. The things the Russians presented at the recent exhibit at Tushino substantiates the fear and concern that I have over the Russian program in aircraft development moving forward at this time faster than we are moving in the United States.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Utah.

Mr. KING of Utah. May I associate myself with the remarks of the distinguished chairman of the Committee on Science and Astronautics. May I further state that I personally was appalled to hear it suggested on the floor of the House of Representatives by the gentleman from Mississippi that there was any serious question about the exploits of the Russians. I was equally appalled to hear the ovation which this gentleman received, from the Republicans, at the conclusion of his remarks.

For 2½ years we have been hearing testimony before the Space Committee about the exploits of the Russians, and their scientific advances. To my knowledge there is not one case in which the Russians have seriously made a claim with regard to their exploits in space, that has not been later substantiated by us, or about which our intelligence agencies entertain any serious doubt.

It is my belief that those who try to engender doubts about the truth of the claims the Soviets make in regard to space are doing this Nation a disservice.

I would like to be able to think that the Russians are telling lies when they say that they send their rockets to the moon and orbit their astronauts. But all the evidence that we have proves pretty conclusively that they have done just what they claim to have done.

This country, through the very advanced state of its electronic and other technological capability, has many ways of tracking and checking on the Soviet doings in space. I cannot discuss many of them for security reasons. But we have them and we know what the Russians are doing and are capable of doing. To my knowledge, no American official with responsibility in this area—military, intelligence, Space Administration or otherwise—has thus far had any reason to doubt Soviet claims about their space accomplishments.

We have been able to check all of these with but a single exception. That was the Russian shot to the planet Venus last February. It was sent out of the Earth's environment and transmitted only on command on unannouced frequencies. However, the Russians admitted that they had lost that probe—and they have not been able to find it even with the help of the giant radiotelescope at Jodrell Bank, England.

Most of us have seen with our naked eyes the flights of various sputniks—and our scientists, by simple mathematics, can compute the mass and even the dimensions of them. So we know the Russians can do what they claim to have done—even if we disregard the further evidence that they have done it.

So far as the recent orbiting of Major Titov is concerned, I would point out that our own American wire services monitored his conversations and greetings—which came in on the frequencies and at the times and places as announced by the Russians.

I may further remind the Members of this body that the Russians' superiority over us in space has resulted from our failure in the past to take them seriously.

I remember an influential Republican, a Member of the other body, whose flippant remark, following the announcement of Sputnik I, was as follows:

> We should not become hysterical, just because the Russians have lobbed a basketball into outer space that goes beep, beep, beep.

I might well wish, Mr. Chairman, that the beep, beep, beeps of the Russian satellites would go away and leave us alone. But they will not. Russia's progress is real, and spectacular, and grim. The way we can beat the Russians is not by pretending that they do not exist, but by putting adequate sinew and effort into a national effort to excel.

Mr. BROOKS of Louisiana. I thank the gentleman.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like to ask the gentleman from Indiana a question or two.

First of all, I am interested in knowing what this new bureaucrat is going to cost?

Mr. BRADEMAS. I can tell the gentleman the salary of the new Assistant Secretary will be $20,000 a year.

Mr. GROSS. All right, that is just a start. Will the gentleman tell me how many more employees will be necessary for this elevated official? Are you going to be coming in and asking for supergrades to back up this new Secretary?

Mr. BRADEMAS. I may say to the gentleman, I know that certainly is not my intention nor is there any such provision in the bill before us.

Mr. GROSS. It may not be the gentleman's intention. Will this new Secretary join the Cadillac brigade, complete with a chauffeur?

Mr. BRADEMAS. Perhaps what I ought to do is suggest that the gentleman from Iowa put that question to the Assistant Secretary of Labor, a member of his own party, who came and testified before our subcommittee in support of this legislation. It will be all right with me if the new Assistant Secretary drives a Studebaker Lark.

Mr. GROSS. Let me ask the gentleman this question: In his original remarks he said that when this secretaryship is established, the Women's Bureau will be abolished. Is that correct?

Mr. BRADEMAS. I think I said to the gentleman that the position of Director of the Women's Bureau will be eliminated, that there would be a new position of Assistant Secretary of Labor and that the activities which have heretofore been carried on under the administration of the Director of the Women's Bureau will now be carried out in this new office.

Mr. GROSS. Will the gentleman point out to me anywhere in the bill or the report where it is proposed that the Director of the Women's Bureau will be abolished?

Mr. BRADEMAS. I can give the gentleman the assurance that we were advised by the Department of Labor precisely that this would be done. Moreover, the Women's Bureau is not set up by legislation, but by Executive order.

Mr. GROSS. I would say to the gentleman that employment rolls are growing at an astonishing rate under the New Frontier with all the frills and new angles that have been added. What assurance have we that that is not going to take place when this office is created? I think you will still have the whole works over there.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the leader of our party.

Mr. HOFFMAN of Michigan. It just seemed to me that the gentleman's first question was a little unfair to our colleague from Indiana, who has the adjoining district. You asked him how much this bureaucrat would cost and he told you. But by implication he is just a bureaucrat. I do not want to be critical but did the gentleman want to leave that impression?

Mr. GROSS. I would not attempt to read the mind of the gentleman.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. WALTER. I am sure the gentleman has failed to note that this will involve an increase of $2,500.

Mr. GROSS. I am sure that is not all the increase that is involved. I do know from listening to the gentleman handling the bill that there will be an increase. It could not be otherwise.

Mr. BRADEMAS. I advised the gentleman from Iowa that the salary of the new Assistant would be $20,000. The salary of the Director of the Women's Bureau, a position which I understand is to be abolished if this legislation passes, is $17,500.

Mr. GROSS. It is the gentleman's hope that it will be abolished. It is a hope and only a hope.

Mr. BRADEMAS. No; that is the testimony of the Department of Labor.

Mr. GROSS. Every time a new Secretary is established it sets off a train of hiring, upgrading of employees, and up goes the payroll. There will be more employees under the new Secretary. We are not being fooled about that at all.

I oppose this bill, just as I have been opposed to similar bills ever since I came to Congress. I fought the bill which came before Congress early in 1953 to provide a new Secretary for the Eisenhower administration in the Department of State. That was a new Secretary to provide for an overhaul and a reduction of personnel in the State Department. What did we get? More personnel in the State Department, not less; and that is what will happen in this instance.

Mr. QUIE. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, I believe that this bill is entitled to support and I intend to support it.

I have not been in favor of all of the programs which have become law over the years, and have been placed under the jurisdiction of the Labor Department for administration. However, the jurisdiction of the Department has been greatly expanded, particularly in the past several years.

The passage of this bill means that there will be three Assistant Secretaries. Not so long ago, Congress passed the Welfare Plan Disclosure Act and in 1959, we passed the Labor Reform Act. Those two measures, which I supported, have imposed a great amount of additional responsibility and work upon the Department of Labor.

While I believe the burdens we have already imposed on the Department justify passage of this bill, I want to sound a note of caution. I do not like the trend, which I see developing, toward an ever-increasing rapid expansion of the Labor Department. Right now there is a bill, which was recently reported from the Committee on Education and Labor, to reactivate the old CCC—under a new name: the Youth Conservation Corps. By whom do you suppose the Youth Conservation Corps would be administered—if the bill should be passed? By the Department of Labor? To me that is completely ridiculous.

I support the bill before us on the basis of legislation that this Congress has already passed, because I believe it is justified and needed; but I will not support some of the additional grants of power to the Department of Labor which have been proposed.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Iowa.

Mr. GROSS. The question was asked a little while ago, What specifically can an Assistant Secretary do that a Director of the Women's Bureau cannot do? Can the gentleman give us a more intelligent reply than I received to that question?

Mr. GRIFFIN. I am not going to argue with the gentleman on this point. Let me just say that, having read the record of the hearings, including the testimony of Assistant Secretary Lodge, and having reviewed the legislation in the labor field which has already passed and must be administered by the Labor Department, I feel this bill can be justified. Of course, that is a matter of opinion. The gentleman may disagree with me.

Mr. GROSS. I certainly do.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. When we make this a statutory office, it cannot by Executive order be canceled. The job cannot be done away with. If you provide by law for an Assistant Secretary of Labor, it cannot be abolished. The Women's Bureau was established by Executive order, it was set up under Executive order, and it may be for some reason or other just abolished at any time. This does give a statutory level to women's activities in the Department of Labor. That is why I favor it.

Mr. GROSS. Does the gentleman feel that we ought to have an Assistant Secretary in the Navy to handle the activities of the WAVES and an Assistant Secretary of the Army for the WAC?

Mr. GRIFFIN. I agree with the gentleman from Indiana [Mr. BRADEMUS]. We should take up such bills one at a time, review the record and see whether it is justified or not.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. PETERSON].

Mr. PETERSON. Mr. Chairman, I rise in support of H.R. 6882, a bill to provide for one additional Assistant Secretary in the Department of Labor.

A Bureau of Labor was first established in the Interior Department in 1884. It shifted around as an independent Department, but without executive rank. In 1903 it returned to bureau status in the Department of Commerce and Labor, and in 1913 finally achieved the status of an executive department with a Secretary of Cabinet rank.

The Women's Bureau was first established as the Women-in-Industry Service in 1918, and was made a permanent Bureau of the Labor Department in 1920. It is charged with formulating policies and programs for improving the working conditions of wage-earning women, and is concerned as well with the problems of women who are both homemakers and wage earners.

It is concerned not only with the employed women in America, but assists labor leaders of other countries by sending delegates to international conferences deliberating on the status of women in economic, social, educational, and political fields.

Until 1946 the Department had a Secretary and two Assistant Secretaries. The growth of our population and economy made it necessary for the Congress to provide an Under Secretary and one additional Assistant Secretary in 1946.

Now in 1961—15 years later—with the expanding responsibilities and continued growth of population and economy, it is necessary to add a fourth Assistant Secretary.

At the time the Women's Bureau was established in 1920 there were 8.2 million employed women in addition to 32 million employed men.

Today there are 22.9 million employed women and 45.8 employed men, a nearly threefold increase for women and less than twofold increase for men.

It is estimated that by 1970 there will be 30 million employed women and 57.5 million employed men—an increase of 25 percent in the next 9 years for women and an increase of only 15 percent for men.

It is evident from these figures that with the number of employed women increasing in our labor force at a rate faster than that of employed men, this additional Assistant Secretary should be provided by the Congress, and should be charged by the Secretary of Labor primarily with the many problems incident to the employment and effective utilization of women in that labor force.

I am convinced of the need for enactment of this legislation at an early date, and my conviction stems not from a critical view of the adequacy of the Women's Bureau as presently staffed. They are doing a superb job under the able direction of Esther Peterson, one to whom not only women but all men can point with pride in her dedication to public service. My feeling of urgency does stem from a realization that the problems of the employed woman should be correlated with the problems of the labor force as a whole at top-level policy. This can only be achieved by close coordination of the plans and policies of all four Assistant Secretaries of the Department, one of whom is charged primarily with the responsibility of placing special emphasis on programs relating to the woman wage earner.

Mrs. GREEN of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. GIAIMO].

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Mr. Chairman, after having been a member of the committee that studied this legislation, I have become convinced that among the great changes we have seen in our time is the increasing importance of the role that women take in our economy. The Women's Bureau was created in 1920. Many changes in women's role in our economy have occurred since then, and we had better give more attention to this matter than perhaps we have in the past.

Mr. GIAIMO. Mr. Chairman, I want to bring out some matters that I think need clarification.

First of all, we hear the statement made that there is going to be a woman in this job. The person who will be selected for this job will be selected by the President of the United States, with the advice and consent of the Senate. It may be a man or it may be a woman.

We have heard it said that we are going to increase the salary by $20,000. The salary of the new Assistant Secretary will be $20,000. The salary of the Director of the Women's Bureau is $17,500. That job will be eliminated. This came before us in the testimony. It was told to us that it would be eliminated, so that the actual increase is $2,500.

The effect of this is simply to increase the assistant secretaryship by one. We have heard a great deal of testimony about the fact that there have been increased activities in the Labor Department. I do not think it is unreasonable at this date that the Secretary of Labor and the administration should ask us to exercise our judgment and give them one additional secretary. We have heard testimony about the fact that there have been increases in other departments, and probably a need in others. We believe that these matters should be taken up department by department and that each should be gaged upon its own merits.

The difference between having someone as a Director of the Woman's Bureau and having someone in charge of that Bureau at an assistant secretaryship level is easy to understand if we have any understanding of the way our Government operates and our executive branch operates. It will give them a greater say in the top levels of decision. It will enlarge the duties that they have beyond the confined area of the Women's Bureau. We have been passing laws in this Congress which affect the Department of Labor; we have increased their activities. I need only to mention the fact that we passed the Labor-Management Disclosure Act in 1959, and thereby increased the job and the function of the Labor Department.

Mr. Chairman, I ask your support for this legislation. I submit to you that it is reasonable and entitled to your support.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Utah.

Mr. KING of Utah. The question was asked a moment ago whether it is recommended that there be an assistant

secretary for the Army to take care of the WAC. I think the answer would be that if at any time we have 24 million women in our Army, they could undoubtedly use an Assistant Secretary to take care of them.

Mr. GIAIMO. I thank the gentleman. Also, during the previous administration President Eisenhower increased the number of Assistant Secretaries of Defense from 3 to 9, and I assume, with good justification.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Iowa.

Mr. GROSS. Well, is it just a question of the numbers or the welfare?

Mr. GIAIMO. I think it is a question that each request be based and judged upon its merits, and if the Secretary can justify the need for an additional Assistant Secretary, I think we should have confidence in him and support him in his request.

Mr. ALGER. Mr. Chairman, I am opposed to the rule because I do not feel the bill H.R. 6882, to provide for one additional Assistant Secretary of Labor, to be even worthy of the time of this House. Normally, I believe in approving the rule in order that the House may debate the bill at hand. In this case, the addition of another Assistant Secretary of Labor is so patently unnecessary as to preclude my approving the rule.

Mrs. GREEN of Oregon. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of April 17, 1946 (60 Stat. 91), is amended by striking out "three" and inserting in lieu thereof "four".

SEC. 2. Section 106(a)(16) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(3)" and inserting in lieu thereof "(4)".

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. WALTER) having assumed the chair, Mr. SMITH of Mississippi, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6882) to provide for one additional Assistant Secretary of Labor in the Department of Labor, pursuant to House Resolution 406, he reported the bill back to the House.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

One hundred and eighty Members are present, not a quorum.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Arends	Harrison, Va.	Rains
Ashley	Healey	Rivers, S.C.
Battin	Hoeven	Roberts
Boykin	Holifield	Rostenkowski
Bromwell	Hosmer	Santangelo
Buckley	Huddleston	Steed
Celler	Jones, Mo.	Thompson, N.J.
Cook	Kearns	Utt
Diggs	Kilburn	Vinson
Dingell	Landrum	Weaver
Dooley	Lesinski	Westland
Ellsworth	Mason	Willis
Evins	Milliken	Winstead
Gavin	Pilcher	Young
Hall	Powell	
Halleck	Rabaut	

The SPEAKER pro tempore (Mr. WALTER). On this rollcall 389 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ADDITIONAL ASSISTANT SECRETARY OF LABOR

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the "ayes" had it.

Mr. FULTON. Mr. Speaker, I think this is an important enough issue to demand the yeas and nays; therefore I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1815) to provide for one additional Assistant Secretary of Labor in the Department of Labor, which is identical to the bill H.R. 6882 just passed by the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of April 17, 1946 (60 Stat. 91), is amended by striking out "three" and inserting in lieu thereof "four".

SEC. 2. Section 106(a)(16) of the Federal Executive Pay Act of 1956 (70 Stat. 738) is amended by striking out "(3)" and inserting in lieu thereof "(4)".

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 6882) was laid on the table.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

ADDITIONAL PROGRAM FOR TOMORROW

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

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I take this time for the purpose of advising the membership that in addition to the bills that I announced earlier, the Defense Department appropriation conference report will come up tomorrow. There may be one or two items in dispute, and I want to advise the Members accordingly.

TRANSFER OF FREEDMEN'S HOSPITAL

Mrs. GREEN of Oregon. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6302, with Mr. ROONEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. GREEN of Oregon. Mr. Chairman, the purpose of this bill is to replace the obsolete Freedmen's Hospital plant and to provide for a teaching hospital for Howard University. The bill authorizes the construction of a new hospital which is not to exceed 500 beds—there are 437 beds in the hospital at the present time—and then to transfer the new facility to the university. The main building at Freedmen's Hospital was constructed in 1908. It is over 50 years old; the tuberculosis annex was constructed in 1940.

Secretary Ribicoff, when he appeared before our committee, said frankly that Freedmen's Hospital as it exists at the present time is a "dump." He strongly recommended a new hospital and its transfer to Howard University.

In 1955 a 10-man Commission was appointed by the Secretary of Health, Education, and Welfare to study and to make recommendations in regard to Freedmen's Hospital. This Commission reported back to the Secretary that the hospital plant was obsolete, outmoded, and uneconomical. Then it went on to say "that even if the hospital were completely renovated at a substantial cost, the end product would still be far

below the standards of a modern university hospital."

There is a nationwide need, certainly, at the present time for more medical doctors, for technicians, for nurses, for dentists. If Howard University is going to be able to carry on its program to double the enrollment in the fields of medicine, dentistry, and nursing, then, it seems to me that the construction of a new hospital is absolutely essential. The report, as I said, was made by a commission composed of medical doctors and outstanding citizens from across the country.

Mr. Chairman, since that commission report every Secretary of the Department of Health, Education, and Welfare has recommended legislation to carry out these proposals.

Mr. Chairman, the bill is in two parts. The first part provides for the construction of a new facility; the second provision is for the transfer of that hospital to Howard University. I think that there is no controversy over the need for a new teaching facility. There has been some difference of opinion as to whether or not the new hospital should be transferred to the university or whether it should stay under separate administration.

First of all, Mr. Chairman, may I say that Freedmen's Hospital is the only community hospital in the United States that is run by the Federal Government. Mr. Chairman, I am delighted at this time to be able to join my colleagues on the other side of the aisle in urging that the Federal Government get out of the administration of this private hospital. May I also say that our committee was advised that this is the only hospital in the United States where the nurses are responsible to the administrator of the hospital and not to the medical director. This is one of the problems of dual administration of the hospital at the present time.

Freedmen's Hospital now is situated on land that belongs to Howard University. The medical director of the hospital and also the president of the university both have recommended that there would be better administration if it were under one head instead of under two, as it is at present. For example, the president of the university pointed out that they have people at Freedmen's Hospital in a clinical laboratory doing research on a reimbursable basis, who are working side by side with other people who have different working regulations and different wage scales.

Mr. Chairman, I quote Dr. Jones, the medical director of Freedmen's Hospital. Dr. Jones had this to say to the committee:

> The organization is such that the medical director, to whom the nursing area should be responsible, may only talk to the nursing situation through the superintendent. This might be at some time, and occasionally it has been, a difficult situation.
>
> We are planning to train a greatly needed group of men or women in the process of doing medical technicians' work. This is a thing which should be related to a university and for which a degree might well be given.
>
> It is very difficult under our situation, and should such a program be developed, it would be directly under the superintendent as a school for the superintendent to supervise and not for the medical director.
>
> These are things that could cause difficulties for us.

The Study Commission in its 1955 report, unanimously concluded with these words:

> By all criteria, and particularly the education and research criterion, the interests of the university, the community, and the Federal Government can best be served if ownership, control, and supervision of the hospital are vested in Howard University board of trustees.

Elsewhere in its report, the Study Commission said:

> More efficient community service can be rendered—particularly to the fee-paying patients of the Greater Washington area—through a privately operated voluntary hospital.

When Mr. Flemming was the Secretary of the Department of Health, Education, and Welfare, he appeared before the committee. At that time he recommended this legislation; first, the construction of a new hospital and, second, the transfer of that hospital to Howard University.

Dr. McGuinness, the Secretary's special assistant for health and medical affairs, also made the same recommendation. He said:

> Medical education, medical research, and medical service are inseparable in a strong education program. The quality of the educational program at Howard Medical School should be strengthened immeasurably by having both medical school and hospital under university management.

Mr. Chairman, there has been objection to this transfer, as I indicated earlier, from only one group, and that is from some of the employees and the union representatives. When hearings were held before the House Committee on Education and Labor at the previous session of Congress, I was much concerned as to whether or not the rights of the employees of Freedmen's Hospital were fully protected. I am completely satisfied that this legislation does protect their interests to the fullest extent possible. First of all, there will be no reductions in salary in transferring the employees. Second, the continuation of their retirement and life insurance programs is guaranteed to them by the legislation. Third, they are protected in their seniority rights. There is also the requirement that Howard University provide other benefits as close as possible to those in civil service.

While it is not spelled out in the bill, I would also say to my colleagues that during the hearings we learned that five within-grade increases have already been set up and a sixth one is contemplated. So, in my opinion, we have done everything that we possibly could to guarantee to the employees of Freedmen's Hospital rights as nearly comparable as possible to those which they now enjoy as civil service employees.

In conclusion, may I say, Mr. Chairman, that it seems to me the major consideration must be the public interest. While we are concerned about the employees that will transfer over from civil service, I think the overriding consideration is the future of Howard University, which has up to this point trained about 50 percent of the Negro physicians in the United States.

Mr. McCORMACK. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I want to congratulate the gentlewoman from Oregon on the excellent manner in which she handled the bill in relation to the Assistant Secretary of Labor and the excellent presentation she has just made on this bill. It is one of the finest presentations of a bill I have ever heard, clear, concise, effective, showing the profound knowledge on the part of the gentlewoman from Oregon on both bills which she handled so ably today, and presenting to the Members as clear a picture as we have ever had in connection with any legislation.

May I congratulate her also on the statement of the Secretary of Labor, Mr. Goldberg. He is doing an outstanding job. He is recognized as one of the strong men of the President's Cabinet.

Again I congratulate the gentlewoman on the excellent and outstanding manner in which she handled the last bill and in which she is handling this bill.

Mrs. GREEN of Oregon. I thank the majority leader for his very kind remarks.

Mrs. BOLTON. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. What will the situation be with regard to the school of nursing?

Mrs. GREEN of Oregon. When the president of the university, Dr. Nabait, appeared before the committee, he said he was most anxious to establish a school of nursing with a collegiate degree. As I indicated earlier, this is the only hospital in the United States where the nurses are not responsible to the medical director but to the superintendent of the hospital. Both the medical director and the president of the university said it would be very difficult to establish a collegiate school of nursing with this kind of dual administration.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Iowa.

Mr. GROSS. This bill provides for a merging of Freedmen's Hospital with Howard University; is that correct?

Mrs. GREEN or Oregon. Yes. This is the second part of the bill. It provides, first of all, for construction of a new hospital and then the transfer of that hospital to Howard University.

Mr. GROSS. Is Howard University presently supported completely by Federal funds?

Mrs. GREEN of Oregon. The facilities at Howard University have been paid for by Federal funds, and the Federal Government at the present time is paying approximately 60 percent of the operating expenses of Howard University; but Howard University is a private institution with its own board of trustees.

Mr. GROSS. This bill in effect would authorize the spending of some $9 or $10 million for the construction of hospital facilities?

Mrs. GREEN of Oregon. The gentleman from Iowa is correct.

Mr. GROSS. There would be no contribution on the part of Howard University toward that physical plant; is that correct?

Mrs. GREEN of Oregon. The construction of the hospital would be started first, then it would be transferred to Howard University. There would be no contribution, to the best of my knowledge, by Howard University for that facility.

Mr. GROSS. But it is the gentlewoman's hope, or did I misunderstand what she said, that eventually Howard University with this addition of the hospital would become much more self-supporting than it presently is?

Mrs. GREEN of Oregon. There is some testimony in the hearings that Freedmen's Hospital would be more self-supporting. I think about 65 percent of the patients at the present time are paying their own fees at the hospital.

Mr. GROSS. But, if it is merged with Howard University, there is not much hope that the hospital will ever become a privately operated institution; is that not correct?

Mrs. GREEN of Oregon. If the hospital is transferred to Howard University, it would become a privately operated institution.

Mr. GROSS. But, it would still be the beneficiary of substantial Federal funds.

Mrs. GREEN of Oregon. Yes, I think whether we continue with the dilapidated building that is deteriorating more and more every year or build a new one, we are still going to be financially responsible to a large extent.

Mr. GROSS. I thank the gentlewoman.

Mrs. CHURCH. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I congratulate the gentlewoman from Oregon and also the entire committee on bringing out this legislation. If the Secretary of Health, Education, and Welfare has called Freedmen's Hospital a "dump," I would go further and term it "a national disgrace." It has been a national disgrace for some years. The benefit, moreover, from the transfer would be just as great to Howard as it would be to the hospital. For years I have watched with just pride the development of the medical teaching staff and particularly the dental department at Howard. I can imagine no more appropriate wedding of two related needs nor better satisfaction of two needs, than through the transfer of this hospital.

I thank the gentlewoman from Oregon for bringing up this legislation.

Mrs. GREEN of Oregon. I thank my colleague from Illinois.

Mr. ROOSEVELT. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from California.

Mr. ROOSEVELT. May I congratulate the gentlewoman from Oregon. This is a very fine, constructive piece of legislation. In further answer to the gentleman from Iowa, it is true, is it not, that the land for this hospital is already owned by Howard University?

Mrs. GREEN of Oregon. Yes, that is true.

Mr. ROOSEVELT. So there is not the additional cost of acquiring the land for the erection of these buildings?

Mrs. GREEN of Oregon. That is correct. I tried to point that out at the beginning of my statement that the land does belong to the university at the present time.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Illinois.

Mr. YATES. I commend the gentlewoman from Oregon for bringing up this bill. I think it is a very worthwhile bill. I think it is essential that the advantages of medical training and the great benefits which a hospital can bring to the Washington community be made available to the people of the community, and I join the gentlewoman in support of this bill.

Mrs. GREEN of Oregon. I thank my colleague.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Chairman, I desire to add my words of praise for what the gentlewoman from Oregon is doing. Our colleague, the gentleman from Iowa, mentioned Howard University. In that connection, I wish to say I know of no Federal moneys that are being spent with more effect in building a better world climate than the money we give to Howard University. The graduates of Howard University go all throughout Africa and Latin America, and they are real missionaries of America to these lands. I say, God bless Howard University and God bless Freedmen's Hospital and God bless the gentlewoman from Oregon.

Mrs. GREEN of Oregon. I thank my colleague, and good friend from Illinois.

Mr. VANIK. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. VANIK. I would also like to join in congratulating the gentlewoman from Oregon and her committee for the work they have done on this bill. I think it is a very commendable thing that the university and the hospital should be joined in a joint effort to improve both institutions.

Mrs. GREEN of Oregon. I thank my colleague.

The CHAIRMAN. The gentlewoman from Oregon has consumed 16 minutes.

Mr. QUIE. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DURNO].

Mr. DURNO. Mr. Chairman, I want to associate myself with the remarks of the gentlewoman from Oregon [Mrs. GREEN]. I want to compliment her for bringing this bill to the floor of this House. I heartily endorse this bill, because it is going to remove a physical eyesore from the American scene and at the same time create a teaching facility which is absolutely essential to the dental and medical students of Howard University.

I want to compliment the gentlewoman from Oregon on her statement that it is going to take the Government out of medicine.

I think this bill more nearly follows along the lines of H.R. 4998 than it does H.R. 4222, and I am very happy heartily to endorse and sponsor this program.

This bill places a teaching facility exactly where it is needed. I think it should improve tremendously our racial relationships, and I think in a measure it is good civil rights legislation, which we have not been able to get across on the floor of this House this year.

Finally, I want to call your attention to the purposes as expressed in this bill. On page 2 the bill states that the bill proposes to achieve the transfer of the Freedmen's Hospital to the university; in other words, away from the Government to private enterprise, to a private board of trustees, and to Howard University; second, it authorizes the appropriation of funds to construct a new hospital; and, third, it authorizes appropriation of funds for the partial support of the new hospital operating expenses. I would point out to you that that in itself is not unlike the Hill bill approach; and the last paragraph says that the intent of the bill is that the hospital shall become progressively more self-supporting.

Turning to the bill, section 5 reads:

> There are authorized to be appropriated annually to the university such sums as the Congress may determine.

I call your attention to the fact that funds are to be appropriated annually; these is to be no back-door spending; Congress will have a year-to-year review of the progress being made at Howard.

Section 6 reads:

> It is hereby declared to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the Howard University Hospital facilities shall become progressively more self-supporting.

All of these things I most heartily endorse. I hope my fellow Members on my side of the aisle will see as I do with respect to this bill.

Thank you.

Mr. QUIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe the support for a new hospital at Freedmen's is unanimous. I have heard no one so far who has said that Freedmen's does not need a new hospital, and the expenditure of $9 to $10 million evidently is necessary. That a 500-bed hospital should cost that amount seems in line with the cost of Hill-Burton facilities at the present time especially in a city the size of Washington, D.C.

The proposal, however, that the hospital be transferred to Howard University seems unnecessary in order to get either an adequate hospital or adequate teaching facilities. Page 2 of the report on H.R. 6302 states:

> Through various agreements with the Federal Government, Freedmen's Hospital has

been the teaching hospital of Howard University since its medical school was established in 1868.

We can also show a large number of institutions throughout the country where the teaching hospital is separate from the university itself. One of the most notable examples is the Massachusetts General Hospital which is not run by Harvard University, yet this is considered to be the top hospital of the country in which to intern. However, the need for a new hospital is so great I feel we should go ahead with this bill and pass it. It is needed in the District of Columbia for the individuals who are involved.

Another subject I want to talk about is where it says later on in the report: "this is to prevent racial integration." We have to provide for racial integration in the hospital. I think that is the biggest reason why HEW wants to transfer the hospital to Howard University. It has been embarrassing for the Federal Government to have a hospital on its hands where practically every patient is of the colored race. This action would turn it over to an all-Negro university in an all-Negro community. I do not imagine it will be any more integrated then than it is now. Still, it will not be as embarrassing to the Federal Government. This is a big reason for the transfer.

I doubt if the hospital will ever become more self-supporting than it is now; because if it is to be a good teaching hospital, undoubtedly it is necessary for many indigent patients to go to that hospital. It is pretty hard for them to give the kind of treatment training they need unless there is a large number of indigent patients. For that reason undoubtedly the Federal Government will have as much of an expense in supporting the hospital when it is transferred to Howard University as it has at the present time, and perhaps an even greater expense. It is well to make the improvements at Freedmen's that are needed for an important teaching facility as this bill calls for, but there is no necessity for the transfer.

Mr. GOODELL. Mr. Chairman, will the gentlemen yield?

Mr. QUIE. I yield to the gentleman from New York.

Mr. GOODELL. Mention has been made of additional facilities. Did the gentleman get the impression from the hearings particularly that the administration spokesman gave as one of the major reasons why they wanted to transfer this hospital was to get rid of the segregated facility under Federal auspices? It is too embarrassing to have this run by the Federal Government while it is segregated.

Mr. QUIE. It is my assumption it is too embarrassing for the Government to run a segregated hospital. However, it is mentioned in the report this provides for an increase of the hospital facilities.

Mr. GOODELL. Does the gentleman anticipate that the transfer will implement integration in the facilities of the hospital?

Mr. QUIE. I do not see how it would be possible, as I said earlier, for transfer to an all-Negro university situated in an all-Negro community. Perhaps the gentlewoman from Oregon could comment.

Mr. GOODELL. I wonder if the gentleman will yield to me so I may ask a question of the gentlewoman of Oregon. First of all I want to pay tribute to our chairman who has done a very thorough and competent job as chairman of this subcommittee.

I would like to ask the gentlewoman from Oregon [Mrs. GREEN] who did a great deal of questioning on this matter of segregation of facilities, if it is not true under her questioning it developed there are some 270 Negro doctors in the District of Columbia and only about 30 of them have courtesy privileges in hospitals other than Freedmen's Hospital in the District of Columbia?

Mrs. GREEN of Oregon. The 270 figure is correct. If my memory is correct, someone testified that there are only 20 Negro doctors who receive courtesy privileges in other District of Columbia hospitals.

Mr. GOODELL. I think Dr. Jones testified to 20. As I went down the list and added them up, as he gave this breakdown, I added it up to 30. I think it should be a matter of record here as to the hospitals which do give courtesy privileges to Negro doctors and how many presently get those privileges in the District of Columbia: The Washington Hospital Center has 10 Negro doctors, Providence Hospital 6, Sibley Hospital 6, Georgetown Hospital, 2, George Washington 2, Casualty 1, Children's Hospital 3, Columbia Hospital none.

As I understand it, there are some 2,000 white doctors in the District of Columbia and 270 Negro doctors. Of those 270 only 30 have privileges outside of Freedmen's Hospital. It seems to me something should be done to integrate this situation and give privileges to doctors who are practicing in the District of Columbia, and give them courtesy privileges in these other hospitals. I wonder if the gentlewoman from Oregon would have any comment as to whether she feels this operation and this transfer is going to have any impact at all on the question of segregated facilities.

Mrs. GREEN of Oregon. First of all, may I say that the hospital at the present time is an integrated hospital. Now, I would certainly agree with my colleague that the vast majority of the patients are Negro patients, and certainly the majority of doctors are Negro doctors. However, there are other physicians who also practice at Freedmen's Hospital. I do not think the question we are debating today is one of integration or segregation. It seems to me that the major concern should be the consideration of a new facility, a new hospital, which is desperately needed. As I mentioned a few moments ago, the present Secretary referred to it as a "dump." The Study Commission in 1955 said that it was outmoded and dilapidated—deteriorating every year.

May I also say that the question has been raised as to whether or not the transfer at this time is based on the desire of the Federal Government to get out of operating a segregated hospital. I think that, back in 1955, the Commission, which was bipartisan, recommended the building of a new facility and its transfer to Howard, based not on the question of integration, but, rather, on better administration, better care of the patients, and a better program for training doctors and nurses and dentists and people in the pharmaceutical field.

May I say further that others who have recommended the construction of a new facility and the transfer to Howard have made these recommendations not on the basis of integration, but on the needs of the community and the needs of Howard University for an up-to-date teaching hospital. As I indicated earlier, in addition to the Commission, every Secretary of Health, Education, and Welfare since 1955 has recommended this legislation.

Mr. GOODELL. Mr. Chairman, if the gentleman will yield further, I certainly concur completely with your initial statement. I do not think there is any question. We are all in favor of a new hospital, and there is need for a new hospital. The question that concerned me was whether this transfer from a federally sponsored hospital to a hospital under the jurisdiction of Howard University was going to have any impact at all on the segregated pattern that exists here in the District of Columbia for hospital facilities. I am fearful that transferring it from the Federal Government to Howard University is going to be a recognition that it should be and will continue to be a segregated facility and that we do not have to open up these other hospitals to Negro patients, because Howard University is primarily a Negro university. Freedmen's Hospital, if I understand it correctly, has today about 99 percent Negro patients and 1 percent white patients. It is pretty well segregated. I would not want to perpetuate that pattern.

Mrs. GREEN of Oregon. The other hospitals in the District are open to Negro patients. The statement which the gentleman made a few moments ago that few Negro doctors have privileges in other hospitals is true, but the other hospitals do accept Negro patients at the present time. I do not think the transfer is really going to affect the situation one way or another. Howard University is an integrated university.

Mr. GOODELL. Of course, that is true, but many of these patients are going to go where their doctors have privileges, and they have no choice to go to these other hospitals if their doctor is not given staff privileges in those hospitals. What concerns me is that by transferring this from the Federal Government where, presumably, we have a desire to integrate, to a private facility that is segregated or virtually segregated we are going to perpetuate that situation. You do not feel that is going to be true, I take it.

Mrs. GREEN of Oregon. No; I do not think so.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROOSEVELT. If I may address myself to my friend, the gentleman from New York, I think it should be very clearly stated in the RECORD that Howard University has made every effort not to be a segregated university, and that in the transference to Howard University of this facility probably we are doing more to break down any segregation that might exist by trying to help Howard University advance in exactly that manner.

However, it should be pointed out that Howard University was originally helped by the Federal Government because it was the only way that members of the Negro race might be able to become trained in the various fields which Howard University offered to them. If that begins to become less and less necessary, of course, the situation can always be reviewed. Let it be clearly stated on the record that Howard University has made every effort not only to become integrated within our own country, but has gone out of its way, as the record shows, and has today probably the highest number of students from foreign lands who are not in any way limited to Negro students.

Mr. GOODELL. I certainly agree with the gentleman's statement that Howard University has made this effort. But, of course, the primary purpose is to serve the Negro people who cannot find other facilities in our society to get their training. I am not sure I understand the logic, that by transferring a hospital that is 99-percent segregated it is going to help Howard University further integrate. Perhaps it will help the hospital to become integrated by transferring it to Howard University because of its policy of integration.

Mr. ROOSEVELT. If the gentleman will yield for just a flat statement, after all, we do have here what was largely a university created for the needs of the Negro people, and yet it set the example of not being segregated, of going out and doing the job of offering its facilities to people of all races and creeds. We can only hope that because of its example that that will spread into other areas where there might be a tendency the other way.

Mr. GOODELL. I share the gentleman's hope, but I wonder if Howard University's policies are going to be any more effective in integrating Freedmen's Hospital than the policy of the Federal Government? Presumably the Federal Government has had policies on integration over the past few years and if it wanted to integrate Freedmen's Hospital, I am not sure that having it done under the aegis of Howard University is going to help very much. I wish it would.

Mr. ROOSEVELT. I might suggest that we might try it out to see how it works.

Mr. QUIE. Mr. Chairman, I think this points out the biggest reason for the transfer is to prevent the embarrassment of the Federal Government to run such an operation as the Freedmen's Hospital. However, to those who feel that the Federal Government is getting out of the hospital business, this surely cannot be true because it will be necessary for us not only to build this hospital but it will also be necessary for the Federal Government to finance its operations in the future as we have been in the past.

Mr. Chairman, on page 3 of the report there is mentioned the fact that the committee has been assured that the preference in returning to Federal employment shall be given within 3 years after transfer of the career employees to Howard University. Under the bill as I see it—and I address my remarks to the chairman of the subcommittee, Mrs. GREEN—the choice must be made by the employees at the time of the transfer. Was this assurance given to us, or was it written into the bill, that for 3 years they may make the transfer to other Federal employment?

Mrs. GREEN of Oregon. That is the language in the report. We have been assured that an employee who is transferring from Freedmen's Hospital to Howard University will not only have the usual 90 days, but is assured of 3 years, if he wishes, to establish his priority in reentering the civil service field.

Mr. QUIE. Did the Secretary of the Department of Health, Education, and Welfare, Mr. Ribicoff, assure us that for 3 years these people will have the opportunity to transfer back—suppose they had chosen Howard University—to Federal employment, and keep their old classification?

Mrs. GREEN of Oregon. That is correct.

Mr. QUIE. And, second, there is written into the bill some of the benefits that these employees shall retain, but the Federal Employees Health Benefit Act of 1959 will not be retained. Has Dr. Nabrit assured us that the employees would receive comparable health benefits as they would have had they stayed in Federal employment?

Mrs. GREEN of Oregon. The gentleman is correct. The health benefit is not written into the bill because the President and the Secretary said that the health program which Howard University has is almost identical with the health program the civil service employees now enjoy.

Mr. QUIE. Will it be brought up to almost equal that or will they be identical?

Mrs. GREEN of Oregon. There was no employee representative who made any objection on this point. They were satisfied that their health protection would be as good under Howard University as under the civil service system.

Mr. QUIE. If these employees were not given 3 years of transfer and were not given all available health benefits as they were before, would the gentlewoman take action with me to see that they would get them?

Mrs. GREEN of Oregon. Yes, since we have received that assurance.

Mr. QUIE. I thank the gentlewoman.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Connecticut.

Mr. GIAIMO. On that point of the health plan, it came out before the subcommittee that some of the employees preferred the existing health plan we would have given them if they had been civil service employees, and others preferred the health plan Howard University has in effect. It is my understanding clearly that they will have a choice in this matter, whether they want to adopt one plan or the other.

Mr. QUIE. Even if they chose going to Howard University, they could still have the choice of the plan they wanted.

Mr. DOMINICK. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Colorado.

Mr. DOMINICK. I think all Members of the House should know this and be interested. I have just received a report that another American aircraft has been hijacked and is on its way to Cuba. This particular plane is a Pan American aircraft originating at Houston and going to Mexico City. This certainly points up the necessity for this Congress to take action as rapidly as we can in order to prevent further things of this kind. There are 72 people on board, and a crew of 9. I do not know any more than that. I do not even know how many are American citizens. But apparently, according to the recent reports, we are in the process of losing another plane.

Mr. QUIE. I thank the gentleman. It looks like we will have to have people riding shotgun on our airplanes, like we once had on our stagecoaches. It is about time this administration took action to prevent this kind of aggression, and demand the return of the plane and our citizens immediately.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Florida.

Mr. HALEY. I think probably the American Government may take some action whenever some of the Cubans or somebody else come down and hijack a couple of helicopters from the lawn of the White House. Maybe we will do something then.

Mr. QUIE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Chairman, last week I took the well to explain my confusion relative to the Berlin emergency, but since then the confusion has been compounded.

The day before yesterday the Secretary of the Treasury, Mr. Dillon, at the conference in Uruguay committed this country to a distribution of some $20 billion to the South American countries. As far as I am concerned, I have not heard even a whisper around Congress as to any type of authorization of that kind.

Yesterday our Assistant Secretary of State, Chester Bowles, as reported on the air last night, made a speech in India in which he committed this country to defending India if she were invaded. I ask the question as to whether that is a slap at our friend Pakistan. I also ask whether the constitutional provision

that Congress solely has the right to declare war, has been repealed.

Again, last night on the air it was reported that one-half of our Cabinet personnel were going to Japan for a conference this fall. I wonder if that is any reflection as to the seriousness of the Berlin question. Today we have the experience of another hijacking of one of our planes. No, it seems to me, day by day there is piling up evidence upon evidence that no one seems to know who is the wagon boss of the New Frontier.

Mr. QUIE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I would like to ask the gentleman from Minnesota, you mentioned the union in Freedmen's Hospital, I believe Local No. 1 of the Municipal and County Officials. Is this union still opposed to the transfer of Freedmen's Hospital?

Mr. QUIE. Yes, their representatives who have talked to me say they are still opposed to the transfer.

Mr. GOODELL. I am looking at the record and find that Mr. Powers testified for the union and the statement was made that he truthfully felt a substantial number of employees would transfer into other branches of the Federal Government from Freedmen's Hospital, if Freedmen's was transferred to Howard; is that correct?

Mr. QUIE. I recall that he said that.

Mr. GOODELL. Does the gentleman feel, and perhaps I should ask the chairman of the subcommittee—do you feel this is a possibility, that a large number of the 700 employees of Freedmen's Hospital who are going to be transferred to Howard will go to some other Federal installation because of this loss of career status?

Mrs. GREEN of Oregon. I do not think anyone can predict at this time as to the percentage of employees who may not care to transfer to Howard University. They do have that choice. My own feeling, and, of course, I have nothing except the testimony before the committee to base this statement on, my feeling in the matter would be that there would be very few who would not transfer to Howard University because we have gone out of our way in the legislation to give them every protection we possibly can as far as their employment rights are concerned.

Mr. GOODELL. Yes, I agree with the gentlewoman. I think it should be a matter of record that that is the approach the subcommittee took and we hope that is the approach the administration will take in implementing this transfer.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Minnesota.

Mr. QUIE. I understand from the representatives that some people feel the transfer is inevitable and definitely is going to take place, and there is nothing they can do about it, and are making inquiries as to transfers to other areas of the Federal Government. The concern of the representatives has been, if there is a large transfer, where will HEW be able to fulfill its obligations to find the employment they have promised, and that the bill provides in similar classifications of Federal employment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIE. Mr. Chairman, I have no further requests for time.

Mrs. GREEN of Oregon. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Chairman, I rise in support of this legislation. This is worthwhile legislation. It is supported by the present Secretary of Health, Education, and Welfare and was also supported by his predecessor in the preceding administration. It was supported, too, by the study group appointed in 1955. The effect of this legislation will be to give us a new hospital here in the District of Columbia, a teaching hospital, with a medical school and a university, Howard University. We have heard mention made today concerning integration. We have also heard mention made concerning the problem of labor and of employees' rights and benefits. I do not think any of those matters are at issue here today. We are speaking of a medical school and a university, Howard University.

We are speaking of an integrated facility. Howard University is integrated; its students are of all races and creeds. We are speaking of a hospital which the United States presently owns which is an integrated hospital, both in its patients and employees. What we are talking about here is divesting the Federal Government of ownership of its hospital and turning it over to a medical school, Howard University, for use as a teaching hospital, and to give them at the same time a new building and new facilities, because, as was said earlier, the present facilities are in bad condition and are actually a disgrace.

The problem of the rights of employees has been brought out by many of the prior speakers. For those employees who do not wish to transfer from the Federal civil service to the employ of Howard University which is not a Federal institution but a private institution run by its own board of trustees, we have been given ample assurance they can be transferred within the Federal system and retain their status as civil service employees of the United States.

I do not think there can be any real objection to this bill which has had unanimous and wide support from so many people over so many years.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentlewoman from Oregon yield me 2 minutes?

Mrs. GREEN of Oregon. Mr. Chairman, I yield the gentleman from Minnesota 2 minutes.

Mr. ANDERSEN of Minnesota. Mr. Chairman, as I listen to this debate I recall that quite a number of years ago our former colleague and late friend, the Honorable Frank Keefe, and I visited Freedmen's Hospital. We did so in order to get firsthand information for the purpose of advising the subcommittee handling the appropriation for Howard University and the hospital. As we left the hospital, I well remember, Frank Keefe turned to me and said, "CARL, this is a horrible dump." Since that time I have heard that same phrase used by others. At that time we appropriated approximately a million dollars above the budget in an attempt to do something to improve that hospital. I am delighted that the committee today is bringing this worthwhile bill before the Congress.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. McCORMACK. I am glad the gentleman took occasion to mention the name of our old friend, Frank Keefe. I remember the dramatic moment in this House when he and our friend the gentleman from Rhode Island [Mr. FOGARTY] were on the floor fighting for increased appropriations for medical research. The gentleman knows it. I am sure he remembers not so many years ago how JOHN FOGARTY and Frank Keefe fought for these improvements.

Mr. ANDERSEN of Minnesota. I might say to the gentleman from Massachusetts that JOHN FOGARTY came along to help Frank and take up where Frank left off.

Mr. McCORMACK. They were both on the same subcommittee. I think they did more than any others to bring about appropriations in the field of public health.

I simply wanted to rise to express how glad I am to hear the gentleman make reference to one of our great colleagues of yesterday who made a tremendous contribution to the medical research and development program and hospital program for the sick of the country, our late friend, Frank Keefe.

Mr. ANDERSEN of Minnesota. I hope, Mr. Chairman, this bill passes without a dissenting vote.

Mr. VANIK. Mr. Chairman, I want to take this opportunity to congratulate the gentlewoman from Oregon [Mrs. GREEN] and her subcommittee on reporting out this bill to transfer Freedmen's Hospital to Howard University. In my opinion, this transfer should make the hospital a better institution, enriched with the teaching resources of Howard University and it should, in addition, provide Howard University with a splendid additional facility to develop and train doctors and nurses.

I also want to take this opportunity to express my appreciation of the tremendous contribution of Howard University in preparing and qualifying doctors critically needed throughout America. It has come to my attention that almost 50 percent of the Negro doctors in America were trained at Howard University. The transfer of Freedmen's Hospital will strengthen the capability of Howard University to carry on this vital mission.

The Clerk read as follows:

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

TRANSFER OF FREEDMEN'S HOSPITAL

SECTION 1. (a) For the purpose of assisting in the provision of teaching hospital resources for Howard University, thereby assisting the university in the training of medical and allied personnel and in providing hospital services for the community, the Secretary of Health, Education, and Welfare shall, pursuant to agreement with the board of trustees of Howard University, transfer to Howard University, without reimbursement, all right, title, and interest of the United States in certain lands in the District of Columbia, together with the buildings and improvements thereon and the personal property used in connection therewith (as determined by the Secretary), commonly known as Freedmen's Hospital.

(b) It is the intent of Congress (1) that the transfer of Freedmen's Hospital to Howard University be effected as soon as practicable, (2) to assure the well-being of patients at Freedmen's Hospital during the period of transition, and (3) that the transfer be effected with minimum dislocation of the present hospital staff and maximum consideration of their interests as employees.

(c) The Secretary of Health, Education, and Welfare shall report to the Congress the terms of the agreement for such transfer.

PROVISION FOR EMPLOYEES OF HOSPITAL

SEC. 2. (a) The agreement for transfer of Freedmen's Hospital referred to in section 1 shall include provisions to assure that—

(1) all individuals who are career or career-conditional employees of the hospital on the day preceding the effective date of the transfer of the hospital, except those in positions with respect to which they have been notified not less than six months prior to the effective date of such transfer that their positions are to be abolished, will be offered an opportunity to transfer to Howard University;

(2) Howard University—

(A) will not reduce the salary levels for such employees who transfer,

(B) will deposit currently (i) in the civil service retirement and disability fund created by the Act of May 22, 1920, the employee deductions and agency contributions required by the Civil Service Retirement Act, and (ii) in the fund created by section 5(c) of the Federal Employees' Group Life Insurance Act of 1954 the employee deductions and agency contributions required by the Federal Employees' Group Life Insurance Act of 1954, and

(C) will provide other benefits for such employees as nearly equivalent as may be practicable to those generally applicable, on the effective date of the transfer of the hospital, to civilian employees of the United States;

(3) the transfer will become effective not later than the beginning of the second month which begins after construction of the new hospital facilities authorized by section 3 is commenced.

(b) The Department of Health, Education, and Welfare shall make every reasonable effort to place in other comparable Federal positions all individuals who are career or career-conditional employees of Freedmen's Hospital on the date of enactment of this Act and who do not transfer to Howard University.

(c) Each individual who is an employee of Freedmen's Hospital on the date of enactment of this Act and who transfers to Howard University shall, so long as he is continuously in the employ of Howard University, be regarded as continuing in the employ of the United States for the purposes of the Civil Service Retirement Act, the Federal Employees' Group Life Insurance Act of 1954. For purposes of section 3121(b) of the Internal Revenue Code of 1954 and section 210 of the Social Security Act, service performed by such individual during the period of his employment at Howard University shall be regarded as though performed in the employ of the United States.

AUTHORIZATION OF CONSTRUCTION OF HOSPITAL FACILITIES

SEC. 3. For the purpose specified in section 1, there are hereby authorized to be appropriated such sums as may be necessary for the construction of a building or buildings and facilities, including equipment, and for remodeling of existing buildings (including repair and replacement of equipment) which are to be combined with the building or buildings and facilities so constructed, to provide a hospital with a capacity of not to exceed five hundred beds.

CONTINUED OPERATION OF FACILITIES

SEC. 4. If, within twenty years after the completion of construction (as determined by the Secretary of Health, Education, and Welfare) of the new hospital facilities authorized by section 3, any of such facilities, or of the facilities transferred pursuant to section 1 and combined with such new facilities, are transferred by Howard University to any other person or entity (except a transfer to the United States) or cease to be operated by the university as teaching hospital facilities, the United States shall be entitled to recover from the transferee or the university, in the case of a transfer, or from the university, if there is no transfer, an amount equal to the then value of such facilities (or so much thereof as is involved in the transfer, as the case may be), such value to be determined by agreement of the parties or by action brought in the United States District Court for the District of Columbia.

AUTHORIZATION OF APPROPRIATIONS FOR OPERATION

SEC. 5. In order to facilitate operation of teaching hospital facilities at Howard University, there are authorized to be appropriated annually to the university such sums as the Congress may determine, for the partial support of the operation of such facilities giving consideration to the cost imposed by the provisions of section 2 and the portion of the agreement under this Act relating to such provisions. The cost of operating such facilities, the appropriations pursuant to this section, and any other income derived from such operation or available for such purpose shall be identified and accounted for separately in the accounts of the university.

FINANCIAL POLICY

SEC. 6. It is hereby declared to be the policy of the Congress that, to the extent consistent with good medical teaching practice, the Howard University Hospital facilities shall become progressively more self-supporting. In order to further this policy, the President shall submit to the Congress a report, based on a study of the financing of the operation of the hospital, containing his recommendations on the rate at which, consistent with the above policy, Federal financial participation in such cost of operation shall be reduced. Such report shall be submitted not later than the end of the second calendar year following the year in which the construction of the new hospital facilities, authorized by section 3, is completed.

REPEAL OF LAWS

SEC. 7. All laws heretofore applicable specifically to Freedmen's Hospital are, to the extent of such applicability, repealed, effective with the transfer of Freedmen's Hospital pursuant to section 1.

TRANSFER OF FUNDS

SEC. 8. All unexpended balances of appropriations, allocations, and other funds, available or to be made available, of Freedmen's Hospital are, effective with the transfer of Freedmen's Hospital pursuant to section 1, transferred to Howard University for use in the operation of the Howard University Hospital facilities, except to the extent (determined by the Director of the Bureau of the Budget) required to meet obligations already incurred and not assumed by the university.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 3, line 15, strike out "and"

Page 3, line 21, strike out the semicolon and insert a comma.

Page 3, line 21, insert "and (D) in determining the seniority rights of its employees, Howard University will credit service with Freedmen's Hospital performed by such employees who transfer, on the same basis as it would credit such service had it been performed for such University;"

The committee amendments were agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. WALTER] having resumed the chair, Mr. ROONEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, pursuant to House Resolution 405, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced that the "ayes" had it.

Mr. FULTON. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 321, nays 61, not voting 55, as follows:

[Roll No. 142]

YEAS—321

Adair	Barry	Bow
Addabbo	Bass, N.H.	Brademas
Addonizio	Bass, Tenn.	Bray
Albert	Becker	Breeding
Andersen, Minn.	Beermann	Brewster
	Belcher	Bromwell
Anfuso	Bell	Brooks, Tex.
Ashbrook	Bennett, Fla.	Broomfield
Aspinall	Bennett, Mich.	Brown
Auchincloss	Berry	Broyhill
Avery	Betts	Bruce
Ayres	Blatnik	Burke, Ky.
Bailey	Blitch	Burke, Mass.
Baker	Boland	Burleson
Baldwin	Bolling	Byrne, Pa.
Baring	Bolton	Byrnes, Wis.

Cahill
Cannon
Casey
Cederberg
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Collier
Conte
Cooley
Corbett
Corman
Cunningham
Curtin
Curtis Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Dominick
Donohue
Dorn
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Flood
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Giaimo
Gilbert
Glenn
Goodell
Goodling
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagen, Calif.
Halpern
Hansen
Harding
Harris
Harrison, Wyo.
Harvey, Ind.
Harvey, Mich.
Hays
Hechler
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Holtzman
Horan
Hull
Ichord, Mo.
Ikard, Tex.
Inouye
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Knox
Kowalski
Kunkel
Kyl
Laird
Lane
Langen
Lankford
Latta
Lennon
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDonough
McDowell
McFall
McIntire
McVey
Macdonald
MacGregor
Mack
Madden
Magnuson
Mailliard
Marshall
Martin, Mass.
Martin, Nebr.
Mathias
May
Meader
Merrow
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Minshall
Monagan
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morse
Mosher
Moss
Moulder
Multer
Murphy
Natcher
Nelsen
Nix
Norblad
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Patman
Pelly
Perkins
Peterson
Pfost
Philbin
Pike
Pillion
Pirnie
Price
Pucinski
Quie
Randall
Ray
Reece
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Roosevelt
Roudebush
Roush
Rousselot
Ryan
St. George
St. Germain
Saund
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Shelley
Shipley
Short
Shriver
Sibal
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Spence
Springer
Stafford
Staggers
Stratton
Stubblefield
Sullivan
Taber
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tupper
Udall, Morris K.
Ullman
Vanik
Van Pelt
Van Zandt
Wallhauser
Walter
Watts
Weis
Whalley
Wharton
Wickersham
Widnall
Wilson, Calif.
Wilson, Ind.
Wright
Yates
Younger
Zablocki
Zelenko

NAYS—61

Abbitt
Abernethy
Alexander
Alford
Alger
Andrews
Ashmore
Beckworth
Boggs
Bonner
Boykin
Brooks, La.
Cramer
Davis, James C.
Davis, John W.
Dowdy
Downing
Everett
Fisher
Flynt
Forrester
Fountain
Frazier
Gary
Gathings
Grant
Hagan, Ga.
Haley
Hardy
Hemphill
Henderson
Jonas
Kornegay
McMillan
McSween
Mahon
Mason
Matthews
Mills
Morrison
Murray
Norrell
Passman
Poage
Poff
Rains
Rogers, Tex.
Rutherford
Selden
Sikes
Smith, Miss.
Stephens
Taylor
Teague, Tex.
Thompson, La.
Tuck
Utt
Whitener
Whitten
Williams
Willis

NOT VOTING—55

Anderson, Ill.
Arends
Ashley
Barrett
Bates
Battin
Buckley
Carey
Celler
Coad
Cohelan
Colmer
Cook
Dooley
Ellsworth
Evins
Garmatz
Gavin
Hall
Halleck
Harrison, Va.
Harsha
Healey
Hébert
Herlong
Hoeven
Hosmer
Huddleston
Jones, Mo.
Kilburn
Kluczynski
Landrum
Lesinski
Machrowicz
Milliken
Moeller
Montoya
O'Hara, Mich.
Pilcher
Powell
Rabaut
Riley
Rivers, S.C.
Roberts
Rostenkowski
Santangelo
Sheppard
Smith, Va.
Steed
Vinson
Weaver
Westland
Winstead
Young

So the bill was passed.

The Clerk announced the following pairs:

Mr. Garmatz with Mr. Hoeven.
Mr. Hébert with Mr. Hall.
Mr. Harrison of Virginia with Mr. Dooley.
Mr. Rostenkowski with Mr. Gavin.
Mr. Evins with Mr. Anderson of Illinois.
Mr. Santangelo with Mr. Bates.
Mr. Healey with Mr. Weaver.
Mr. Powell with Mr. Halleck.
Mr. Huddleston with Mr. Kilburn.
Mr. Ashley with Mr. Battin.
Mr. Sheppard with Mr. Milliken.
Mr. Barrett with Mr. Ellsworth.
Mr. Buckley with Mr. Westland.
Mr. Carey with Mr. Harsha.
Mr. Cohelan with Mr. Hosmer.
Mr. Lesinski with Mr. Arends.

Mr. MAHON, Mr. JOHN W. DAVIS, and Mr. SIKES changed their vote from "yea" to "nay."

Mr. TEAGUE of California changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

BROOMCORN INDUSTRY NEEDS PROTECTION NOW

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, the gentleman from Oklahoma [Mr. JARMAN] has called the attention of the House to the rapid increase in the importation of foreign-made brooms, which has had a disastrous effect upon our domestic broom industry. I want to commend the gentleman from Oklahoma on his impressive presentation of this important subject. I wish to join hands with him in every effort that is made to assist our domestic broom and broomcorn industries.

I have the honor of representing Baca County in Colorado which is a large producer of broomcorn. At one time Baca County was recognized as the banner broomcorn county of the Nation. Broomcorn is a most important crop in southeastern Colorado, and I am anxious to see our broomcorn growers obtain a fair price. This will be possible only if the manufacturer is able to sell the finished brooms at a profit.

I wish to state that brooms are manufactured in my district, and a large broom factory is located in Pueblo, Colo. I want to see our domestic broom manufacturers prosper, so that additional broomcorn will be required from our domestic growers and more jobs made available, both in the harvest of the broomcorn and in the production of the brooms.

The U.S. Tariff Commission held a public hearing in April of this year to determine the impact of the importation of foreign-made brooms upon our domestic broom industry. A delegation of broomcorn growers and dealers from Baca County, Colo., came to Washington for these hearings. I might state that on July 14, 1960, I wrote to the Chairman of the Tariff Commission and urged that public hearings be held, and that the Commission investigate the cost of production of brooms manufactured in this country.

I am advised that the Commission expects to have a report on this investigation in November. The Commission is now compiling production statistics and figures in the field from growers, dealers, manufacturers, and all segments of the broomcorn industry. It is apparent that the production costs are much higher in this country, and our American manufacturers cannot compete with the low wages paid in foreign countries.

Mr. Speaker, it is obvious that the importation of these foreign-made brooms is having a most damaging effect upon our domestic broom industry. I hope that the Commission will recommend an increase in the duty on imported brooms. The gentleman from Oklahoma has suggested a duty of 25 percent of the selling price of the imported brooms, or of comparable domestic brooms. The present duty is 25 percent of the production costs in the country where the brooms are manufactured, which is wholly inadequate. This increase will not afford a complete solution to this problem, but will provide substantial relief which is urgently needed at this time.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. WIDNALL] is recognized for 60 minutes.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman, Mr. Speaker, for yielding to me at this time, because the news is out that Pan American World Airways flight 501 en route from Houston to Mexico City with 72 passengers and a crew of 9 aboard, left Houston at 10 o'clock this morning and reached Mexico City, after which it was diverted, and landed at Havana, Cuba, at 3:25 this afternoon.

Whether or not the hijacker is a Castro agent or whether he is a Castro sympathizer or whether he is a pure international brigand is immaterial. The point is I do not see how we in the United States can stand still any longer and allow Castro's Communist Cuba to act as a clearinghouse for international thievery, whether directed by him or not. The time is long since past when we must deal with this directly. If it cannot be construed as an act of war, it must be construed as an outrageous act against the lives and property of American citizens for which we should no longer stand still.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. HAGAN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HAGAN of Georgia. Mr. Speaker, I would like to associate myself with the remarks of the gentlemen from Florida with reference to the Cuban situation which is causing all Americans a great deal of concern.

Some months before my election to Congress last year, I stated on the "Jaycee Forum" television program in Savannah, Ga., that Fidel Castro was displaying obvious Communist leanings and should be stopped while there was still time.

On May 3 of this year in a public speech before several thousand people at the Pine Tree festival in Swainsboro, Ga., I advocated and called for an economic blockade of Cuba.

On last Friday, the Georgia press quoted me as saying that it was time for stern action regarding Cuba and that the hijacking of American planes must be stopped.

While I do not have access to all of the facts involved in the current hijacking of planes, I feel very strongly that these acts are in utter disregard of the sovereignty of the United States and that immediate action should be taken to prevent them from happening again.

If Castro is allowed to continue fomenting these acts of aggression, the prestige of the United States over the world cannot help but continue to deteriorate and the national spirit here at home cannot help but be depressed.

In my opinion, the United States of America should take immediate steps to put an end to these outrages, including a recognition of the need for the updating of the Monroe Doctrine, if necessary, realizing that the fifth column method of aggression was unknown in President Monroe's time.

Mr. BROOKS of Louisiana. Mr. Speaker, I have just received the news of the hijacking of another American plane, diverted from its normal route and taken by a bandit to Havana, Cuba. We have already had two of these cases of high international crime, and now this is the third case.

When Fidel Castro first came into power in Cuba, I said in the House of Representatives that he should have been ousted. He was and is a Communist, carrying with him all the dogma, philosophies, and conspiracies of international communism. He has taken over American property, violated the rules of justice and fair dealing in handling domestic and international affairs, and has been a plague of the worst sort to the Western Hemisphere.

Regardless of who engages in this international hijacking of American planes program, its inspiration lies in Fidel Castro, the arch villain. This international bandit must be stopped. Time for action is long since passed. In my judgment, we should have established an international blockade, surrounding Cuba and preventing ingress and egress of persons and material to any part of the island of Cuba, and we should serve notice, with a time limit, on this Communist bandit that these planes and American property generally must be returned.

If this blockade does not do the job, additional force must be applied. American rights and American lives must be protected. Justification for sovereignty does not exist that does not protect the lives and property of its people.

Mr. THOMPSON of Texas. Mr. Speaker, I believe this is it. While we are not yet sure that Castro instigated this latest hijacking of an American plane, still we have no other conclusion but that he does acquiesce. It is by no means snap judgment on my part when I say I think it is time for us to move with all the force necessary.

I hope the President will give Castro an immediate ultimatum setting a limit of time in which he must return the American planes which he is holding. I think we should blockade Cuba with Navy and Air Force and that we should take whatever steps are necessary to restore the dignity and honor of this Nation.

In saying these words, I am confident that I speak for the people I represent in the Ninth Congressional District.

Mr. HIESTAND. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Speaker, if we had not allowed the skyjacking of a plane last month, we would not be in the soup we are in now.

The first hijacking of an Eastern plane July 24, which brought the plane to Havana, merely added fuel to the Cuban flames and invited more of the same. Just a few days ago we had the El Paso incident. Now, we have another—with 72 passengers aboard.

If we had not allowed Castro to get away with the first hijacking, we would not be in the soup now. It is like a bomb scare. We are going to continue to have crackpots attempting to steal planes. They would not all be spies or Castro supporters, but the danger to life and property is still the same.

Let us take action. If we do not get the first plane back which Castro is holding—presumably for blackmail purposes—we are going to have skyjacking troubles indefinitely. I renew a call for action I then made, that a deadline be set for the return of the plane or we send the Marines in to get it back.

Just how many disgraces is the United States going to accept from this pipsqueak Castro? We hear plenty about the "Berlin situation" but what about the "Cuban situation"?

I hope the President takes proper action.

Why not set a deadline on the return of that plane and following the deadline send in the Marines, the Air Force, the carriers, and the full armed might of the United States. Let us let the world know we mean business.

It will all be over in 12 hours and the Cuban people will be free.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. CRAMER. The only disagreement I have regarding the remarks so far concerning this Cuban hijacking matter is that I think the United States should not have stood still and should have acted with firmness when the first incident occurred. Some are proposing to take that position now after the third plane-stealing incident. I also do not think that we should fall for this clever trickery of those who are conspiring with Fidel Castro, a Communist leader, so branded by the United States of America, so branded by the Organization of American States, so known throughout the world, so as to permit Castro's agents, Cuban or American, to undertake these theft and kidnaping activities. Communists—that is exactly what these hijackers are. What else could they be when they serve the ends of Castro communism, a part of the international Communist conspiracy? Does not the Communist-serving act speak for itself? These hijackers, whether U.S. or Cuban citizens, are agents of this, and serving the purpose of Communist conspiracy. Castro is the leader and spearhead of that conspiracy in this hemisphere, and we should pierce any false veil of citizenship and the administration should tab these people as agents of communism in this hemisphere; traitors to freedom, traitors to America, traitors to our cause, because that is exactly what they are, whether they are American citizens serving Cuba's communistic ends or are Cuban citizens or agents of Fidel Castro. So, I say that these are acts of aggression against the United States of America. They are acts of piracy concerning property belonging to citizens of America and, of greater concern, they are kidnaping and endangering the lives of American citizens. American citizens were on that airplane. And, how can we here in the Congress of the

United States condone the acts of these people who hijack these airplanes, whether it be over our soil or over foreign soil, by not speaking out and demanding action? They were on scheduled routes. They are American-owned and licensed airplanes; they are American-licensed pilots; they are American-controlled airplanes. So, how can we condone not only the hijacking of the property but the kidnaping of the people involved and this violation of our sovereignty? And, I say that since the first incident occurred it is past time that the administration take action and advise Fidel Castro and his Communists and his coconspirators who are responsible for this, that the United States will consider this as an act of aggression in the future and that the United States is going to do something about it, meaning recovery of the persons and the property involved by force if necessary.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. ALGER. Mr. Speaker, I can add little to what has been said except to remind you of a principle that has been traditionally American since the beginning of our country, that American military might and power protect the lives and property of American citizens wherever they may be in the world. And, whenever we abandon that principle we cease to be a powerful nation. In this instance, as the gentleman from Florida said, it is long overdue, and now that we have permitted Castro to get away with his lawlessness we are inciting all of the criminal elements within the borders of the continental limits to the further endangerment of lives and property of American people. We must move in on Castro and get back all U.S. property. Why did we not do something about the billion and a half taken months ago? That is over the dam now. But, let us do something now to protect the lives and property of American citizens. Now and in the future we must demand immediate indemnification of all property expropriated beyond the return of planes and U.S. citizens safely or occupy Cuba immediately with the necessary military force.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, I want to say that it has taken—as it usually does—the American people some time to get completely aroused about incidents that happen, particularly when it is having an effect on us and our foreign relations. We do not move too quickly, as all of us know. Of course, the first mistake was in ever letting Castro get into Cuba. That was the first big mistake, and we are now having to suffer for it. We have suffered long enough.

I think it is now time for this Government to take action. And if action must be initiated it will have to be done by the Congress by encouraging and backing up any moves the administration may make. I hope that we will give an ultimatum, that we will give a deadline; I hope we will use sufficient force to see that whatever demands are made are carried out, so far as concerns returning our plane and our nationals.

Furthermore, there is something that the Congress can do immediately, and that is to see that trade between Cuba and the United States is cut off. Mr. Speaker, do you realize that right now Cuba is sending its goods into this country and getting American dollars to help finance the hijacking of our own planes? Many of us in the Congress have tried for over 1 year now during both administrations to get them to cut off this trade with Cuba.

There is now a bill, H.R. 8465, that will come up before the Committee on Interstate and Foreign Commerce on the 29th of this month which I hope Members will join me in supporting. This bill will prevent the interstate transportation of goods from or going to Cuba. I hope Members will introduce similar bills and cosponsor such a bill. Let us start some action right now and put an end to Castro.

Mr. PILLION. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. PILLION. Mr. Speaker, I would like to say this to the House: This is not an act of piracy, it is not an act of hijacking, it is not an act of kidnaping. This is part of a pattern, it is part of a total war—not a cold war—a global war being waged by the whole of the international Communist conspiracy of 98 Communist parties. This conspiracy is headed by the Communist Party of the Soviet Union. The commander in chief of which is the first secretary of the Communist Party of the Soviet Union, Nikita Khrushchev. This act of war is not an isolated Cuban situation. It is part and parcel of the overall war of disintegration and destruction being waged by the Communist Parties throughout the world in two spheres: one in which the national powers of the Soviet bloc and the Soviet Alliance of Nations are being used in one sphere and those of the Communist Parties in another. We are being scissored; we are being clipped, and it is time we woke up to the actual facts. It is an overall war. We and the free world are in a war for survival. And the sooner we realize this, the sooner we see this as a world problem, part of a global pattern, the sooner we shall be able to meet this issue and defend this country and the free world against the incessant and protracted—not conflict, but campaign of destruction of everything that is non-Communist throughout the world.

That is what we are facing. It is not the act of an individual. Cuba is a mere illustration of the failures of our policies ever since the United States recognized the Soviet Union in the year 1933. The pattern of our policies has not changed, in substance. There have been slight differences in our foreign policy, but substantially it has been the same—pro-Communist. We have suffered defeat after defeat until we are reaching the grim alternatives of either surrender or a thermonuclear war. We can avoid this if we recognize the state of war being waged against us and arouse in ourselves the determination to face the realities of this war. We must, then, unite the free world in a crusade of complete defense against anything that is Communist in this country or anywhere else throughout the world.

I look upon Cyrus Eaton's inviting the Soviet spaceman as an example of one who is giving aid and comfort to an enemy. We are sick in this country. We have been brainwashed. Until we wake up and take a firm, uncompromising attitude toward Communists and pro-Communists who exist in our Government, in every area of activity in this country, we cannot hope to cope with the Communist menace which is evidenced here in just another act of contemptuous war upon peaceful, slumbering America.

OPERATION EMPLOYMENT

Mr. WIDNALL. Mr. Speaker, at a time when our national prestige is waning, and I say waning, throughout the world, I hope the administration will soon realize that blank-check spending is not the answer to the challenge that we face everywhere.

Mr. Speaker, a great deal of effort has been expended in the past year to persuade the American people that the U.S. rate of economic growth has been lagging, and that it is lagging seriously behind that of the Soviet Union. The purpose of such propagandizing has been to prove the need of expanded Federal expenditures, expanded Federal programs, and expanded Federal interference in our free economy.

In contrast, there has been little effort made to define what growth rate is being talked about, little effort to define "growth" itself in meaningful terms, and little effort to seek a realistic comparison with our cold war allies and opponents.

For example, President Kennedy recently indicated at his press conference that the Soviet Union would not catch the United States even by the year 2000, estimating our rate of growth at 3.5 percent. Back in April of 1960, Mr. Kennedy, then Candidate Kennedy, put the growth rate at 1.5 percent for the United States and estimated Russia's rate of growth between 10 and 12 percent. Six months later, Mr. Kennedy claimed our rate of growth to be 2.5 percent, and suggested that the Soviet Union was growing several times as fast.

Having, by his own calculations, increased our rate of growth by 1 percent in half a year, Mr. Kennedy, now President Kennedy, claimed in his message to Congress on economic recovery and growth, that our growth rate had been declining of late.

In this same message of February 2, the President quoted figures to show a 1.5-percent rise in the labor force per year, and a 2-percent rise in output per man, which, according to his figures, also indicated only a 2.5-percent rate. Mr. Kennedy now finds, after 4 months of undoubted serious study, that his figures really add up to a rate of growth of 3.5 percent per year. As the New York

Times put it, in its annual national economic review of January 9, 1961:

> The decline that actually began in the third quarter was exaggerated for partisan purposes during the presidential campaign.

The election had to be won at all costs, regardless of what might be done to national prestige.

If Mr. Kennedy's troubles with his arithmetic occasion your sympathy, consider his problems when it comes to defining terms. Generally he has been wary of using more than the catch phrase, "rate of growth," allowing the American people to find their own way in the dark. If this caution grows out of his earlier definition of economic growth for the benefit of a national television debate audience on October 13, it is a well-taken avenue of approach. Mr. Kennedy then stated that over the past 8 years the average growth rate was about 2.5 percent, and then told his listeners that economic growth means jobs.

That this is a gross oversimplification of the definition of economic growth is obvious by merely comparing the number of jobs in October of 1952 and October of 1960. The total increase in number employed is approximately 5.8 million, and a compound growth of 1.2 percent annually would exceed that total after 8 years, let alone one of 2.5 percent.

In contrast to this hodgepodge of statistics and definitions, we offer a succinct, intelligible, meaty article by Dr. Colin G. Clark, with the aid of G. H. Peters, entitled "Rates of Growth of Real Product per Man-Hour Worked in Various Countries." Dr. Clark's credentials as an economist, detached from the American political scene, are excellent.

A holder of two M.A. degrees, Dr. Clark has been the director of the Institute for Research in Agricultural Economics, at Oxford, since 1953, and is a fellow of the Econometric Society, and director of research at the Econometric Institute. In the late 1920's he was an assistant to the late Professor Allyn Young at, of all places, Harvard, and has been a lecturer in statistics at the Universities of Cambridge, Melborne, Sydney, and West Australia. Dr. Clark has served in government as a member of the Economic Advisory Council staff, and as Under Secretary of State for Labor and Industry, Director of the Bureau of Industry, and financial adviser to the Treasury, Queensland, holding the latter position from 1938 to 1952.

His many publications in the field of economics include "The National Income," 1924–31, 1932; "The Conditions of Economic Progress," three editions, 1940, 1951, and 1957; and "Welfare and Taxation," 1954. Nor is he any latecomer to the game of comparing Russian economic claims with that of the West, a game which he has turned into a science. As early as 1939, Dr. Clark published a "Critique of Russian Statistics," and as recently as 1961 he prepared a critical evaluation entitled "The Real Productivity of Soviet Russia," which has been issued as a committee print by the Senate Internal Security Subcommittee. I ask, under unanimous consent, that Dr. Clark's paper be included in the RECORD at the conclusion of my remarks.

In his paper, Dr. Clark carefully defines what rate of growth he is speaking of, and painstakingly carries the reader through each step of the process involved in determining the rate of growth and the proper method of comparison between countries.

Dr. Clark points out that the real national income per head of population indicates the change in a national standard of living. On the other hand, the real product per head of the labor force, or preferably, per man-hour worked, indicates the change in productivity. The change in productivity is the factor upon which future improvements in standards of living, in the main, ultimately depend.

Before comparisons can be made between countries, however, a preliminary problem arises. This involves the proper formula for the conversion of the national income and product of all countries into U.S.-dollar terms. Official rates of exchange are poor indicators since they depend upon the relative prices of goods in international trade. The real question to be asked is, Can you buy more for one American dollar converted into a British pound in Britain than in the United States for the same list and quantity of goods, and vice versa. The difference between the two calculations of the list of goods for both the average American and the average Englishman is small, but indicates differences in tastes. This difference is easily resolved by taking the geometric average of the two ratios.

After determining the real product and labor force in each country and making the comparison with the purchasing power of the U.S. dollar of 1950, Dr. Clark has determined growth rates over a long period of time for each country. This long-range view is much more realistic and much less subject to political whims than the method of picking any particular year that suits you.

Dr. Clark's findings show that the United States has the highest by far real product per man-hour in the world. We have experienced, since 1890, a steady growth rate of 2.3 percent. During this same period, no country averaged 2.8 percent and only 10 countries averaged above 2 percent. Significantly, the Soviet Union is not 1 of these 10 averaging only 1.7 percent since 1928.

In his report to the President-elect, Paul A. Samuelson flamboyantly referred to the "dramatic spiral" of Western Europe and Japan, and the "rush" of the totalitarian economies since the end of World War II, completely ignoring the very low base from which these economies expanded. Dr. Clark punctures this political balloon by pointing out that it is "unduly rash to base projections of future rates of growth on performance during recovery periods without stopping to inquire into prewar levels of productivity and prewar rates of growth. In recovery periods an economy may be able to adopt new techniques at a rapid pace, it can make radical structural readjustments, it can reequip its labor force with capital, all of which make for high growth rates. However, once this period has passed, the chances of rapid growth may be less and progress will depend upon more slowly working forces."

And the figures in Dr. Clark's paper indicate that this tapering off of the "dramatic spiral" and "rush" has already begun in recent years.

To illustrate the depths from which the Russian economy has progressed, nothing could be more persuasive than to quote the Soviets themselves. An article by G. I. Shigalin entitled "National Economy of the U.S.S.R. in the Period of the Great Patriotic War," states that in 1942 the level of the most important branches of heavy industry stood approximately at the level of the first 5-year plan 1928–32. Comparative steel production figures show that the Soviet Union only produced 10.9 million metric tons in 1944, approximately one-sixth of U.S. production. At present Russia still produces only 70 percent of the U.S. total, although the percentage increase for the U.S.S.R. has obviously been greater. A dramatic increase? Yes. Meaningful in terms of our own economic policy? Hardly.

Throughout, we have been assuming that the figures referred to as coming from Soviet economic publications are true. As Allen Dulles and Senator THOMAS DODD have pointed out, this is an idle assumption since the Soviets use their self-styled "accurate" figures for propaganda purposes. But do not take our word for it. Last fall, the dean of contemporary Soviet economists, as reported in the New York Times of September 11, revealed that industrial output had grown only 15 times since 1928, not 23 times as official statistics claimed. Between 1945 and 1956 industrial production only tripled, not quadrupled. What is more, in 1945 industrial production was one-third below 1940, not 8 percent under.

In addition, S. G. Strumilin stated that industrial growth increased only 8 percent, not 11 percent in 1955 and 1956. The total net output in 1956, in terms of 1928 prices, was only one-third of the total claimed. There is no particular reason to believe that figures since 1956 are any the more accurate. And there has been no indication from the administration that these gross discrepancies have been taken into account in the dramatic statistical presentations of the past few months. We take this opportunity, therefore, to call the President's attention to the admitted discrepancies, and to the full examination given to the situation in the committee print of Dr. Clark's paper, mentioned earlier.

In summary, Dr. Clark has properly defined growth and accurately assessed growth rate comparisons on an international scale, exploding the myth of the Soviet's "rush" to the economic forefront at the expense of the United States. This does not mean, however, that because we retain our world economic leadership we cannot, or should

not, proceed in realistic fashion to increase our pace of economic development.

President Eisenhower, in his Economic Report of the President of January 1961, put it thusly:

> The basis for advance has been laid in recent years in the enlargement and improvement of our productive capacity and in policies that have brought the forces of inflation under control.

It is time for the present administration to put political growthmanship aside and concentrate on a program of sound, sustained economic growth in the manner of our past successes. Then the American people, and their elected Representatives in the Congress, with a concrete goal in mind, will understand the effort and sacrifices needed to insure the future of America and the free world.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. Not at this time, but when I finish.

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. BRUCE. I would simply like to make a request of the gentleman from Ohio to withdraw his point of order on the basis that the gentleman from New Jersey yielded copiously of his time when he started to speak.

Mr. HAYS. The gentleman yielded to you but would not yield to me.

Mr. BRUCE. No, he did not; I am riding over him roughshod. As a matter of courtesy I am asking the gentleman to withdraw his point of order.

Mr. HAYS. Mr. Speaker, I withdraw my point of order.

The SPEAKER pro tempore. The point of order is withdrawn. The gentleman from New Jersey will proceed.

Mr. WIDNALL. Mr. Speaker, at this time I ask unanimous consent to include in my remarks the report of Colin Clark and G. H. Peters, on "Rates of Growth of Real Product Per Man-Hour Worked in Various Countries."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The matter referred to follows:

RATES OF GROWTH OF REAL PRODUCT PER MAN-HOUR WORKED IN VARIOUS COUNTRIES

(By Colin Clark and G. H. Peters)

During recent years there has been much public discussion of the comparative "standards of living" of countries and of comparative rates of economic growth. Before proceeding further it is appropriate to consider the meaning of these two concepts and to briefly outline the means available for measurement. The basic information from which most aggregative measures are compiled are estimates of national incomes. For within country comparisons over a period of years, of course, a record of the money value of national income, year by year, is of very little use since the value of money in terms of the goods and services which it purchases is variable. To overcome this problem it is now standard practice to prepare national income estimates in terms of the prices ruling in one particular year by dividing a money value series by an index number of price changes. Correction in this way is subject to theoretical objections based upon the known intransigence of the index number problem but it does, nevertheless, provide valuable indications of long-period trends which would be unobtainable in any other way. If an index of internal prices (made up, for example, of components covering price changes in goods entering personal consumption, capital investments and government expenditure) is used in the deflation procedure we arrive at estimates of real national income which, when used in conjunction with population totals, will provide a rough measure of changes in the standard of living enjoyed over a period of years. Such comparisons are not, however, of fundamental interest in this note. Here we are concerned with real product per head of working population or per man-hour worked. For this purpose two adjustments to real income are necessary in order to arrive at estimates of real product. A nation can enjoy a standard of living higher than its own domestic production of goods and services might seem to afford. In the first place national income will include an element of "income from abroad" (which as a net figure may be positive or negative) which should be deducted to convert a "national income" to a "domestic product" concept. Secondly, account must be taken of the fact that a nation's terms of trade may change; this is a slightly more subtle adjustment. It is quite clear that a nation which is involved in international trade might improve its standards of living at a faster (or slower) rate than that at which it is adding to its own production of goods and services. If during a period export prices are rising relative to the prices paid for imports, a country will be able to obtain more imports (hence increasing personal consumption or investment) simply by exporting an unchanged volume of exports, for this volume would now suffice to buy more imports than previously. Conversely, if the terms of trade are deteriorating with import prices rising relative to export prices, the country's real income will rise more slowly than real domestic production. The mechanics of the adjustment made to allow for such factors are explained below.

In summary, then, real national income per head of population provides an indicator of changes in standards of living over time while real product per head of labor force or per man-hour worked (preferably the latter) provides an indication of changes in productivity. It is upon the growth of the latter that future improvements in standards of living will, in the main, ultimately depend. The use of the word "productivity," in this sense, is in itself open to objection and it must be understood to relate to real product per man-hour.

Useful as these tools are for making a "within country" comparison over time, they do not in themselves furnish us with any information relating to "between country" standards of living or product per man-hour since the units of measurement in each case would be individual national currencies. The first, and most obvious, step to overcome this would seem to be a conversion of the national incomes and products of all countries into, shall we say, U.S. dollars, using the official rates of exchange. Unfortunately this is an incorrect procedure since rates of exchange are arrived at via the mechanism of international trade and are based on the relative prices of internationally traded goods; as such they may provide a very poor indication of the true relation of prices within America and the United Kingdom for example. This problem is familiar to anyone who has traveled abroad; after converting dollars into pounds at the official rate the next question to be asked is whether the cost of living is lower in the United Kingdom than in the United States, i.e., is it possible to buy more in Britain for £0.357 ($1 converted to pounds at $2.80 equals £1) than it is to buy for $1 in America. The calculation of true "purchasing power parity" rates of exchange which take account of such factors is a tedious business in practice, though in theory it is fairly simple. As a starting point we may take the distribution of expenditure of the average American who with his income will buy a certain collection of goods and services while the average Briton will buy a somewhat different collection. One way of making a comparison between the pound and the dollar would be to obtain a ratio of the form

$$\frac{\Sigma P_B\ Q_A}{\Sigma P_A\ Q_A}$$

where each $P_A\ Q_A$ would be an item of expenditure on a good or service in the American collection P_A being its price and Q_A the quantity bought. Each $P_B\ Q_A$ would be the corresponding expenditure (in pounds) necessary to buy the same quantity of a good of similar type in Britain. Adding up such $P_B\ Q_A$'s and $P_A\ Q_A$'s for all of the goods in the collection, and dividing would provide an estimate of the number of pounds equivalent to $1 in purchasing an American collection of goods. A similar method of performing the calculation would be to take the British distribution of expenditure and revalue it at American prices to obtain the ratio

$$\frac{\Sigma P_B\ Q_B}{\Sigma P_A\ Q_B}$$

which gives an alternative estimate of the value of the pound in relation to the value of the dollar.

There is no reason to suppose that the two ratios will be identical but it has been shown that the apparent conflict between them can be resolved by obtaining the geometric average of the two ratios and using this as the best estimate of the purchasing power parity exchange rate.[1] With the aid of such estimates it is clearly possible to compare, albeit in a somewhat rough-and-ready fashion, either standards of living or real product per man-hour as between countries. In all that follows, the basic unit used is the average purchasing power of the dollar in the years 1925–34 previously termed the "international unit."[1] While adequate, this unit now suffers somewhat from the difficulty experienced by many people in remembering the "worth" of the dollar some 30 years ago. It might be mentioned that to convert international units to dollars of 1950 purchasing power we may multiply by a factor of 1.649—a figure derived by measuring the rise in prices within the United States between the two dates.

The detailed procedure now is as follows: As a first step international comparisons of the purchasing power of various currencies in order to obtain a valuation of each nation's currency in terms of international units must be made. It is unnecessary to make a comparison of this type annually as between a country and the United States; instead a valuation in 1 year can be utilized in conjunction with an internal price index for the country concerned since as prices rise the value in international units of the national currency will fall. It is useful, however, to make a check on, say, the value of

[1] For further details see Clark, C., "The Conditions of Economic Progress" (3d edition, Macmillan, London, 1957), pp. 15–17, or Gilbert, M., and Kravis, Irving B., "An International Comparison of National Products and the Purchasing Power of Currencies" (O.E.E.C. Paris), ch. I and ch. VI.

the pound in 1950 as obtained from a comparison made in 1929 (the usual base for starting) used in conjunction with a British price index by carrying out another binary comparison at the later year and comparing the results after allowing for the change in American prices between the 2 years.[2]

Let us now denote the international unit value of a national currency as p and the national income at market prices of a country as M. The products Mp for each year will then provide an estimate of national income in standardized units and an indication of its movements, in real terms, over time. To obtain real product estimates we must subtract from Mp the value Vp where V is net income received from abroad (where there is a net outflow Vp is added). Since p for each year is arrived at by using an internal price index it may be affected by terms of trade effects as already outlined. To overcome these we further subtract $p(E-I)$ where E and I are exports and imports in money terms and then add back $(E'-I')$ where E' and I' refer to exports and imports in terms of 1929–34 average prices and constitute a volume series. These corrections are sufficient to overcome terms of trade effects.

Having once obtained real product the next step is to determine labor force. In this case difficulties do arise since for many countries the available information is defective, especially in noncensus years. However, interpolation between census years is a fairly safe procedure since the ratio of labor force to total population changes very slowly. It is also necessary to exclude women workers in agriculture from the labor force, since a number of countries have adopted the convention of including farmers' wives automatically as "workers." Unemployment statistics, too, are often defective in early years though reasonably satisfactory allowances can generally be made. Finally, hours worked per year must be estimated. These are generally recorded only as weekly hours for industrial workers, though more detailed information is becoming available through the International Labor Office, while there are few records of the number of weeks worked per year. For convenience therefore, if other information is unobtainable, weekly hours of industrial workers have been multiplied by 50 to obtain yearly hours for the whole labor force.[3]

Information relating to 17 countries is presented in table I. As would be expected, real product per man-hour in 1958 is highest in the United States, closely followed by Canada. New Zealand and Australia also have high figures which are above the levels reached in any European country. Of the latter Sweden and Switzerland head the list with Italy and Austria at the bottom. Germany and Britain by 1958 had similar productivities, which were only some 42 percent of the American level. Japan's product per man-hour is currently standing at 22 percent of the American level.

In order to measure the rate of growth over time the change from 1900 to 1958 (or from 1913 to 1958 if 1900 data is unobtainable) has been expressed as a percentage rate per annum using a "compound interest" method. It might be mentioned that a doubling of productivity every 25 years can be achieved with a rate of growth of 2.8 percent per annum. Over the whole period no country has achieved this rate of growth. Indeed it may be surprising to many to note that 10 of the 17 countries have rates of growth between 2 percent and 2.8 percent, 4 more between 1.5 percent and 2 percent, while Denmark, Britain, and Germany lag behind.

The measurement of rates of growth in this fashion is a somewhat arbitrary procedure. It is far more instructive to plot the annual data as a time series with the vertical, product per man, axis marked off logarithmically. A straight line on such a graph will then represent a constant proportional rate of growth which may be measured by the slope of the line. A graph of this type has been drawn for each of the 17 countries and from them we are able to obtain some information relating to variations in the rate of growth over time. Obviously it would be impracticable to concern ourselves with minor year-to-year fluctuations; instead we attempt to establish the major turning points to fit rough trend lines to the years between the turning points. In some cases interpretation is fairly simple, a notable example being that of the United States where growth has been steady at about 2.3 percent per annum since 1890. Even here, however, one general point is well illustrated. The depression in the 1930's resulted in a marked interruption of growth in productivity with an acceleration from 1934 to 1939 by which year the economy was firmly reestablished on its old path. A similar drastic interruption is to be seen in France and New Zealand while it is especially marked in the case of Canada. Such phenomena are best disregarded in drawing long-term inferences; indeed it is surprising to note that many countries quickly recover their old trend lines after such setbacks.

Similar complications are caused by wartime interruptions to growth, France being an excellent case in point. From 1880 to 1929 there was a fairly steady rate of growth of 2.6 percent per annum which was interrupted by depression. A marked rise occurred from 1935 to 1938 which restored productivity to the level which it would have reached had 2.6 percent been maintained from 1928. The war saw France's growth halted, productivity in 1947 being at or about the 1938 level. Since that date the growth rate has been steady at 4.4 percent per annum, though it is clear that the old line has now been more or less regained. It must be made clear that there is no immutable reason compelling an economy to have a stable growth rate over long periods of time if depressions and postwar recoveries are ignored. However it would seem unduly rash to base projections of future rates of growth on performance during recovery periods without stopping to inquire into prewar levels of productivity and prewar rates of growth. In recovery periods an economy may be able to adopt new techniques at a rapid pace, it can make radical structural readjustments, it can reequip its labor force with capital, all of which make for high growth rates. However, once this period has passed the chances of rapid growth may be less and progress will depend upon more slowly working forces. Good examples of exceptionally rapid postwar growth are provided by France, Italy, Austria, Finland, the Netherlands and Western Germany. In some cases among them a careful examination of the movements in productivity seems to indicate a break in development. Thus the Netherlands growth rate of 3 percent from 1948 to 1955 seems to be giving way to a 2-percent rate; Finland's growth has clearly steadied since 1951 while in Italy a rise at the exceptionally fast rate of 5.9 percent has been succeeded by a rate of 2.6 percent. In the case of Germany the interpretation of the data is exceptionally difficult. The prewar German nation has had markedly different fortunes. From 1860 to 1891 the rate of growth was 2.1 percent which fell to 0.7 percent in the period 1891–1913.

After World War I there was rapid growth from 1925 to 1938 of 4 percent. This was probably exceptional since productivity in 1925 was well below the 1913 level whilst the total rise from 1913 to 1938 was equivalent only to a 1.6-percent rate over the whole period. After 1945 a similar pattern emerged in Western Germany. In 1948 productivity was very low by 1938 standards and from 1951 the growth rate has been 3.9 percent, the highest prewar level of productivity in the whole of Germany (in 1937) being reached by 1954. It is interesting to note that a steady rate of growth from 1913 would just have sufficed to carry productivity to its 1959 level. Prophesy is dangerous in these matters but one may perhaps safely say that the present rate of 3.9 percent would form a poor basis for projection. In Japan, ignoring the very rapid gains from 1947 to 1950, there is another example of a fast rate of growth of 4.6 percent; here it must be remembered that the level of productivity is fairly low so that a high rate of growth might be expected for some years ahead.

Generally speaking it does appear from the diagrams that rates of growth of over 3 percent per annum persisting over long periods of time (e.g., two or three decades) are unusual. Sweden appears to have maintained this rate since 1930 while Japan might be regarded as progressing at 4.5 percent from 1910 to 1931 with a subsequent fall to 1.7 percent in the 1930's. Rates of growth between 2 percent and 3 percent over a long period seem to be maintainable as can be seen in the cases of America, Canada, Switzerland, Belgium, New Zealand, France, Australia, and Japan (up to 1910).

Other countries fare less well, a notable example being Britain. From 1870 to 1895 the rate of growth was 1.6 percent but this was followed by a zero rate of growth to 1913. A recovery to 1.6 percent again set in during the 1920's but the change from 1929 to 1938 corresponded to an annual rate of 0.9 percent. This rate would have been sufficient, had it been maintained to carry productivity to the level actually reached in 1954 since which date 1.3 percent per annum has been maintained. It is thought preferable to regard this as a better basis for long-term projection than would be the change from 1946 to 1959 since the earlier years were covered by postwar recovery. Growth in Denmark has been steady at 1 percent since 1915 while New Zealand has slipped to 1.3 percent since 1939 compared with an earlier rate of 2.4 percent. Data in graphic and tabular form has not been included for a number of other slow-growing countries for which information is available. Of these Argentina has had a rate of growth of 1.1 percent since 1916, Ireland 1.4 percent since 1926, Greece 0 percent since 1891, and Spain 0 percent since 1920. Some calculations[4] relating to product per man-year in the U.S.S.R. suggest that the rates of growth there were 1.2 percent per year if measured over the whole period 1913–56, or 1.7 percent over the period 1928–56, a rate of growth lower than in most other countries.

For convenience the information in the graphs is condensed into table II which shows the percentage rate of change in real product per man-year for each country at different periods of its history. Again, we are driven to the conclusion that a normal rate of growth should be regarded as one which is somewhere between 2 percent and 2.5 percent per annum.

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[2] The original "Conditions of Economic Progress" comparisons were made for 1929 and 1947 and were based on comparison of consumer goods prices. Valuable additional work, based on the whole range of goods entering national product, was made for a smaller range of countries by Gilbert and Kravis. The results display a fair measure of agreement.

[3] For further details relating to sources and methods for individual countries see Clark, op. cit., tables VIII to XLI.

[4] See "The Real Productivity of Soviet Russia," reported by Dr. Colin Clark, printed for the use of the Committee on the Judiciary, Washington, 1961.

TABLE 1.—*Real product per man-hour for selected countries*

[In international units]

	1900	1900	1913	1929	1938	1950	1958	Percentage rate of growth per annum 1900–1958 (or 1913–58)
Australia	0.448	0.356	0.447	0.612	0.667	0.846	0.999	1.8
Austria			.175	.241	.286	.329	.465	2.3
Belgium	.264		.342	.397	.440	.629	.749	1.7
Canada	.350	.431	.517	.620	.642	1.069	1.375	2.1
Denmark		.412	.414	.542	.560	.613	.682	.9
Finland			.231	.266	.300	.381	.531	1.9
France	.142	.171	.181	.333	.444	.516	.734	2.5
Germany	.271	.279	.314	.336	.460	.423	.629	1.4
Italy		.105	.150	.236	.247	.351	.480	2.7
Japan	.064	.081	.109	.189	.241	.244	.330	2.4
Netherlands		.261	.294	.408	.508	.523	.656	1.6
New Zealand		.368		.694	.898	1.173	1.162	2.0
Norway		.179	.234	.387	.490	.589	.675	2.3
Sweden	.131	.190	.215	.337	.427	.618	.823	2.5
Switzerland	.161	.179	.235	.376	.423	.597	.734	2.7
United Kingdom	.335	.360	.367	.469	.522	.557	.630	1.1
United States	.337	.402	.510	.785	1.016	1.271	1.497	2.3

Source: Clark, C., "Conditions of Economic Progress" (3d edition, Macmillan, London 1957) with revisions and extension to 1958.

Table 2.—Changes in productivity for selected countries

	Percent
Australia:	
1902–29	2.0
1929–39	1.2
1939–59	1.7
Austria: 1912–58	2.1
Belgium:	
1924–38	2.6
1949–59	2.4
Canada:	
1890–1958	2.1
(1926–58)	2.6
Denmark: 1915–58	1.0
Finland:	
1913–39	1.2
1939–58	3.0
France:	
1880–1958	2.5
(1948–58)	4.4
Germany:	
1891–1913	.7
1925–38	4.0
1951–59	3.9
Italy:	
1901–25	3.5
1925–39	.7
1948–52	5.9
1952–58	2.6
Japan:	
1880–1910	2.4
1910–30	4.5
1930–39	1.7
1950–59	4.6
Netherlands:	
1900–13	.9
1913–38	2.1
1948–56	3.0
1956–60	2.0
New Zealand:	
1900–1939	2.4
1939–58	1.3
Norway:	
1900–1909	1.6
1909–32	3.4
1932–58	1.6
Sweden:	
1861–90	1.5
1890–1909	3.5
1909–30	1.4
1930–58	3.0
Switzerland: 1913–58	2.7
United Kingdom:	
1870–95	1.6
1895–1913	0
1913–29	1.6
1929–54	.9
1954–59	1.3
United States: 1890–1959	2.2

Mr. WIDNALL. Mr. Speaker, at this time I yield to the gentleman from Illinois [Mr. FINDLEY].

OPERATION UNEMPLOYMENT

Mr. FINDLEY. Mr. Speaker, the rate of growth of the U.S. economy has been the subject of debate for years, and undoubtedly will continue to capitivate the imagination of politicians at election time and economists and statisticians the year around.

The Soviet feat, putting another man in orbit, will revise discussion of the relative progress of the United States and Russia, particularly so because it comes on the heels of Khrushchev's new 20-year plan promising free utilities and free food for the Russian people.

By concentrating heavily for years on rocket thrust and satellites, the Russians have indeed scored several significant firsts. The brilliance of these isolated achievements should not blind us to the true situation in Russia.

Khrushchev has put men in orbit, but he can't get the Communist economy off the ground. Consumer goods are scarce and substandard. Private cars are almost unknown except for top-drawer Communists. Housing is pitiful, often with more than one family to a single room, and food production far inadequate.

The Soviet space show has some similarity to the old Roman circus, intended to divert the attention of the populace from personal hardship and to lessen the danger of rebellion against the Emperor. Good as it is, Khrushchev's Roman circus cannot hide an empty stomach.

During the 1960 presidential campaign, rate of growth was discussed at length by both candidates with Senator Kennedy catching a lot of headlines with his impassioned pleas to get America moving ahead. The implication, of course, was that the United States was in a morass of economic stagnation from which it could be delivered only by New Frontiersmen.

The President-to-be scolded the Eisenhower administration for inadequate acton to stimulate national growth, and insisted that the United States must achieve a rate of growth of 5 percent a year, or lose out to the Soviet Union.

Free of glib generalties, so easy in campaign time, and faced with cold unyielding facts, President Kennedy undoubtedly has had occasion to review in a new light many of his campaign declarations.

Among them rate of growth should rank high. An exhaustive and impartial study of rates of growth of real product per man-hour has been completed by Dr. Colin Clark, noted economist, University of London.

What is a good rate of growth? How does the U.S. growth rate compare with other leading nations? What rate of growth is necessary, for example, in order to double productivity in 25 years? How does the United States rate in productivity per man-hour?

Dr. Clark's study provides the answer to these questions, and the answers will be reassuring to those who take pride in American achievements of the past, and have confidence in the future vitality of our private enterprise system.

Dr. Clark's approach has been one of careful analysis, with thorough study of the complicated factors involved in changes in productivity. For each country, index numbers are used to measure the real national income as a basis for measuring standard of living. Adjustments are made for export-import data and monetary differentials which otherwise might result in wrong conclusions. For convenience, the term "international unit" is used. This is the average purchasing power of the dollar in the years 1925–34.

Of the 17 countries in the Clark study, the United States had the highest real product per man-hour in the latest year of the study, 1958. Close behind was Canada, with New Zealand a fairly good third.

Here are the standings in real product per man-hour, expressed in international units:

United States of America	1.497
Canada	1.375
New Zealand	1.162
Australia	.999
Sweden	.823
Belgium	.749
France	.734
Switzerland	.734
Denmark	.682
Norway	.675
Netherlands	.656
United Kingdom	.630
Germany	.629
Finland	.531
Italy	.480
Austria	.465
Japan	.330
Russia (best information available)	.310

Great Britain and Germany, it might be noted, were each 42 percent below the American level. Japan had 22 percent of the American product per man-hour.

Relative productivity at any given moment, however, is only part of the story. What is the rate of growth per year? Doubling of productivity every 25 years can be achieved with a rate of 2.8 percent per year. No country has achieved this rate, but 10 countries on the list have growth rates between 2 and 2.8 percent.

The United States, for example, has maintained a steady growth rate of 2.3 percent per year since 1890. The depression of the early 1930's brought an

interruption, but the United States soon returned to its normal pattern. War and postwar periods cause fluctuations in growth rates. Toward the end of the postwar periods the growth rate has a tendency to slow down, as in the case of France, Italy, and the Netherlands, for example.

Rates of growth over 3 percent per year that persist over long periods are rare. This may serve to put the talk about 5-percent growth rates in proper perspective.

Rates of growth between 2 and 3 percent over a long period seem to be maintained. Examples are the United States, Canada, and Switzerland.

It should also be remembered that in cases where the level of productivity is low—Japan, for example—a longer period of high rate of growth can be expected.

Here are the standings of the same countries, expressed in percentage rate of growth per year for the period 1900–58—or 1913–58, where data for the previous period is not available:

Switzerland	2.7
Italy	2.7
France	2.5
Sweden	2.5
Japan	2.4
United States	2.3
Austria	2.3
Norway	2.3
Canada	2.1
New Zealand	2.0
Finland	1.9
Australia	1.8
Belgium	1.7
Netherlands	1.6
Germany	1.4
United Kingdom	1.1
Denmark	.9

The growth rate of the Soviet Union has been only 1.2 percent per year measured from 1913 to 1956, or 1.7 percent per year over the period 1928–56.

The conclusions are clear:

First. The United States is preeminent in productivity per man-hour, almost five times that of Russia.

Second. The United States has sustained a superior rate of growth for more than a half century. This is all the more remarkable because of the high level of productivity on which these gains were established.

Third. The Soviet Union, although working from a relatively low level of productivity, has achieved below-average growth rates—approximately one-half the growth rate per man-hour achieved by the United States during the same period.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRUCE. I would like to express my appreciation to both the gentleman from New Jersey [Mr. WIDNALL] and the gentleman from Illinois [Mr. FINDLEY] for performing a valuable service here in debunking much of the propaganda that is put out regarding the Soviet rate of growth. The research you have done and the banner of your presentation today under difficult circumstances, with emotions running high, are such that I would like to associate myself with your remarks and the presentation you have made.

Mr. WIDNALL. I thank the gentleman.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield.

Mr. STRATTON. I would like to join in the remarks that were made earlier on this floor with respect to the serious situation created by the hijacking of a fourth American airliner. It seems to me that this fourth occasion has made it perfectly clear now that this is a pattern of action being followed deliberately by the Castro government.

I am sorry that earlier remarks of some Members of the House has appeared to suggest that this is a partisan matter, because I am sure that Members of the Democratic Party are just as strong in their reaction to this latest action of Castro and his brigands as are members of the Republican Party.

There has been a good deal of expression of sentiment today that we should do something. I would like to urge, Mr. Speaker, that a course which I recommended some weeks ago is one that I think should now be followed; namely, that we impose a full-scale naval blockade around Cuba. It is perfectly clear to everyone that Cuba's actions are directed against this country, against American lives, against American property, against America's proper interests in the Western Hemisphere. In line with the Monroe Doctrine I think we ought now to quarantine this kind of aggression until a peaceful government has been restored in Cuba. Not only would such a blockade be an effective and realistic response to this hijacking, but it would also put an end to any further efforts by Castro to build nuclear rocket bases aimed at the heart of America.

I thank the gentleman for yielding.

Mr. FLYNT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FLYNT. Mr. Speaker, I join with other Members who have spoken today in protest of the action earlier today in which another U.S. airliner has been hijacked and landed in Cuba.

I call upon the President to take whatever action is necessary to accomplish the return of this latest pirated plane—the Pan American DC-8—along with the Eastern Air Lines plane previously seized.

The necessary action should have been taken last month when the first plane was hijacked. It must not be delayed further.

The time has come for the President and the State Department to recognize the fact that Fidel Castro is an enemy of the United States, an arm of the international Communist conspiracy and an international bandit.

The United States can no longer submit to the criminal and degrading acts of Fidel Castro against the United States, its citizens, and its property.

CASTRO HIJACKS FOURTH AMERICAN PLANE

Mr. BECKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, hearing of this second hijacking of another American plane only points up what I said the first time. The American people demand concrete action in dealing with Castro. The time is long past when words can be used. This action of hijacking is a part of the Communist conspiracy to degrade the United States. If force is needed to support our position with Castro, the time is right now. If we permit Communist Castro to continue his depredations, we will have no supporters left in the world, no matter how many billions the starry-eyed liberals want to throw around the world. I will support immediate action now to secure return of these planes and also drive Castro out of Cuba, and see to it that free elections are held, and free the Cuban people.

Mrs. KELLY. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Speaker, I agree with many of the remarks of my colleagues as to the seriousness of this situation, but I do not think this is a time to be emotional. Above all we must remain calm. This is not a time for partisan politics but is the time to be united in supporting the President.

I well remember when I felt as many of the minority are so expressing themselves: This is the hour for action; the hour is late. During the previous administration, particularly at the time of the division of Vietnam, my feelings were similar. But on all of those occasions, I was bipartisan in my approach to foreign policy matters and urged unity beyond the water's edge.

I say to you, Mr. Speaker, that I hope we will not rush into anything at this moment without considering all of the facts.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentlewoman yield?

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I would like to ask the Member who just spoke about supporting the President. Of course, we all support the President. What do you want us to do?

Mrs. KELLY. I cannot say at this moment what I would want anyone to do until I have learned all of the facts of this incident. I am sure the gentleman from Michigan knows as well as I, that all of the facts are being weighed and considered at this moment. I am confident that the President is as well aware of his responsibilities as we are of ours. I am likewise confident that he will exercise his office so as to protect the lives and property of Americans and that the dignity of the United States will be upheld.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. BECKER. Mr. Speaker, I agree with my good friend, the gentlewoman from New York [Mrs. KELLY] that we must remain calm, that we must back up our President. All of us as good citizens and as Members of the Congress fully realize this. What we are trying to do today is to inform the President that those of us who represent people in our various districts are also responding here to the feelings of the people of our districts. The time is long past when we should remain calm and not to take any action. We are looking for some real action to be taken in order to solve the problem so that we can hold up our heads in the world and look forward to the prestige our country has enjoyed in the past and not let any small-time dictator, such as Castro, representing the Communist conspiracy of the world, take his part willingly to destroy or to help deteriorate our standards. The time is past for patience. I said that a couple of weeks ago. We should worry not so much about the loss of the planes and reimbursement for them. We can take that up later. But let us let our President know that we are willing to back him, and we hope he will take some concrete action to end this sort of thing and let Castro and all the dictators of the world know that the United States is the leader of the free world and we are not going to be pushed around any further. We should let them know now, at the present time, that our people want action in whatever form it must take to end this sort of thing.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Speaker, I do not think there is much point in blaming anybody now for what has happened in the past. I recall within 10 days after Castro came into power I pointed out he was following the Communist pattern of executing everybody under the guise they were criminals. Maybe 8 or 10 of them were. But he was executing everybody who could lead any organized resistance against him. That was the Communist pattern. I said that on the floor because he was invited to come to this country. I said if he was not a Communist he knew enough about it to follow the Communist pattern.

Now, it seems to me that if we really want to take the initiative—and I hear a lot of talk about taking the initiative—if we really want to put Mr. Khrushchev on the defensive—he said what he will do if anybody attacks Cuba—I think we ought to lay down an ultimatum to Castro to return these planes and an ultimatum that if it happens again and the planes arrive in Havana, we are coming in to get them. And we ought to go in and then let Mr. Khrushchev decide what move he wants to make. That would give us the initiative and put him on the defensive. I think if we allow a little pipsqueak like Castro, with lice in his beard, to defy the United States of America, nobody is going to have any respect for us, and I think it is high time that we reassert our American tradition; that we will not allow our citizens to be mistreated and not allow the dignity of the United States to be pushed around.

Mr. BRUCE. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRUCE. Mr. Speaker, first of all, I would like to thank the gentleman from Ohio for withdrawing his request and personally point out that I was following carefully the development in Cuba. I do recall that the gentleman from Ohio was one of the few men who correctly analyzed the nature of the Castro movement in Cuba and did warn not only the House but the Nation of events that have come to pass since.

I would like briefly, because I know the gentleman has spent some time in what he is going to present here, to simply emphasize my support generally of the position stated by the gentleman from New York [Mr. PILLION] a few moments ago. Castro is an agent of the supernational international Communist movement. It is not nationalistic in character. He is an instrument of the international Communist conspiracy. We are aware and our Government officially has been aware for years, in their own files, of the background of Che Guevara, a graduate of the Lenin Institute in Moscow, and also of Raoul Castro's background. Castro's movements do not operate outside of Moscow direction, and there is a certain inconsistency in our policy. It is a bipartisan inconsistency, because it is an inconsistency that has been present for years, where we try to recognize communism as one thing in one place in the world and something else somewhere else. Granted, they move in one direction here, and another direction there, but it is all part of a total plan. Castro is an arm of international communism in Cuba. When he moves in Cuba he is doing so with the understanding, the knowledge, and the support of the directorship of the international Communist movement. The inconsistency in our severance of relations, realistically, with the Castro regime, and yet our unrealistic willingness constantly to negotiate with the masterminds behind Castro in Moscow; an inconsistent approach to a total problem. I suggest a reanalysis of our total approach to the supranational international Communist conspiracy.

Let us develop a consistent policy that views Castro and Khrushchev as part and parcel of the same operation. Realistically, how can we talk about a tough policy against Castro in Cuba and at the same time negotiate with Khrushchev for "peace" in another place, when it is all part and parcel of the same operation aimed at the destruction of every vestige of liberty throughout the entire world?

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, another American plane has been hijacked for the Communist Castro. That is either piracy or an act of war against the United States. In either case we must act. I think there is no question but what Castro is being used by Khrushchev as a needle to see how far they can go with the United States. The whole world wants to see how much we will put up with, which reminds me of an old fable of the lion in the jungle who was considered the king of all animals, stronger than all, respected by all. But, also in that jungle there was a rat living in the rotten debris of the jungle that thought he could take a bite out of that lion because he was so strong and powerful that he would ignore such a little rat. He thought that the lion would not bother him for doing so. And, he was correct. Then the following night the rat did the same thing. Soon he called on another rat to also bite the lion. Then other slimy rats bit the lion. The other animals in the jungle said to the lion, "Now, you must not slap at this little rat because that would be undignified and the other animals would not respect you." And, that went on and on until finally one night the rats came in great numbers and ate the heart out of the lion and he fell dead without ever striking a blow in his defense. Now in America the slimy rats are moving in at home and abroad—those rats in America who depreciate and attack everything that is American. Then we have the rats abroad such as the slimy chicken-picking Castro. That is exactly what is happening in America today. The rats are moving in at home and abroad to eat the heart out of America, the strongest nation on earth.

Neither Khrushchev nor anyone else would ever dare to attack America openly. But if America, because of her pride or her bid for international good will fails to act to defend our great Nation from the rats, we will be destroyed just as surely as the lion in the fable. If we allow every squeaky rat in the world at home or abroad to strike at us without our resisting, the same fate is going to befall America that befell the lion, the king of all the animals in the jungle.

We have to stop this hijacking and the sooner we do so the easier it will be.

Mr. WIDNALL. Mr. Speaker, I yield to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Speaker, I would like to associate myself with the excellent remarks of the gentleman from Indiana [Mr. BRUCE]. I am sure that this is a bipartisan attitude expressed here today.

Mr. Speaker, the Soviet feat of putting another man into orbit will revive the discussion of the relative progress of the United States and Russia, particularly so because it comes on the heels of Khrushchev's new 20-year plan, promising free utilities and free food and free housing to the Russian people. By concentrating heavily for years on rocket thrust, the Russians have indeed scored

several significant firsts. But the brilliance of these achievements should not blind us to the true situation in Russia. Khrushchev has put men into orbit, perhaps, but he cannot get the Communist economy off the ground. Consumer goods are scarce and substandard. Private cars are almost unknown except for top-drawer Communists. Housing is pitiful, with often more than one family to a single room. Food production is very inadequate.

Mr. Speaker, the Soviet space effort has some familiarity to the old Roman circus, intended to divert the attention of the populace from personal hardships and to lessen the danger of rebellion against the emperor. Good as it is, Khrushchev's Roman circus cannot hide an empty stomach.

FOREIGN AID

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 60 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I address the House today as one who has consistently advocated both military and economic assistance to friendly foreign countries in order to assist them to oppose aggression, subversion, and the propaganda of international communism.

I have voted for every foreign aid authorization and appropriation measure during my decade in Congress but one—that was a single conference report which I opposed for a special reason.

But, if H.R. 8400, the 1961 foreign aid bill, is not substantially improved and strengthened during its consideration by the House, I shall vote against it.

H.R. 8400 is a step away from victory in the cold war.

Coupled with other programs, some already adopted by the Congress, others proposed by the administration, H.R. 8400 leads, instead, in the direction of further weakness and reduced capacity to combat the Communist menace. We all know that building economic strength as a foundation for political stability and capacity for self-defense in friendly foreign peoples is promoted by:

First. Free economic and political institutions.

Second. Creation of wealth by and in individual citizens and their voluntary business associations.

Third. Equality of economic opportunity for all individual citizens.

Fourth. Building a middle class to replace the traditional cleavage between a numerically small caste of the extremely wealthy on the one hand, and masses living in abject poverty and misery on the other. This disparity is the hallmark of the weak and backward nations, but cannot exist in a true democracy.

These objectives are promoted by encouraging and facilitating economic development through private capital investment.

America was developed by the free play of these forces.

Why should we now abandon those forces, those principles, in favor of bureaucratic planning of economic development at public expense, especially when the record of such planning over the past decade has been one of almost unbelievable bungling, stupidity and waste?

Mr. Speaker, there is a role, but a limited one, in which our Government can help. If it tries to do more, the program fails.

Government can facilitate, it can pave the way, but it cannot, and should not, assume the major role in economic development in underdeveloped areas.

To the extent that we finance economic development from the top down, we, first, fortify caste systems; second, shore up unpopular rulers and regimes and feed corruption; third, stifle and suppress the efforts and the yearnings of the people for a better life; and fourth, promote a socialist planned society—in the Soviet-Communist pattern.

Mr. Speaker, the novel provisions in H.R. 8400, namely, 5-year authorizations and acquiring funds for economic development without sanction of legislative appropriations, are advanced as a means of curing past maladministration of our foreign aid program. It is argued that mistakes have occurred in the past because of a rush to obligate funds before the end of a fiscal year and that if this limitation is removed, we will have long-range planning on an intelligent basis.

Now, that argument is based on a whopping, tacit, false assumption; namely, that development loans are now required to be made on an annual increment basis supported by annual appropriations. This is false.

The Development Loan Fund is a bank. Interest and principal repayments go into a revolving fund.

I might interpolate at this point, Mr. Speaker, the Development Loan Fund has already had provided to it, since 1958, a total of $2 billion, and it has put it all out on loan except a little over $1 million.

Like any other bank, when a reasonable bankable project is presented and approved, it finances the entire project without regard to fiscal years. It does not have to get rid of its money to avoid reversion to the Treasury at the end of a fiscal year. Neither does the Development Loan Fund require annual authorization. It goes on forever or until Congress abolishes it.

Its only problem with respect to appropriations is to request from Congress adequate contributions to capital to permit it to make additional loans to worthy projects which it may have been required to turn down simply because it had no funds to lend.

There is nothing in the existing arrangement of development loans to inhibit long-term planning.

The trouble is that freewheeling spenders in the administration simply do not want the Development Loan Fund to operate as a bank. They want it to be a lump-sum handout agency freed from sound banking criteria—to serve as a conduit for vast unidentified payments to existing regimes in foreign lands. They propose to use DLF, which could have developed into a respectable lending agency, like the Export-Import Bank, as a conduit for transfer of vast sums of money to ruling castes in foreign lands.

This is a losing game.

First, friends cannot be purchased like turnips or potatoes.

Second, the friend who can be bought is worthless when he is needed.

Third, blackmail buys nothing but more blackmail.

Actually, H.R. 8400 destroys the DLF, not only by dissolving its corporate character, but by subverting its basic purpose from one of financing intelligently conceived projects which would contribute to economic advancement and stowing its resources into a big black bag with a hose attached to the pockets of the American taxpayer to siphon off wealth into the greedy fists of corrupt, unscrupulous ruling caste politicians in underdeveloped nations who think more of their personal comfort than the welfare of their country.

This is a losing game.

Congress can hang its head in shame if it lets an irresponsible bureaucracy get away with that.

And proponents of this proposition have the gall to provide for repayment in dollars. Dollars or bolivianos, dollars or drachma, dollars or rupees, they know the handouts envisaged by this huge fund—freed from accepted banking standards—made to shaky regimes and not tied to any security but the ephemeral tenure of those who sign the papers today, but may be gone tomorrow—will, by and large, never be repaid; but if they are, by H.R. 8400, the repayments will never get back to the U.S. Treasury, but go to the revolving fund for further relending.

H.R. 8400 is the most insolent insult bureaucrats have ever hurled at the Congress.

Mr. Speaker, it is understandable that the bureaucracy would prefer to avoid Congress and be free to engage in long-term spending. But we, in Congress, cannot escape hard, day-to-day realities, such as the amount that it is possible to extract from the pockets of American taxpayers vis-a-vis the competing demands on this source of revenue for other desirable programs of defense and health and welfare for the American people. Certainly a more perfect pattern could be prepared in promoting the economic interests of peoples around the world if we could blackout and ignore all of the other demands and obligations on the American taxpaying electorate.

Just last week, advocates of an improved airport system for the United States bitterly complained that the annual authorization and appropriation process inhibited municipalities in long-range planning for their airports. They did not want to bother with the Congress and its time-consuming and speculative function of determining priorities in extracting money from the American people to finance national programs. Awk-

ward as they may be, the authorization and appropriations processes of the Congress, which under the Constitution has the power of the purse, entails the valuable function of acting as a governor and a balancing mechanism to prevent distortion in our national activities. Remove this governor, destroy this balancing mechanism, let the zealots, both in and outside government, promote their pet programs to the exclusion and derogation of others and we will find that our delicately balanced, tripartite Federal governmental system will have broken down and we will flounder in a fiscal morass.

Mr. Speaker, advocates of back-door spending, Treasury borrowing, and other devices for obtaining public funds in violation of the constitutional provision—article I, section 9, clause 7: that "no money shall be drawn from the Treasury but in consequence of appropriations made by law"—point to precedents where this method of financing Government activities has already been approved.

My answer to this argument is that we have gone too far already, that Congress dozed while bureaucracy invaded the legislative realm and usurped these areas of public authority. I say the argument goes too far, too, because if it is an accepted method for financing governmental programs, why should not all governmental programs, each one of which is regarded as desirable by some segment of the Nation, be financed in the same way. We would thus eliminate the time-consuming and annoying interference by the elected representatives of the people in the administration of national programs and save the cost of presentation and justification of proposed expenditures by the bureaucracy, the printing of the records of ex parte, self-serving statements of those who will spend the money and the time of the Congress in considering and adopting the recommendations of its Appropriations Committees.

The plain fact of the proposal for 5-year authorization and back-door spending in the foreign aid program is that the foreign aid bureaucracy wants to avoid the Appropriations Subcommittee and the intensive scrutiny of the gentleman from Louisiana [Mr. PASSMAN], his colleagues on the committee, and even the Congress itself, which rather consistently in past years, I am proud to say, has slowed down reckless spending of our tax funds in foreign lands.

I say thank God for that bulwark of the people. Let us not destroy it.

Now, Mr. Speaker, how can we deny to municipalities in this country, which must raise their own funds to match Federal grants for airports, the privilege of bypassing an Appropriations Committee, and yet grant that privilege to immature, inept, yes, sometimes corrupt governments in farflung areas.

To open up foreign aid funds to such an attack would not lead to better planning, but to the exact opposite. Even under present conditions, presentations of the advocates of spending to the legislative and appropriations committees are not based upon anything approaching the planning, study, and engineering that we require of Federal grant-in-aid recipients in public works, airports, research activities, and a host of other domestic programs. Foreign aid has been presented in illustrative budgets; projects and programs have been advanced in nebulous and ambiguous descriptions. To require not even those limited presentations and justifications would be to encourage and facilitate even more of the fantastic boondoggling, which already has made the United States the laughing-stock in some parts of the world.

July 26, 1961, the Government Operations Committee unanimously approved and reported to the House of Representatives the Foreign Operations Subcommittee's report on U.S. aid operations in Peru. That report, House Report No. 795, documented mismanagement and waste in foreign aid expenditures in Peru in a manner which has shocked Members of the Congress and the American people. As ranking minority member of the Foreign Operations Subcommittee, I participated in the hearings and in the preparation of the report.

The aid program in Peru was widely propagandized by the administration as a model program and an outstanding example of U.S. technical assistance in Latin America. The Director of the U.S. Operations Mission, John R. Neale, was hailed both in the Latin American press and in Washington as an excellent executive and a technically competent administrator.

Contrary to this image, however, the committee's inquiry into the Peruvian aid program disclosed waste, maladministration, conflict of interest, diversion of funds contrary to regulations, and incompetence. Those deficiencies long ago—I repeat, long ago—were called to the attention of State Department and ICA higher officials.

But only after unexplainable delays were charges of maladministration investigated and audits made. High officials not only failed to take prompt and vigorous corrective action, but even attempted to suppress information and to block corrective action.

Those who complained of deficiencies were ignored or punished and those who failed to take the corrective measures required by their positions of authority at that time have been promoted to positions of even greater importance and responsibility.

When senior U.S. officials exhibit the low standard of ethics disclosed in the Peruvian aid program, it is difficult to expect to hold recipients of our aid and subordinate U.S. aid officials to the high standard of conduct which should attend the management and expenditure of public funds.

I insert at this point in my remarks the conclusions and recommendations of the committee as contained in the report.

U.S. AID OPERATIONS IN PERU

CONCLUSIONS

1. General

The principal deficiencies in the U.S. aid program in Peru, during the period 1955–58, stem from the combination of an entrenched USOM Director who did not measure up to his responsibilities, and the failure of ICA/W to exercise supervision and control over his activities.

2. Drought relief

There is no competent evidence in the form of end-use checks, audits, or other documentary proof to support the claim of the Department of State and ICA, that a $14 million drought relief program achieved the objectives which would normally be expected of a program of this nature.

As a result of poor advance planning and inadequate U.S. supervision, much of the food that was brought in remained undistributed at the end of the drought.

(a) The USOM Director divested himself of responsibility for this program by turning over its administration almost entirely to the Peruvian Government, without the knowledge of ICA/W, and in the face of a warning by the then U.S. Ambassador (Ellis O. Briggs) that the local government lacked the experience and facilities to cope with a program of such magnitude.[1]

(b) Although Department of State and ICA files indicate that the primary purpose of this program was the feeding of hungry people it cannot be determined how much of the food provided actually reached drought victims. Less than 6 percent of the food was distributed free in the drought area (almost as much was lost or damaged from various causes).

(c) The food supplied was practically all grain, and at least one-third of this was sold to millers and distributed through normal commercial channels. Whether any of this reached drought victims cannot be determined, from the testimony of State and ICA witnesses or from any documents they submitted.

(d) Almost 25 percent of the food provided remained undistributed at the time the drought was officially declared over by the Government of Peru; almost one-half of this amount still remanied in the warehouses a year later.

(e) Although the United States and Peru had agreed that Peru was to bear the administrative expenses of the drought program, Director Neale, without the knowledge of ICA/W, advised the Peruvian Government to charge such expenses as though they were work relief project operating expenses. This unauthorized action precluded the United States from recovering the funds involved and substantially reduced the funds available for the key work relief feature of the drought program.

(f) Although USOM Director John R. Neale had received instructions to obtain ICA/W approval of projects proposed by the Government of Peru to be financed with the sales proceeds, he failed to do so.

(g) Sales of grain generated the local currency equivalent of $3,600,000. Such sales were authorized by the agreement between the United States and Peru, providing that such funds were to be used to pay the wages

[1] The food for relief programs of this nature in any country is provided by the U.S. Government under Federal statutes. The U.S. operations mission should provide such guidance as is needed by officials of the host country to assure distribution and utilization of the food in a manner best suited to achieve the purposes for which the program was established. In this connection, the jurisdictional concern of the subcommittee is solely the performance of U.S. personnel, and we neither seek nor evaluate information regarding the performance of any foreign official. In the instant case, we have not deviated from this practice; none of the criticisms in this report should be construed as relating in any manner to the conduct of the Peruvian Government or any of its officials.

of drought victims employed on work relief projects. However, as a result of Neale's failure to carry out his duties as USOM director, at least 60 percent of the sales proceeds were used improperly, that is, contrary to the uses contemplated when this program was inaugurated. The lack of adequate USOM and ICA/W records makes it impossible to determine what portion of the balance may also have been improperly used. An instance of improper use was the unapproved construction of eight houses at Puno and their sale, below cost and on an installment basis, to prominent persons in the town.

3. Road project

A $2 million loan to Peru, intended to aid its economy through construction of a road to open isolated areas for agricultural development and colonization, was the subject of such faulty and inadequate planning that after construction had actually started the route had to be completely changed, when belated soils tests established that the area to be served by the original route was unsuitable for farming.

(a) Although funds for this construction were obligated with excessive haste, a period of over a year intervened between obligation and construction. This period could have been used to select a terminus suitable for the purpose intended and to plan a proper route.

(b) In fact, such planning did not occur, and the route had to be changed after the commencement of construction. Washington was not advised of this change until this fact was uncovered by an ICA/W auditor.

(c) The road finally constructed under this loan ended in the middle of nowhere—"on the side of a mountain"—at a point about halfway along the projected route, where the project ran out of funds.

4. Pampas de Noco

A $125,000 irrigation project built at Pampas de Noco does not irrigate.

(a) The significance of this particular failure lies in the stubbornness with which USOM Director Neale continued the project even after he had received competent technical advice that the project was not feasible.

(b) The reason the project was not feasible seems incredible, in any properly planned irrigation project—it was simply that there was not enough water available in the area to make use of the projected irrigation works.

5. Conflict of interest

USOM Director John R. Neale entered into a conflict of interest situation for personal profit when he organized and invested in the corporation, Negociacion Bazo Velarde, S.A., for the purpose of operating a farm which was receiving aid under the U.S. program. He failed to inform his superiors of his participation in this operation.

(a) Neale testified contrary to the facts in his appearance before an ICA hearing board.

(b) ICA/W had information which should have compelled the pursuit of an inquiry into possible conflict of interest on the part of Neale for some 4 years before effective action was finally taken.

(c) Even at Neale's administrative hearing, where the record clearly demonstrated that Neale was in fact in conflict of interest, both Regional Director Atwood and Ambassador Achilles persisted in impressing upon the board their beliefs that Neale was simply a victim of spite on the part of complainants.

(d) The hearing board which considered Neale's conflict of interest and recommended his separation apparently did not pursue the matter beyond the point required for this minimal decision. The investigator upon whose findings the hearing was based was not called by the board.

(e) The only witnesses heard by the board, other than Neale, were Atwood and Achilles, who testified as character witnesses for Neale. Although neither appeared to have any knowledge of the actual facts, each rendered a strong endorsement; in their positions they should have known the facts, or, at least, have informed themselves before voicing opinions.

(f) ICA/W investigative personnel, Thomas E. Naughten, Michael Ambrose, Robert L. Shortley, and Charles A. Gannon, all demonstrated a peculiar disinterest in determining the validity of charges made concerning Neale's conflict of interest. This performance, inconsistent with what appears to be adequate investigative experience in the backgrounds of these men, points to a conclusion that ICA did not require, nor did they employ, their best talents.

6. Internal audits

A lack of adequate internal audit facilities contributed to the difficulties experienced with the program in Peru, since the USOM was frequently unaware of developing difficulties for substantial periods.

(a) The failure of the USOM to submit, or ICA/W to request, the submission of such internal audit reports as were made indicates a high degree of laxity at managerial levels both in Washington and in the field.

(b) There were no end-use checks made of the drought program.

(c) ICA/W, on the basis of information from various sources, could have taken action to correct this situation. The special audits issued in March 1960, however, did not come about as a result of routine administrative control procedures, but because ICA/W became aware of congressional interest in the charges leveled against the program by former USOM Deputy Director Samuel Coon.

(d) Even subsequent to the special audits, the USOM resisted for over a year the recommendation of an ICA/W auditor that a full-time American auditor be assigned to USOM/Peru.

7. Poor supervision

Rollins S. Atwood, Regional Director, Office of Latin American Operations, ICA/W, did not properly perform his functions as the official primarily responsible for the effective operation of the U.S. aid program in Peru.

(a) He had adequate basis for questioning the quality of the administration of the aid program in Peru, but failed to take corrective action.

(b) He had ample indications that Neale was involved in a conflict-of-interest situation but failed to purrue inquiries that could have established the facts.

(c) His conduct in office and his testimony before the subcommittee were characterized by a defensive rejection of all suggestions that Neale's performance might in any manner fall short of acceptable standards.

8. Unawareness of Ambassador

Ambassador Theodore C. Achilles, in his appearances before the subcommittee, demonstrated important gaps in his knowledge of the activities of his subordinates during the period when he served as Ambassador to Peru.

9. Investigative shortcomings

The Office of the Inspector General and Comptroller and its predecessor, the Office of Personnel Security and Integrity, ignored serious charges and delayed action in cases where prompt and adequate investigation might have proved embarrassing to ICA, the USOM, or to Neale.

(a) The act of former P.S. & I. Director Thomas E. Naughten [2] (in which there was participation by Charles A. Gannon and Robert L. Shortley) in changing the name of a file, and the focus of investigation, from Neale to that of a complainant, Dr. Raymond Gibson, demonstrates an unfortunate bias and tendency toward prejudgment.

[2] Present USOM director in Thailand.

Mr. Speaker, this report is similar to approximately 25 reports of the Foreign Operations Subcommittee and its predecessors, all of which were unanimously approved by the subcommittee and the full Committee on Government Operations over the past 8 years and I incorporate a list of them at this point in my remarks:

SUBCOMMITTEE PRINTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF THE 83D CONGRESS

"Report on Contracts for the Purchase of Tungsten Ore in Thailand by the General Services Administration," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on Foreign Aid Procurement: Hexylresorcinol Purchases for Indochina," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on Procurement of American Cotton by Spain," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on the Administration of the Foreign Service," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on the Foreign Operations Administration End-Use Control Program," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on United States Economic Assistance to Spain," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

"Report on U.S. Embassy, Consular Service, and U.S. Information Agency Operations in Japan," International Operations Subcommittee, Congressman Charles B. Brownson, chairman.

SUBCOMMITTEE REPORTS

House Report No. 843: "Establishment of Foreign Operations Administration" (pts. 1 and 2) (Reorganization Plan No. 7 of 1953). July 15, 1953.

House Report No. 844: "Establishing U.S. Information Agency" (Reorganization Plan No. 8 of 1953). July 15, 1953, parts 1 and 2.

House Report No. 869: "A Fiscal Analysis of the International Operations of the United States for the Fiscal Years 1952, 1953, and 1954." July 17, 1953.

House Report No. 1334: "Security and Personnel Practices and Procedures of the Department of State." March 9, 1954.

House Report No. 1387: "Use of Nonappropriated Funds by Executive Agencies" (Bonn-Bad Godesberg area construction program). March 24, 1954.

House Report No. 1505: "A Fiscal Analysis of the International Operations of the United States for the Fiscal Years 1953, 1954, and 1955." April 7, 1954.

House Report No. 1506: "German Consulate-America House Program" (pt. 2). April 7, 1954.

House Report No. 1673: "Foreign Service and Departmental Personnel Practices of the Department of State." May 25, 1954.

House Report No. 2574: "Relief and Rehabilitation in Korea." July 29, 1954.

SUBCOMMITTEE HEARINGS

1. Hearings on German consulate-America House program.

2. Hearings on German consulate-America House program (pt. 2).

3. Hearings on Use of Nonappropriated Funds by Executive Agencies (Bonn-Bad Godesberg area construction program).

4. Hearings on study of oversea administrative personnel problems.

5. Hearings on security and personnel practices and procedures of the Department of State.

6. Hearings on Foreign Service and departmental personnel practices of the Department of State.

7. Hearings on Technical Cooperation Administration (education and training activities).

8. Hearings on investigation of U.S. Government contracts for the purchase of tungsten in Thailand.

9. Hearings on the Foreign Operations Administration end-use control program.

10. Hearings on foreign-aid procurement (hexylresorcinol purchases for Indochina).

11. Hearings on relief and rehabilitation in Korea.

12. Hearings on U.S. Embassy, consular service, and U.S. Information Agency operations in Japan.

13. Hearing on international operations of the U.S. Government in France, Spain, and Germany.

SUBCOMMITTEE REPORTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF 84TH CONGRESS

House Report No. 1663: "Foreign Service Promotions Under the Wriston Program."

House Report No. 1985: "United States Technical Assistance in Latin America."

House Report No. 2172: "Administrative Management of the Department of State."

SUBCOMMITTEE HEARINGS

1. Administration of overseas personnel:

Part 1: Management survey of the Department of State.

Part 2: White House Task Force.

Part 3: Wriston Committee program.

Part 4: Foreign Service promotions under the Wriston program.

2. U.S. technical assistance and related activities in Latin America.

SUBCOMMITTEE REPORTS OF INTERNATIONAL OPERATIONS SUBCOMMITTEE OF 85TH CONGRESS

House Report No. 10: "U.S. Aid Operations in Iran." January 27, 1957.

House Report No. 449: "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration." May 17, 1958.

House Report No. 1166: "State Department Public Opinion Polls." August 14, 1957.

House Report No. 1374: "Use of Defense Support Funds for Economic and Political Purposes." February 22, 1958.

House Report No. 2012: "Foreign Aid Construction Projects." June 26, 1958.

SUBCOMMITTEE HEARINGS

1. U.S. aid operations in Iran.

2. Review of the budget formulation and presentation practices of the International Cooperation Administration.

3. State Department public opinion polls.

4. Use of defense support funds for economic and political purposes.

5. Foreign aid construction projects:

Part I: Foreign aid construction projects.

Part II: Field survey of construction projects and other foreign aid operations.

SUBCOMMITTEE REPORTS OF FOREIGN OPERATIONS AND MONETARY AFFAIRS SUBCOMMITTEE, 86TH CONGRESS

House Report No. 546: "U.S. Aid Operations in Laos." June 15, 1959.

House Report No. 1526: "Operations of the Development Loan Fund." April 19, 1960.

SUBCOMMITTEE HEARINGS

1. U.S. aid operations in Laos.

2. Operations of the Development Loan Fund.

Examination of the committee's reports and hearings cannot help but convince any impartial person that our foreign aid program has been badly mismanaged, that we have spent far greater sums than were necessary, and that substantially smaller amounts administered in an efficient and businesslike manner would have made far greater progress in achieving the objectives of the foreign aid program.

We can assist friendly foreign countries to achieve economic strength only when they themselves make a maximum exertion and our financial aid should be no more than the incentive or catalyst to induce that effort. Aid should be contingent upon the adoption by the recipient of reforms calculated to produce a sound viable economy.

Our aid should not underwrite the perpetuation of weaknesses and extravagances which the recipients of aid would have been compelled to correct by the force of circumstances if we had not supplied them with funds. Overspending and loose administration thus weakens those we intend to help and postpones the day when they can stand on their own feet. Excessive and unwise donations, however well intentioned, actually constitute a disservice to those we seek to help.

Excerpts from the conclusions of the subcommittee's reports, which I include at this point in my remarks, amply sustain the foregoing comment:

HOUSE REPORT NO. 10: "U.S. AID OPERATIONS IN IRAN"

[85th Cong., 1st sess., January 28, 1957]

CONCLUSIONS

1. U.S. aid and technical assistance programs in Iran which, between 1951 and 1956, totaled a quarter-billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

2. The so-called expanded technical assistance program which began in January 1952 and resulted in U.S. obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute.

3. The expenditure of technical assistance funds during these years was undertaken without regard to such basic requirements of prudent management as adequate controls and procedures, with the inevitable consequences that it is now impossible—with any accuracy—to tell what became of these funds. The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control procedures were so poor that records of the operation, especially in the early years, are not reliable.

5. The conduct of the U.S. operations mission's affairs appears to have been based on the assumption that as long as U.S. aid funds were spent promptly it was not a matter of great consequence as to what they were spent for. Members of the mission who openly objected to the uncontrolled nature of the operation were either disciplined or labeled as incompetent. To those familiar with the involved and time consuming processes for financing public works in the United States, in whole or in part with Federal funds, the cavalier, free-wheeling casual fashion in which huge sums of U.S. funds were committed in Iran must necessarily be shocking.

11. U.S. control over what Iran did with this budget aid was practically nonexistent and the subcommittee notes that Iranian budget deficits increased rather than decreased during this period.

18. The use of the so-called illustrative method of presenting budget requests to the Congress is a major factor in the almost complete loss of control by the Congress over spending in this type of program. Under this system the Congress is given a description of a hypothetical program which might be carried out if requested funds are furnished. However, when funds are granted by the Congress, there is no commitment by the executive branch to expend them for any of the activities used as hypothetical illustrations.

19. Congressional control over expenditures in this type of program is further defeated by the fact that information supplied Congress on how funds granted on the illustrative basis were actually spent consistently omits the elementary facts needed for an intelligent postaudit.

HOUSE REPORT NO. 1374: "USE OF DEFENSE SUPPORT FUNDS FOR ECONOMIC AND POLITICAL PURPOSES"

[85th Cong., 2d sess., Feb. 22, 1958]

CONCLUSIONS

1. The definition of "defense support," the largest single element in the mutual security program other than military assistance, is interpreted so broadly by the executive branch that it is virtually impossible to determine whether or not an expenditure made under it is in accordance with legislative intent.

4. Although a pretense is made that the amount of aid funds programed for each country is determined by "expert" economic judgment, the subcommittee has found no evidence that this is the case. The annual congressional presentation books for the mutual security budget contain no explanation, nor has any foreign aid administrator ever been willing or able to explain to this subcommittee how and why any particular level of aid has been determined.

In its report on U.S. aid operations in Laos, some of the conclusions reached by the Committee on Government Operations filed June 15, 1959, state:

1. Giving Laos more foreign aid than its economy could absorb hindered rather than helped the accomplishment of the objectives of the mutual security program.

2. Excessive cash grants forced money into the Lao economy at a faster rate than it possibly could be absorbed, causing:

(a) An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

(b) Inflation, doubling the cost of living from 1953 to 1958.

(c) Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash-grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

15. In the light of all the evidence available, including documentation of the Lao Government's request for the continuation of the contract, the conclusion is inescapable that the Howell group was eased out of Laos because they were insisting that the U.S. aid program be subjected to proper controls. Under proper controls, improper activities would have become much more difficult.

18. ICA/Washington took more than 18 months to negotiate a final signed contract for highway engineering services (with Vinnell). There was a period of 4 months of total inaction by ICA's Area Operations Division. As a result:

(a) Control of the road program passed from ICA/Washington to USOM/Laos.

(b) Officials of the USOM assisted and encouraged the development by the Universal Construction Co. of a virtual monopoly of U.S.-financed construction projects in Laos.

(c) Universal through the bribery of McNamara and the failure of other USOM/

Lao officials to perform properly, was able to secure payments totaling over $1.6 million for performance that was inadequate and did little to enhance the economy of Laos or the prestige of the United States.

19. USOM Director Carter de Paul violated ICA contract regulations in several important respects, particularly in relation to the Universal contracts. His actions included—

(a) Writing two contracts for a single job in order to evade the rule that a USOM Director cannot write a contract for more than $25,000 without ICA/Washington approval.

(b) Writing contracts with inadequate specifications; one contract included a provision that the contractor (Universal) was not required to complete any work under the contract.

(c) On at least one occasion completely reversing the usual order of procedure: the work was started first; the contract came next; later (with the contract already signed) invitations to bid were issued; and finally ICA/Washington authorization (which should have preceded all other steps) was obtained.

21. Lao Army pay raises in 1955 and 1959 have added $3.8 million annually to the cost of the U.S. aid program in Laos. The 1955 raise has already cost the U.S. taxpayer $10 million to date. Justifications, if any exist for these raises, are not clear. In both cases, approval by the Department of State was given after the fact and then largely to avoid embarrassment because of unauthorized commitments made at the mission level.

Now, we can argue over generalities and abstractions endlessly and arrive nowhere, but it is difficult to deny the facts of a specific example. For that reason, I want to sketch briefly the story of a road in Cambodia. Pnom Penh is the capital of Cambodia, one of four new nations which emerged from French Indochina some 6 years ago. The French agreed to build the Cambodians a port on the Gulf of Siam at a place to be called Komong Som. This was to give the Cambodians a port of their own to avoid receiving their imports and delivering their exports through Saigon or Bangkok in neighboring Vietnam and Thailand.

There is a road between these two points, a distance of 133 miles, route 3. In the hearings of our subcommittee held in Pnom Penh, the evidence showed that there was no military or economic justification for the construction of a new highway, route 4. For example, the director of the U.S. operations mission in Cambodia, in response to a question I asked him, testified as follows:

The principal justification was a political justification. I would not justify this project basically as an economic proposal. If you asked me if I would spend $25 million of the taxpayers' money solely on this economic ground, I would say "No."

Nevertheless, for political reasons, our Ambassador agreed to construct a new, modern, high-speed highway through the swamps, jungles, and mountains of south Cambodia, which would shorten the distance between the capital and the port by 25 kilometers or about 15 miles. At the time and in the foreseeable future, there would be little traffic on this new road, except vehicles drawn by water buffalo, which prefer to walk in the mud rather than on asphalt. The highway was widely touted as a token of American friendship for Cambodia and a demonstration of American ingenuity and engineering skill in roadbuilding. It was to be a showpiece in southeast Asia.

The study made prior to the approval of the project of the engineering problems and the economic justification for such a highway, as well as estimates of its cost, were so superficial as not to merit the characterization of an educated guess. In fact, the decision was a political rather than an economic decision. On June 26, 1958, the Foreign Operations Subcommittee, on the basis of hearings both in Washington and in Cambodia, made the following comment:

The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent. Deficiencies include—

1. Inadequate advance planning.
2. Defective standards and procedures for the award and administration of contracts.
3. Indifference to conflicts of interest.
4. Incompetent supervision of the procurement of construction equipment.
5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.
6. Excessive reliance on "political urgency" to excuse deviations from sound procedures.

As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to U.S. taxpayers has been increased, and the dignity and prestige of the U.S. Government abroad have suffered.

Another conclusion: 4. Incompetent supervision of the procurement of construction equipment:

ICA permitted the construction contractor on the Cambodian road to purchase about $1 million of used equipment from himself. Approval of this unusual procedure was based on the contractor's assertions that similar new equipment was not available. As ICA could have determined by prudent checking, this was not the case.

Having approved such a procedure, with its considerable possibilities for dealings disadvantageous to the Government, ICA failed to exercise even normal prudence in policing the transaction, when, in fact, commonsense called for extraordinary vigilance. As a result, the following matters occurred, all contrary to the Government's interest:

First. The engineering firm for the Cambodian highway project conducted a most cursory and superficial "inspection" of the used equipment. Its report to ICA—that the equipment was in good condition—relied upon the construction contractor's—seller's—oral representations. In fact, within a few months of arrival in Cambodia, 14 of the 40 pieces of used equipment were in the shops for complete rebuild.

Second. The construction contractor for the Cambodian highway project sold his used equipment to ICA at a price substantially higher than that at which he had been offering it, unsuccessfully, on the world market for 6 months previously.

Third. The construction contractor for the Cambodian highway project ignored ICA requirements to report commissions on the sale of his used equipment. Moreover, the persons to whom these commissions were paid had rendered no service to the Government.

Fourth. Immediately prior to the sale of his used equipment, the construction contractor for the Cambodian highway transferred it through wholly owned corporate structures, including a newly formed Liberian corporation. As a result of this, neither he nor his corporations have paid any Federal or State income taxes on a profit which appears from his books to have approximated $500,000.

No. 5. Poor coordination between field missions and Washington, and among divisions in Washington having responsibility with respect to construction projects:

(a) Offices within ICA/W, sharing responsibility for major construction projects are seldom fully cognizant of one another's actions.

(b) Field missions are not fully and promptly appraised of ICA/W actions, and vice versa. As a result, conflicting policy lines may be pursued for considerable periods. Field missions have also had abundant occasion to complain of slowness in arriving at decisions by ICA/W.

(c) Delay in reaching decisions seems closely related to the diffusion of responsibility which exists within ICA/W, typified by the extensive reliance upon "committees" for decisions.

As a result of diffusion of responsibility:

First. It is seldom possible to attribute an error to any particular persons.

Second. Records are scattered throughout numerous offices.

Third. Coordination of effort is frequently lacking since it is no one's particular responsibility.

The planning was so bad and the construction and supervision and inspection of construction were of such poor quality that the road, completed in 1959, is now nearly unusable. The U.S. Ambassador to Cambodia advised the Secretary of State that in the early spring of 1961, Prince Sihanouk wanted to drive from Pnom Penh to Komong Som, which by that time had had its name changed to Sihanoukville. He began his journey on the new Khmer Friendship Highway, but the highway was in such poor and impassable condition that he had to turn back and take the trip by helicopter.

In my opinion, the whole business was a mistake. A road which originally was estimated to cost $15 million and has now cost more than $34 million will have to be done over again, at least in part, if we are to avoid disastrous loss of face and prestige in Asia; that loss of face which is being effectively exploited with a soft sell by the Communists in that region and elsewhere. We now are bound, they say, to spend more millions making a good road where none should ever have been built in the first place.

If I were to summarize briefly the most important and glaring deficiencies in the administration of foreign aid as disclosed by our subcommittee's investigations over the years, I would list the following:

First. Ill-defined objectives.

Second. Lack of clear criteria and standards for allotting aid.

Third. Poor advance planning or total absence thereof.

Fourth. Submission to Congress of illustrative budgets, rather than specific projects and programs.

Fifth. Incompetent business management.

Sixth. Inadequate or nonexistent end-use checks.

Seventh. Political interference with economic planning.

Eighth. Diffusion of responsibility.

Ninth. In general, altogether too much flexibility and lack of control in foreign-aid expenditures.

Now, what does H.R. 8400 propose as a cure for these deficiencies? It provides greater flexibility, more elastic and more ambiguous criteria, fewer controls, and even worse, immunity from congressional scrutiny in annual authorization bills and the avoidance of budget presentations and justifications in the appropriations process.

In effect, what H.R. 8400 proposes is that the Congress vest in the President its legislative power, as well as its power of the purse, with respect to foreign aid; that it give up the control inherent in the automatic termination of a program and authorizes the President to establish and to reorganize from time to time, without congressional approval of any sort, the agency or agencies through which foreign aid is administered. Nothing in the law would prevent the President from adopting the existing agencies responsible for the foreign aid program, which would thereby become immunized from congressional scrutiny and control, since any amendment to H.R. 8400, after it became law, in case Congress should be dissatisfied with it, would have to survive his veto.

I venture to say that no President has ever requested such a sweeping delegation of legislative authority, even in time of war, and that no Congress but a weak and supine one, indifferent to its constitutional powers and prerogatives, and in derogation of its responsibilities to the electorate, would ever grant it. Significant checks and safeguards on the exercise of vast authority and expenditure of vast sums of public funds would be removed by H.R. 8400.

The President, in effect, asks us in H.R. 8400, to let him write the foreign aid law. Does he have the ability to do so? If he knew what should be done, why did he not present a sensible, intelligent plan to the Congress, instead of simply asking Congress to give him its legislative power, so that he, or more accurately, the monolithic bureaucracy which has sprouted under various foreign aid programs, can write its own ticket to perpetuate itself indefinitely and to establish itself on what amounts to an extra-governmental plateau beyond the reach of the American people or their elected representatives.

Mr. Speaker, the record of performance of this bureaucracy does not justify such confidence by the Congress.

On the contrary, the record of performance, as disclosed in the reports and hearings of the Foreign Operations Subcommittee and the legislative and appropriations committees of the Congress, as well as other committees, overwhelmingly indicates that the proper course of action leads in precisely the opposite direction. Instead of more funds, Congress should appropriate less. Instead of less accounting for expenditures, the accounting should be more strict. Instead of absolving administrators from presenting to the Congress any plans or justifications, better planning and more specific and concrete proposals should be required. Instead of removing criteria, standards, and controls over the personnel and organizational structure of the agency administering foreign aid, such criteria should be spelled out in greater detail and the organizational structure should be tightened up.

In effect, H.R. 8400 proposes to cure the disease by more of the infection.

Mr. Speaker, I am one who firmly believes that not only for the protection of our institutions and our traditions of individual, political, and economic freedom in our own self-interest but for the altruistic purpose of sharing those blessings with other peoples, we cannot be indifferent to the plight of newly emerging and underdeveloped nations threatened by the sinister onrush of international communistic aggression and subversion.

Where I differ with the philosophy of H.R. 8400 is that I believe our policies and our programs should have some logical relationship to our objectives.

What is the objective of our assistance to underdeveloped areas? My understanding is that it is to help them develop for themselves free economic and political institutions which will leave to the individual the maximum discretion and opportunity to use his talents in improving his lot.

What is the logical means of accomplishing this objective?

Is it not the development of a free, competitive enterprise system based upon private ownership, individually and through business associations, of the property and processes for production and distribution of goods to fill human wants?

If this be so, our policies and programs should be aimed at encouraging and facilitating the operation of these free economic forces which have led to the abundance which we have enjoyed in this country. The Government's role should be a limited one. Direct government-to-government grants and loans should be of a temporary nature and should gradually taper off and disappear as recipients of our aid achieve political and economic stability.

It seems to me that economic development and the promotion of economic and political stability in the underdeveloped areas of the world and for the peoples who are emerging from colonialism and seeking to establish themselves in the world community, that that job of economic development, pursuant to our American traditions, belongs primarily to the private business community. We should foster, encourage, and stimulate private capital investment for the economic development of the underdeveloped areas of the world. It should be the role of Government merely to support, encourage, and facilitate this natural economic process.

It is my view that the Government should seek to create the climate in which private enterprise can do the job of developing natural resources; that Government should police the activities of individuals and corporations so as to prevent overreaching, exploitation, and monopolistic, restrictive trade practices and so as to insure equality and fair dealing in free and open competition; that Government, in providing statistical and scientific information, and possibly financial assistance, to all on equal terms, can assist and encourage the flow of private capital into the work of developing natural resources and other fields of manufacturing and trade; that Government can appropriately promote self-liquidating international public works as aids to production and commerce. The Government should not engage in proprietary undertakings nor make extensive grants or loans of public funds in private economic activities either to foreign governments or their nationals.

Mr. Speaker, instead of the approach of H.R. 8400, I suggest the following four-point program:

First. Continue the aid program as presently constituted for 1 year, but at reduced dollar levels;

Second. Conduct a searching investigation of the personnel and organizational structure and interrelationships of agencies of our Government concerned with the foreign aid program with a view to substantial reforms leading to improved performance;

Third. Conduct a searching investigation of the impediments and hazards to overseas private capital investment and trade; and

Fourth. Adopt measures calculated to encourage and facilitate private capital investment in underdeveloped areas.

Mr. Speaker, I am preparing and will shortly introduce two bills which will aid in accomplishing the foregoing objectives.

One is a bill which I have previously sponsored to create a Commission on Overseas Investment and Trade to study and recommend specific programs to the executive branch of the Government and to the Congress for removing or minimizing impediments to overseas private capital investment and international trade. I intend to expand the Commission's study to include an examination of the Government foreign aid program and the agencies administering it so that a proper balance may be achieved between Government aid and private capital investment for economic development.

The other bill is the foreign investment incentive tax bill, similar to H.R. 5 of the 86th Congress which was adopted by the House on May 18, 1960.

Mr. Speaker, there may be other actions we can take. Certainly included in these would be the defeat of any proposals which would repress and inhibit private capital investment overseas such as the recommendations in the President's tax message.

Let us reaffirm our faith in the economic and political philosophy upon which this Republic was founded. Let us believe that the liberation of the forces of the human soul which conquered our own wilderness and harnessed the forces of nature for the benefit of ourselves and our posterity can likewise be employed for the benefit of people who, only now, are emerging from the shackles of feudalism and slavery. Let us act in that faith. With humility, and anxious to absorb the many advantages of the cultures of the peoples whose material lot is less pleasant than ours, let us offer to contribute the pioneering, courageous, enterprising spirit which is our inheritance. But let it be the voluntary and spontaneous contribution of the American people in a self-sustaining, mutually

beneficial economic movement. Let us not admit decadence and impotence in the free enterprise system through engaging in State-owned, tax-supported proprietary activities reminiscent of the totalitarian socialism we abhor.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Speaker, I compliment the gentleman on his very eloquent statement and I commend him for the service he is performing both for the Congress and for the Nation by his statement at this time. Coming at this very timely moment when great demands are being made for a stature and posture, both social and economic, on the part of this Nation, I repeat, the gentleman is performing a great service.

Further, Mr. Speaker, may I say, coming at a time prior to the consideration by the House of Representatives of this important matter, it gives us the benefit of sharing in the observations which the gentleman has so eloquently made.

Mr. MEADER. I thank the gentleman from Minnesota for his very kind and generous remarks.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Speaker, I associate myself with the remarks of my colleague, the gentleman from Michigan, particularly with reference to his position on the pending consideration of the foreign aid bill. Ever since I have been a Member of the Congress I have supported the foreign aid bill when it has been before us, and I have done so without exception. While I will concede there may be some necessity for long-range planning, I am unalterably opposed to this feature of backdoor spending. I would want the RECORD to show at this time that if that method of financing these programs is going to be embodied in the coming bill, I am going to vote against it. I think the leadership should know further that there are many of my colleagues, with whom I have talked in the last few days, who have supported this bill in the past but who also share the view I have just expressed.

If the gentleman will permit, I would like to take just a minute to make a further observation with reference to the announcement by the Secretary of the Treasury in South America recently with respect to a $20 billion program of foreign aid for Latin America. While such a program may have great merit, and I do not mean to comment on the respective merits of this program, Congress has not yet been advised of it; the Foreign Affairs Committee does not know about it except what it reads through the press. The executive branch of the Government keeps running off and committing us to these programs in advance of formal notification.

I recall back in the years of World War II when we had a statesman from Michigan in Washington, Senator Vandenberg. He worked with the administration at that time on a bipartisan foreign policy, and I think that the record will show that they got along pretty well. Now we have a turn of events like this where the ranking members of the Foreign Affairs Committee have to read the newspapers to find out about obligations that are made to nations in another hemisphere. I think the Congress should resent every word of it.

Mr. MEADER. I thank the gentleman for his contribution to the discussion and the statement he has made concerning his discussion with other colleagues regarding H.R. 8400, particularly those who have supported foreign aid in the past.

I am also glad he brought up the matter of the statement that the Secretary of the Treasury made in South America about the $20 billion. I believe the statement was completely unauthorized. I do not know where the Secretary of the Treasury could have found authorization for such commitments to these Latin American countries, and I think it was a mistake for him to make the statement if he could not back it up.

As I understand it, he had in contemplation that some of this $20 billion over the next 10 years would be private capital investment in Latin America. Let me say to my colleague that there has been a good deal of private capital investment in Latin America in years past, and I do not know how much farther it can go. To take one instance, the Sears, Roebuck & Co. through its operations in Latin America has done a great deal for the people of Latin America in modernizing their merchandising concepts and getting them goods at more reasonable prices, and it has forced competitors to deal on a mass basis rather than to concentrate on fewer sales and higher prices.

But let me say to you that when the President—and I see my colleague from Michigan [Mr. KNOX] who is on the Ways and Means Committee sitting there—that when the President in his tax message recommends penalizing overseas investment, how does the Secretary of the Treasury expect to get very much of his $20 billion in private investment capital in Latin America? This administration is moving in the wrong direction by discouraging private capital investment, by its tax policies, and by increasing the amount of money spent by Government bureaucracy, which likewise has a tendency to take over areas which otherwise might have been financed by private capital investment.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. KNOX. I completely concur in the statement by my colleague from Michigan [Mr. MEADER]. The Committee on Ways and Means has had before it consideration of the President's tax proposals. They do, of course, provide for the repeal of the incentive which this Government gave to industry to go abroad. Now, many of our corporations have gone abroad and established themselves. It is difficult at this time to say whether or not they actually have been able to write off the indebtedness that they created by going abroad, but here we are today confronted with this question of repealing the incentive to Western Hemisphere development, the 14-percent differential in the tax.

At the same time, as the gentleman has so well stated in his remarks, the Secretary of the Treasury has gone into South America and has stated that a part of this $20 billion will be private capital.

It is my candid opinion that private capital is going to be very skeptical about further investments abroad when the U.S. Government, of which we are a part, takes opposite views. If we follow through with the recommendation of the President, private investors may say they have no further faith and there is no necessity for them to continue to invest because of the commitment that was given to them previously in the way of an incentive. The recommendation now is to take that commitment away from them.

I have never supported foreign aid, not that I do not believe in foreign aid, but we have had approximately $5 billion each year in unexpended funds, plus the current appropriations. This year that is $4.8 billion, plus another $8.8 billion in Treasury financing under the 5-year program.

I listened the other day to the gentleman from Louisiana [Mr. PASSMAN], on a television program. He made the statement at that time that it was costing the taxpayers $10½ billion annually to support the foreign-aid program. I think we should take a closer look and scrutinize carefully this foreign-aid program if we are going to be able to survive and protect our own economy. We are now $298 billion in the red. It is anticipated that the President will come back again and ask us for a further increase in the national debt ceiling. Where it will go this year, I do not know. But apparently, from everything that is indicated at this time, the Congress will have before it prior to adjournment another request for an increase in the national debt ceiling.

I am one who believes we have a responsibility to aid friendly foreign countries, but not to the degree of imperiling our own economy through fiscal irresponsibility.

I thank the gentleman for yielding.

Mr. MEADER. I thank the gentleman for his contribution.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Last week, in connection with the hijacking of another plane, I offered the observation that there would be no final solution of this problem until we undertook to recapture and liberate the Cuban people and the island of Cuba.

In view of the depredation which has now been reported today, I wonder if the gentleman does not agree that the matter of foreign aid for Latin America and for this hemisphere is secondary to the question of firmness and of our prompt action in dealing with these depredations.

I have been opposed to foreign aid. We cannot hope to solve the problems we face until we manifest a policy of firmness in dealing with this sort of depredation. Does not the gentleman agree entirely with that?

Mr. MEADER. I thank the gentleman.

Earlier this afternoon a great many Members of the House commented on the most recent hijacking incident in Cuba.

May I say that generally there seemed to be a consensus that something must be done and done now other than just talk and threats.

I may say to the gentleman that I do not believe the two subjects are really related. I was addressing myself to the reformation of the foreign-aid program and putting emphasis on a long-range program and providing for aid by private capital investment rather than by continuing these huge Government-to-Government grants. That is the subject in general I was discussing. I do not believe that it has any immediate relationship to what we ought to do about the provocation and piracy, hijacking, kidnaping and so forth that the Communists are engaged in in Cuba and elsewhere in the world.

Mr. JOHANSEN. Mr. Speaker, if the gentleman will yield further, I certainly share the gentleman's views that the emphasis ought to be on that type of nongovernmental assistance rather than out-of-hand foreign aid. The only point I am making is that regardless of the type of aid, it seems to me that we misplace our faith in any aid if we do not accompany it with a policy of firmness in the face of such depredations.

Mr. MEADER. I thank the gentleman. I say that this Cuban situation is one that deserves a great deal of discussion. Perhaps we have not discussed it enough, as to whether the Congress itself should take action. There have been various proposals made, and I would be happy to discuss that on another occasion.

SCHOOL ASSISTANCE ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. MAGNUSON] is recognized for 10 minutes.

Mr. MAGNUSON. Mr. Speaker, I wish to call to the attention of the House this afternoon title II of H.R. 7300, the School Assistance Act of 1961, which would provide for a 3-year extension of Public Laws 815 and 874 which expired June 30 of this year.

In the clamor for the passage of a general act for Federal aid for school construction and teachers' salaries, Congress must not lose sight of its responsibility to local school districts under programs long established. I refer specifically to those laws which provide Federal assistance to school districts burdened through activities of the Federal Government and termed "impact areas." As significant as are the broader programs envisaged in H.R. 7300, the continuation of the programs already begun under Public Law 815 and Public Law 874 is of equal and more immediate importance to the State of Washington and to other areas.

Congress long has recognized the responsibility of the Federal Government to assist educational agencies in areas where the impact of Federal activity has imposed serious financial burdens. This financial impact is caused by concentrations of tax-exempt installations which lower the tax base to a point where counties and other local units do not have the financial support to provide an adequate level of education for the children of Federal employees. Assistance is granted in areas first, where the revenues available to school districts from local sources have been reduced through the acquisition of real property by the Federal Government; second, where the local school districts are expected to provide education for children residing on Federal property; third, where the local districts provide education for children whose parents are employed by nontaxable Federal agencies; or fourth, where there has been a sudden and substantial increase in school attendance as the result of Federal activities.

The first such assistance to local school districts was provided under the Lanham Act—Public Law 849—in 1940. This, however, was limited in coverage, and administered by 12 different Federal agencies. The passage of Public Laws 874 and 815 in 1950 systematized the program. As amended, it continued until June 30 of this year.

The Seattle area, a substantial part of which is in my congressional district, is heavily affected by Federal landownership and Federal activity. During the 10-year period these laws have been in effect, the State of Washington has received more than $79 million. In 1960, 19,339 federally connected children enrolled in Seattle's public schools, with parents working on or living on 86 pieces of federally owned property in the area. Although the Seattle public schools are obligated to provide educational facilities for these students, they are denied tax compensation except as provided under the program which just has expired. The average cost of educating a child in the Seattle public schools for last year was $387. The Public Law 874 entitlement received—is the most frequent category, $90—was only a small portion of that total cost. Under the same law, $776,000 was received for maintenance and operating cost for the 1959–60 school year. Seattle cannot afford to lose this assistance. Should the program lapse permanently, the burden would be unjustly heavy on the Seattle taxpayer and the impacted districts, many already with high bonded indebtedness.

The State of Washington, with its many military installations and other Federal properties ranks fourth nationally in entitlement under Public Law 874. The Washington State Department of Public Instruction has estimated that during the 1961–62 school year, there will be 117,000 children enrolled in Washington public schools who would be covered by Public Law 874; more than 84,000 will attend schools in the Puget Sound area. Unless prompt action is taken, many impacted school districts will have great difficulty in meeting their responsibilities toward increased enrollments. By the expiration of this program, the school districts of the State of Washington will forfeit $11,206,600 in revenue during the 1961–62 school year. The losses nationally would reach $312,088,000 for the same period. This would have to be made up by local taxpayers who can ill afford it.

As early as February 2, 1961, a full 5 months before the expiration date of these laws, Louis Bruno, superintendent of public instruction for the State of Washington, wrote my office, noting:

> Budget time for the 1961–62 school year is fast approaching, and with school districts relying, in many cases, on a substantial percentage of their revenue from this Federal source, early action on this program is requested.

On June 30, 1961, Public Law 874 and Public Law 815 expired, largely as the result of parliamentary maneuvering in an attempt to secure a more general program.

How are school administrators to maintain anything approximating fiscal responsibility? Regardless of parliamentary intrigue, the local school districts are unable to shirk their responsibility for educating the youth of America. How can we possibly hope to meet the challenge facing American education, to forge new frontiers of learning, if Congress takes an irresponsible attitude toward the fiscal foundations of our academic institutions.

The situation at the local level is critical. The Bellevue Public Schools, near Seattle, having received nearly $2 million under this program during the past 5 years, suddenly find this source of income abruptly stopped with only 1 month remaining before classes resume. In Auburn, in my district, two Federal agencies recently have been established—the FAA and the GSA—bringing concomitant increases in student enrollment. I am informed that failure to receive Federal support to which the district would normally be entitled would be a crippling blow. Other Seventh District school systems adversely affected include Black Diamond, Enumclaw, Federal Way, Highline, Issaquah, Kent, Mercer Island, Renton, Snoqualmie Valley, South Central, Tahoma, and Vashon Island.

Impacted areas legislation has been tied to the overall Federal aid-to-education bills. At present, the general bill, H.R. 7300, is on the shelf in the Committee on Rules. If the general bill can be salvaged, then let it be brought to the floor. If not, then let us devise other methods to obtain the extension of the vital program of aid to impacted areas, so that the administrators of American public education may proceed with order to the tasks of education.

THE CUBAN SITUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 30 minutes.

Mr. PUCINSKI. Mr. Speaker, more than 2 hours have elapsed since the

Pan American airliner was forced to land in Havana, Cuba, obviously the victim of a hijacking plot. No word has been heard out of Cuba, no reaction has been heard from Castro himself. It would seem to reasonable men that reasonable time has elapsed for the Cuban dictator to at least advise the free world of the condition of the passengers and what he intends to do about this plane.

Mr. Speaker, the United States quite properly has issued a forthwith demand to the Government of Cuba for the immediate return of this airplane. Earlier today we heard a great deal of discussion here on the floor in reaction to this latest hijacking that has taken place in the Caribbean. I listened, with considerable interest, to statements made by many of our colleagues who suggested that the time has come when we ought to just move in and take over Cuba.

Mr. Speaker, I do not think there is anyone anywhere in the world who would doubt that, perhaps, the easiest thing for the United States to do right now is to send a task force into Havana and clean house in that Communist nest. I believe we should move decisively against Castro but it would seem to me such action would be more effective if we took it collectively with the other nations of South America. There is no question that we have reached the end of the line in tolerating Communist activities of Castro 90 miles removed from our shores. This latest incident of hijacking, however, also involves the Government of Colombia. The Associated Press reports that among the passengers listed on the Pan American flight from Houston, Tex., to Panama City, Panama, was the Foreign Minister of Colombia, Julio Cesar Turbay Ayala, his wife, and an entourage of aids. He was returning from an official visit to Mexico.

Turbay Ayala has been one of Cuban Prime Minister Fidel Castro's most vehement South American critics.

We also have a report from the Associated Press that the Government of Mexico announced today that it will officially protest the hijacking of the Pan American jetplane that left here shortly before noon for Guatemala and was forced to go to Havana. So here we have three nations of the Western Hemisphere involved in this latest incident, Colombia, Mexico, and the United States.

It would appear to me that the logical move at this time, and I certainly hope that the President in his great deliberative moments will take such a move, would be to summon an immediate emergency meeting of the Organization of American States, and when I say "immediate," I mean immediate, tonight or tomorrow. I think that collectively the Organization of American States should then issue an ultimatum to the dictator of Cuba not only for the immediate return of this airplane, not only for the safe return of the passengers of that plane, but also serve notice on the Soviet dictator now holding forth in Cuba that the United States will not tolerate and the Western Hemisphere will not tolerate any further such acts of aggression. I think that this pirating of the American airplane is indeed an act of aggression. I think this sort of collective action would have a much more profound effect upon the entire world, on the Western Hemisphere, and on the Kremlin, from which all these Communist orders stem, than if the United States were to try unilaterally to deal with Castro.

I do not think there should be any question that the American people are united today as they never have been united before in supporting any action by this Government to deal forcefully with the Communist ruler of Cuba. I think that for the first time, the American people have come to realize that the cold war is now here in the Western Hemisphere and that we Americans must prepare ourselves for any contingency.

I was home over the weekend. As is my custom, I talked to many of my constituents on street corners, interviewing them about their reaction to the various acts of our Government, and various legislation pending before Congress, and one thing that struck me in particular is the complete unanimity of thought by the people of my district, and I daresay that my people are representative of the country, in wanting to deal—forcefully and decisively with this Communist threat in Cuba.

Therefore, I am sure that the American people would stand behind the President in any action he takes, but I believe it is important to point out that certainly any unilateral action we would take in Cuba today as the result of this most recent incident would not be accepted by the Communist world with impunity. There is no question that the Soviet Union, the Communists, would strike back very quickly, either in Berlin, in Laos, in Vietnam, or perhaps in Formosa. I think this is the way wars are started. Therefore, while we Americans are determined to draw a line against any further Communist aggression, any action that we take in this very critical moment must reflect the most deliberative appraisal of all possible consequences.

The attitude of the American people in remaining resolute is best reflected in Congress which has responded to every one of President Kennedy's requests to build America's defenses.

I think our President himself has made it eminently clear to the Soviet world that we are not going to tolerate any aggression from the Soviet Union, in his very forthright and decisive program of action that he has taken to meet the Berlin situation. So the fact that we are determined to deal decisively with the Communists is beyond question. I do not think there is any difference among Americans on this point. I do not think there is any dissension. I do not think there is any disunity among the American people in facing up to the Communist conspiracy. The question is one of method. What is the most effective method to deal with the Communists in the Western Hemisphere? I submit in view of Secretary of the Treasury Dillon's remarks in South America the other day announcing this country's readiness to provide financial assistance for the growth and development of our South American neighbors and in view of our constant assurances to our South American friends that we are prepared, indeed, to help them, the problem of communism in Cuba should be dealt with collectively.

For this reason, I earnestly hope the President will move immediately to summon an emergency session of the Organization of American States. I think in view of the fact that Colombia and Mexico are directly involved in this latest hijacking today and tomorrow it could be any of the other South American nations, I think in view of all this, there is no question in my mind that the Organization of American States would, indeed, agree at this particular time to serve an ultimatum on Castro and make good on that ultimatum with armed intervention if he fails to abide by the principles of conduct and behavior accepted by civilized nations. It would seem to me, in this manner we would be acting collectively. We would be acting in a manner that would have a profound effect on the entire world. Should there be any armed action to liberate this airplane and to bring order out of Communist chaos in Cuba, it would not give the Communists an opportunity to denounce only the United States as the warmonger because they would have to admit to the entire world that the action we may be forced to take in Cuba is a collective action supported by the entire Western Hemisphere to make sure that the Communists do not get their foothold in this hemisphere as they have in other sections of the world.

DECLARATION OF CONTRABAND AGAINST COMMUNIST ARMS AND MUNITIONS IN THE AMERICAS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOSMER] is recognized for 45 minutes.

Mr. HOSMER. Mr. Speaker, since the announcement of the Monroe Doctrine in 1823 onward, attempts on the part of European powers to extend their systems to the Western Hemisphere have been branded a threat to the peace and safety of the United States.

Nations have an inherent right of national self-defense in such instances, and it is recognized by article 51 of the United Nations Charter.

Presence of Communist arms and munitions in the Western Hemisphere is, in fact, a threat to the peace and safety of the United States.

Mere mention of the situation in Cuba, almost within sight from our own shores, amply demonstrates this.

It also makes self-evident the fact that this is the precise kind of situation which article 51 contemplates.

What kind of action is the United States authorized to take?

Patriotic Americans have called upon President Kennedy for prompt moves ranging from mere embargo on trade, to the blockade of Cuba, to the dispatch of Marines to excise the cancer of Castro

communism and restore the island to its people as was done in 1898.

Without analyzing this spectrum of possible action in detail, or excluding any part of it from further consideration, I am today calling for a move by the United States which I believe serves a major purpose not only in Cuba, but as well in the deteriorating situation in British Guiana and at any other locations communism may seek to penetrate in the Western Hemisphere with arms and munitions. It is formally stated in the resolution I have introduced today, the text of which is set out at the conclusion of my remarks.

Briefly, it is a formal declaration that Communist arms and munitions are contraband in the Western Hemisphere, a direction to the President to promulgate a specific list of contrabanded arms and munitions, including petroleum products, and an authorization for enforcement of the declaration by appropriate use of U.S. airpower and U.S. seapower.

This is the way it works:

On the declaration of contraband, international law recognizes the right of enforcement.

The procedure is peaceful.

A U.S. patrol aircraft spots a Communist-bloc ship headed toward Cuba or elsewhere in the Americas.

It signals for a U.S. destroyer to intercept and search the ship.

If Communist arms or munitions are found aboard, the ship is warned to turn around.

If its captain refuses, or tries again to proceed toward a port in the Americas Navy men can either reboard the merchantman and jettison its contraband cargo or bring it to a U.S. port to have confiscation adjudged.

The advantages of this unique approach, based on modernization of longstanding principles of international law, are many:

Only a few U.S. aircraft and ships would be required. These would operate on the high seas. There would be no interference with the integrity of any nation's territorial waters or domestic soil. In contrast, blockading Cuba would require a ring of vessels for many hundreds of miles around the large island, drawing U.S. naval forces from other world trouble spots where they are needed.

Once firmly established, the precedent would be applicable universally in the Western Hemisphere.

U.S. forces would be acting in a strong area of U.S. seapower and airpower almost 5,000 nautical miles from the U.S.S.R.'s nearest home bases.

Moreover, it is highly unlikely the Soviets would attempt to escort "merchant ships" with their own warships or otherwise engage in retaliatory mischief. It would be hard to imagine shrewd Kremlin realists risking the start of all-out war under the most disadvantageous conditions possible from both power and propaganda standpoints, that is, where their challenge would have to be made in an area of overwhelming U.S. strength and for the obviously warlike purpose of forcing arms and munitions into an otherwise peaceful hemisphere.

For over two centuries the Western Hemisphere has been a vast reservoir of physical and moral strength in the struggles of freedom against tyranny. Communist strategy clearly aims at eliminating this checkmate to Red goals, and the imposition of mischief-making arms and munitions upon the American nations is one of their major tactical moves to do so.

Equally obvious is the fact that the United States must act decisively to counter this deadly thrust. Failure, weakness, and lack of decision here on our own doorstep cannot but doom us to defeat from the broader challenge of worldwide domination hurled at us by the international Communist conspiracy. Not only does it undermine our position as leader of the free world in crises such as Berlin and Laos; it rots away the entire foundation of free-world security and survival.

Not only are ample foundations for action to contraband Communist arms and munitions in the Western Hemisphere found in the Monroe Doctrine and article 51 of the U.N. Charter, but elsewhere and repeatedly in our history.

President Theodore Roosevelt in his time amply affirmed the right of the United States to protect U.S. interests with U.S. military forces, particularly naval units.

President Franklin D. Roosevelt, before our entry into World War II, not only enunciated our right to continental defense but in effect established the Western Hemisphere as a "peace zone," making acts of belligerency "off limits" in the "waters of which we deem necessary for our defense."

Further, deep rooted in Marxist-Leninist dogma is a reverse application of the Monroe Doctrine so fundamental to Communist strategy that objection to our modernization of the law of contraband could not be voiced without imperiling one of their own most vital strategies.

It is the "peace zone-war zone" concept which holds that all Communist-dominated territory is a peace zone in which they will tolerate no outside interference. The zealous intensity with which the Kremlin acted to preserve this concept from violation during the Hungarian revolution amply demonstrates the importance they attach to it.

A concomitant of the doctrine is that all non-Communist territory is regarded as a war zone in which action by them to forward Communist goals by application of violence at times, places, and in the degree of intensity regulated by historical materialism, is always sanctioned.

Committed to application of the principles of the Monroe Doctrine in one direction, the international Communists can hardly object effectively to its application in the opposite direction by our intolerance of their interference in our own peace zone by contrabanding the shipment of Communist arms and munitions to the Americas.

Although the principles of contraband, much older in international law than those of blockade, have thus far been applied only during the state of military conflict, there is no reason why they cannot be modernized for application during the state of nonmilitary conflict. In introducing House Joint Resolution 517 earlier this week, "declaring that a state of conflict exists between the International Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same," I stressed that new and imaginative techniques are essential to cope with today's facts of international life. I promised to discuss at a later date certain follow-on measures. The declaration of contraband is such a follow-on measure, and I call for its prompt adoption along with House Joint Resolution 517.

It is desired to call attention to the fact that the very respected National Strategy Committee of the American Security Council is simultaneously, and with a strong note of urgency, calling for the contrabanding of Communists' arms and munitions in this hemisphere and enforcing such contraband as two of its seven points in a program for strangling Communist expansion in Cuba and Latin America.

The ASC's seven points are these:

First. Take a firm stand against Communist expansion, then tell and show the world we mean what we say—that the Monroe Doctrine is not dead.

Second. Declare the Western Hemisphere to be a "peace zone," and tell the world we mean to keep it that way through use of national power, if necessary.

Third. Declare all Communist war material, including fuel, as contraband and prohibit its shipment into the peace zone.

Fourth. Use national power to send back, jettison, or seize all contraband sent into the peace zone.

Fifth. Adopt as U.S. policy the ousting of Castro's Communist dictatorship from Cuba, and enlist active support from anti-Castro and anti-Communist forces in Latin America to help us get the job done.

Sixth. Develop and expedite a tailor-made information program for our hemisphere which makes it clear that we will not tolerate guerrilla invasions and power seizures of Latin American countries by Cuban or other Communist forces or Communist expansion of any kind.

Seventh. Use our national power to the extent and in the manner required to free the Cuban people and give them the right of self-determination.

This forthright program has been proposed over the signatures of the following patriotic Americans who are devoting their lives and wisdom to the protection and preservation of the United States of America from its enemies: Lt. Gen. Edward M. Almond, USA, retired; Adm. Felix B. Stump, USN, retired; Adm. Ben Moreell, USN, retired; Rear Adm. Chester C. Ward, USN, retired; Adm. Arthur W. Radford, USN, retired; Gen. A. C. Wedemeyer, USA, retired; and Lloyd Wright, chairman of the National Strategy Committee.

The text of the contraband resolution is as follows:

H.J. RES. ——

Declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same.

Whereas the presence of Communist arms and munitions in the Western Hemisphere threatens the peace and safety of the United States of America; and

Whereas the United States has an inherent right of national self-defense recognized by article 51 of the Charter of the United Nations: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Communist arms and munitions, including petroleum products, are hereby declared contraband in the Western Hemisphere; and that the President of the United States be and he is hereby authorized and directed to promulgate from time to time lists of such contraband and to utilize appropriate forces of the United States on the high seas and in the free airspaces to enforce this declaration of contraband.

In preparing the joint resolution and these remarks I called on the Library of Congress for information on the history, principles and development of the law of contraband. Under date of July 21, 1961, materials prepared by Mrs. Virginia W. Brewer, of the Foreign Affairs Division, were submitted. I am asking that they be printed following my remarks so that members and students of this subject may have the benefit of this research. I am satisfied that the materials show a continuing development and refinement of the law of contraband to the point where the next logical and easy to take step is their application to nonmilitary conflict conditions as well as military conflict conditions. These materials are the following:

CONTRABAND

I. DIFFICULTY OF DEFINITION

Contraband in international law means contraband of war. The term "contraband" is derived from the Latin "contra" and "bandum," meaning against the bans, or in defiance of that which is prohibited. In Italy in 1445 it designated a violation of customs regulations. It did not emerge as a principle of international law until a century and a half later.

The formal definition of "contraband of war" is given by the eminent authority Oppenheim as "the designation of such goods as are forbidden by either belligerent to be carried to the enemy on the ground that they enable him to carry on the war with greater vigor."[1] Although the prevention of the transportation of contraband is a means of warfare against the enemy, it chiefly concerns neutral commerce.

The question of what constitutes contraband is not answered by the formal definition. Of all the controversial subjects of international law, contraband is said to be one which has caused more difficulties and more disputes than perhaps any other.

II. BASIC PRINCIPLE

The basic principle of the law of contraband is not disputed. A belligerent has the right to intercept—formerly, at sea—any goods, irrespective of their ownership, which are destined for the enemy and directly assist him in the conduct of the war. Of the two primary elements of this principle, namely the nature and destination of the goods, it is the former, the nature of the goods, which has been the subject of chief controversy.

In 1625 Hugo Grotius, one of the founders of the principles of international law, divided all goods into three categories; and his tenet became generally accepted down through the centuries to modern times. His distinctions were: (1) things which are used only in war, such as weapons; (2) things, such as articles of luxury, which have no use at all in war; and (3) a third class of goods which are used both in war and apart from war, for example, money, provisions, or ships and their gear.[2]

III. ABSOLUTE AND CONDITIONAL CONTRABAND

The first and third classes described above became known technically as absolute and conditional contraband. With the second, obviously, we are not concerned, as it has no part in war. It is a question of what constitutes conditional, what articles belonging to the ambiguous class should or should not be regarded as contraband, that has led to endless controversy.

Although dispute constantly arose as to what goods belonged in the latter category, in the course of time, after Grotius pointed the way, it became the doctrine and practice to make a distinction between the treatment of absolute and conditional contraband. What was considered absolute contraband could be seized upon proof that it was destined for the enemy, as it could be safely presumed that such goods were intended for use in war. Conditional contraband could only be seized upon additional proof that the goods would aid the enemy in carrying on war.

There was no set practice among the nations as to the method of determining what goods constituted contraband. Many treaties were concluded making such designations; but the variation in these treaties was great. As a common practice lists were drawn up or proclamations were issued by each belligerent naming the prohibited materials. These lists were often added to or otherwise changed during the course of the war, and were different in every war according to special circumstances and conditions. Usually such lists were divided between what constituted absolute contraband and what conditional.

IV. ATTEMPTS TO CATEGORIZE

At the Hague Peace Conferences of 1899 and 1907 some attempt was made to draw up lists of contraband, but the results did not stand the test of war. A list which did meet with a certain amount of observance in later years was drawn up at a naval conference summoned in London late in 1908.

At the 1907 Hague Conference there had been drafted a convention for the establishment of an International Prize Court, to judge cases arising from the capture of ships from an enemy. As it was felt necessary to have some acknowledged principles of international law formulated for this Court to apply, the 1908 conference attempted such formulation. The Declaration of London, 1909, was the result. It was signed by the 10 contracting parties—Germany, the United States, Austria-Hungary, Spain, France, Great Britain, Italy, Japan, the Netherlands, and Russia.[3] Although it was never ratified, the text of the declaration, with reservations, was included in instructions to British naval officers and it was also invoked by other countries when war broke out in 1914.

This Declaration of London with respect to contraband contained three defined lists, covering absolute contraband, conditional contraband, and a free list of articles which may not be declared contraband of war. This free list was remarkable as the first of its kind upon which agreement had ever been reached. In the light of subsequent war history it is surprising that it contained such things as raw materials of the textile industries, rubber, and metallic ores.[4]

Article 35 of the declaration was especially important. It provided that conditional contraband was not liable to capture if the vessel in which it was found was bound for a neutral port. The ship's papers were to be considered proof as to the voyage and the port of discharge of the goods unless the ship was clearly off course and adequate explanation could not be given.

The importance of this article 35 was due to its conflict with the principle of continuous voyage, which was applied to conditional as well as absolute contraband. The doctrine of continuous voyage means that in effect the whole voyage must be treated as one continuous and indivisible voyage.[5] This doctrine dated from the Anglo-French wars at the end of the 18th century; but when it was applied by the American Prize Courts after the Civil War it was protested by many writers, including British ones. The situation was reversed when, in the 20th century, the Americans pressed for the observance of article 35 of the Declaration of London and the Allies naturally refused to accept this crippling limitation.[6] The question of continuous voyage arises when a vessel carrying contraband makes a voyage in two parts, the first to a neutral port, the second to the enemy port carrying the same cargo.

V. MODERN DEVELOPMENTS

In modern times the question of contraband has changed both with respect to the nature of it and the methods of transportation, though not as to destination. Under current conditions of transport the rules applied to voyage by sea alone become obsolete. The principle of contraband no longer is confined to the law of the sea. In 1921 a French prize court held that neutral ports used for belligerent purposes may be considered enemy ports when, by virtue of international conventions goods may be freely transported from the neutral to the enemy port. Innumerable variations of the application of the principle of contraband are conceivable in the light of modern developments.

The chief difference between the conception of contraband today and that before the World Wars concerns its nature. The lists of contraband goods were enormously extended. In World War II conditional contraband was declared generally to include all kinds of foodstuffs, feed, forage, clothing, and articles and materials used in their production. Although formally such distinction between absolute and conditional contraband was still observed, in practice it was abandoned. As early as 1915 a British note to the American Ambassador stated that "* * * for practical purposes the distinction between the two classes of contraband has ceased to have any value."[7] There are few commodities today which could be considered as of no use to the enemy. Even

[1] Oppenheim, Lassa, International Law, 7th edition (Lauterpacht) London, 1952, vol. II, p. 799.

[2] Smith, Herbert Arthur, "The Law and Custom of the Sea," London, 1948, p. 109. Smith is quoting from Grotius, De Jure Belli et Pacis, III, i. 5.

[3] This is the alphabetical order in French.

[4] Of interest in this connection is a footnote in Herbert A. Smith's Law and Custom of the Sea (London, 1948), p. 111: "Among other things, the attitude of important neutrals has always to be borne in mind. For example, it was the fear of American opposition which deterred the British Government from declaring cotton to be contraband in 1914. Similarly the varying content of the Elizabethan proclamations represented the results of much bargaining with neutrals."

[5] Oppenheim, op. cit., vol. II, pp. 816–817.

[6] Smith op. cit., p. 115.

[7] Smith, op. cit., pp. 112–113.

ships may be considered contraband regardless of their cargo.

In the wars of the 20th century it has been difficult to draw the line between combatants and noncombatants. It is even more difficult to determine which goods are intended for military use and which for civilians. Economic warfare in World War II and the great difficulty of making such distinctions led to questions of supplies to neutrals and even to rationing for them.

Hostile destination is, however, essential to contraband. Whatever the nature of the goods, they are never contraband unless they are destined for the use of a belligerent.

VI. PENALTIES

According to the customary rules of international law, and those also adopted in the Declaration of London, a neutral vessel may be captured if visit or search establishes the fact, or even arouses grave suspicion, that it is rendering unneutral service to the enemy. There is no disagreement among authorities as to the right of belligerents to prohibit and punish the carriage of contraband by neutral merchantmen. This right is even included in the principle of freedom of commerce between the subjects of neutrals and either belligerent, a principle which has become universally recognized.

After the capture of contraband it is incumbent upon the ship seized to prove that its goods are not intended for enemy use. Presumption of a hostile destination constitutes a case for condemnation. Captors have claimed the right to throw upon neutral claimants the burden of proof that goods are not destined for the enemy. Otherwise there is room for deceit; such as false papers, consignments to unreal consignees, or other deception. It would always be pretended that goods were intended for a neutral destination, though the goods carried may be headed for intermediate enemy stations. In the absence of positive proof, the goods may be condemned.

Under the doctrine of "infection" in international law it is held that when contraband of war is seized and noncontraband belonging to the owner of the contraband is found on board the same vessel, the noncontraband may also be condemned. This is one of the penalties for an attempt by the owner to land contraband in enemy territory.

Closely connected with this rule is that of refusal to recognize the transfer of the ownership of goods afloat when there is a question of contraband.

Protection is afforded only to the neutral owner who has no knowledge that part of his cargo is contraband. However, the inference as to such knowledge arising from the extent of the contraband sometimes cannot be rebutted.

If the ship is not aware of the opening of hostilities the cargo, even if contraband, cannot be seized except upon payment of compensation.

VII. PRIZE COURTS

When cases arise as to whether or not a capture is lawful they are heard in the prize courts. Under international law it is a recognized customary rule that in time of war maritime belligerents must establish a court or courts whenever a prize is captured, in order to decide upon the legality of the capture. These prize courts are not international, they are national courts; but every state is bound by international law to enact such statutes and regulations for its prize courts as are in conformity with international law.

INDECENT LITERATURE MUST BE CURBED

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, the solid moral framework of our future generations should be most highly cherished as a goal toward which we must strive, not only as parents, but as legislators.

We face both a challenge and an opportunity in this session to move ahead on legislation that will aid us in attaining this most necessary objective. I refer specifically to H.R. 1754 now before the Committee on the Judiciary calling for the amending of sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code to provide mandatory prison sentences in certain cases for repeat convictions for mailing, importing, or transporting obscene material. I introduced this bill on January 4, having previously introduced it in the 86th Congress back in March of 1960.

Few things, if any, are more crippling to the foundation of a culture than the breakdown of those basic morals upon which it is built. Relatively few individuals in American life are in a better position than we to oversee the protection of these ethical bases, through the enactment of necessary legislation. If we procrastinate, if we neglect to readily follow the path of law in this particular situation, we have not only failed our children, but we have actually abetted those directly responsible for traffic in this despicable medium. In order to recapitulate briefly the history of this bill as well as remarks regarding this topic which I presented on this floor in April of 1960, may I remind you that this bill would amend the United States Code, relating to obscene matter, to provide that anyone who knowingly uses the mails for the mailing, carriage in the mails, or delivery of any obscene, lewd, lascivious, indecent, filthy, or vile matter, or who knowingly takes such things from the mails for the purpose of circulating or disposing thereof, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both, for the first offense, but further providing for imprisonment of not less than 1 year nor more than 5 years as the penalty for subsequent convictions.

These identical penalties would be applicable under this bill, by amendment to section 1465 of title 18 of the United States Code, relating to the transportation of obscene matter for sale or distribution. This would cover those who knowingly transport in interstate or foreign commerce, for the purpose of sale or distribution, any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or any other article capable of producing sound, or any other matter of indecent or immoral character.

Mr. Speaker, I am not only disappointed at the lack of speed with which this bill has so far progressed or failed to progress, but I am disheartened with a report I have recently received that indicates the Department of Justice is unfavorable to its provision.

The Justice Department apparently takes the view that the imprisonment feature should not be mandatory, but left to the traditional discretion of the trial judge. In answer to the Justice Department position, I should like to point out that we should not be as interested in dealing as harshly with the first offenders as with those who chronically persist in dealing this blow to American society.

In our treatment of the first offender we can make human allowance for the real possibility that he may immediately see his transgression and avoid further indictment. Rather it is the repeated transgressor toward which we should exercise greater firmness. It is he who fails to see the wrong in his dealings and persists in bringing before our young people the smutty material which acts to negate all the moral principles they have been taught in the home.

My bill is aimed specifically at the professional trafficker in obscene literature—the individual whose persistent deviate behavior is only helped along by the limited and soft punishment now applied by some of the courts. Not only will the bill clip short the transactions of these professional gangsters, but its very effect on that group will deter further crime by the first offenders. It is difficult, indeed, to follow the logic of the Justice Department when past history dictates the contrary. One may especially see proof of this in the April 18, 1960, issue of the National Catholic Welfare Conference Newsletter. Here some of the inadequacies are very graphically illustrated.

Mr. Speaker, I know that we will want to take rapid action on this bill. As long as these repeat offenders are treated without mandatory imprisonment and merely left to the discretion of the courts that have insufficiently firm guidelines to follow under the exacting United States Code, America's youth—the building blocks of our future generations—will be vulnerable to the movements of these peddlers in illicit traffic.

Action on this bill might be compared to the continuous struggle within the medical field to find a cure for cancer. Indeed, this type of offense, when continued by an individual, takes on the semblance of a cancerous growth, for when it reaches that certain point beyond which there is no longer an effective remedy, it spreads quickly and massively. It blackens out one portion and then another of our culture, until at last resistance to its effects is no longer present. The medical profession seeks diligently to find a cure for that dreaded disease.

We can do no less, Mr. Speaker, in our efforts to curb this illicit trade on obscene literature.

Procrastination over this bill threatens the very existence of our society as surely as do the most ultimate weapons of war. History shows that Rome fell not only at the hands of the invading barbarians, but at the hands of its own people who, for centuries, allowed moral ethics to decay under their pagan worship. To those of the offenders that cry "censorship"—they should know that the fallen Roman Empire had censors during its existence. Their official responsibility was to prevent a decline in

moral standards but they failed utterly. The United States has legislators and their limitations stem from a democratic process. We respect the freedoms guaranteed by the Constitution and the Bill of Rights which, by their very idealism, impose upon us the responsibility for dealing firmly with those who seek to take advantage of freedom.

In helping to strengthen the measures called for in this bill we are carrying on the principles set forth in centuries of Judean-Christian ethics. We owe it to those who will follow in our footsteps to do our utmost to preserve and build upon these principles.

I cannot urge too strongly the early passage of this bill for every day's delay means just that much more that society must suffer needlessly under the sinews of these professional and seasoned dealers in corruption. Let us act promptly and serve notice on these traffickers in illicit matter that their day of reckoning is at hand from the moment Congress enacts this bill.

DUVAL ENGINEERING & CONTRACTING CO.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Florida [Mr. CRAMER] is recognized for 30 minutes.

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, I regret that I must again take the floor of the House to discuss the activities of the Duval Engineering & Contracting Co. of Jacksonville, Fla. However, as the ranking minority member of the Special Subcommittee To Investigate the Federal-Aid Highway Program, and as a Representative of the First District of Florida, I feel it is my duty to bring certain matters to the attention of the Congress and to appropriate State and Federal authorities, in order that the interests of the taxpaying public, including my own State of Florida, can be adequately protected.

Incidentally, I advised the chairman of this subcommittee, the gentleman from Minnesota [Mr. BLATNIK] of my intention to make these remarks and invited him to be in attendance at this time.

As I pointed out and documented in a speech on the floor of the House on April 19, 1961, which appears in the CONGRESSIONAL RECORD on pages 6321–6328, this company has a long and shabby record of cheating the Government and bribing employees of the Florida State Roads Department, who are charged with the duty of supervising Duval's performances on State construction contracts.

In the case of *United States* v. *Hysler, Osbourne, and Moore* (No. 10, 989–CR–J), which was tried in the southern district of Florida in Jacksonville in January 1961, two of Duval's supervisors, Osbourne and Moore, were convicted by a jury of short loading on asphalt which was delivered under a contract which Duval then had with the Navy at the Mayport Naval Base in Jacksonville. The other supervisor, John Hysler, was acquitted for insufficient evidence, another took the fifth amendment.

The modus operandi was for Osbourne and Moore, when the Federal inspector was absent or occupied with other duties, which was often the case, to flash a seven-finger signal to the truckdrivers who were then loading at the asphalt plant, which meant that they should pull out with 7 batches of asphalt, or 14 tons per load, instead, of the regular load of 8 batches, or 16 tons. The Government, of course, was charged for the full 16 tons per load, and the total fraud thus passed on to the Government on this small contract alone was $5,079.58, which is the dollar difference between the 11,224 tons for which the Government was charged and the lesser amount of 10,644 tons which was, in fact, delivered, or about 34 16-ton truckloads.

This fraud was open and notorious. This short-loading practice was carried out by the truckdrivers at the direction of Osbourne and Moore, who were members of Duval's management. They did not profit by it and did so only to protect their jobs. As the court noted, the only people who did profit by this fraud were the stockholders of the Duval Co. This means specifically Mr. Alex Brest, who was the chief stockholder, treasurer, and operating head of the company. In fact, at the trial Brest admitted the fraud in open court and made hasty restitution. Upon conviction of Osbourne and Moore, the court, noting it was reluctant to penalize these defendants for the acts which benefited only the stockholders, including Brest, gave Moore and Osbourne a suspended sentence. To show that he was not ungrateful for this considerable service rendered, Brest immediately rewarded these two supervisors by reinstating them to their old jobs with the company, which they still hold.

During my speech on April 19, 1961, I inserted in the CONGRESSIONAL RECORD the transcript of the findings and conclusions of Judge Albert L. Reeves, who presided at the trial and convictions. After hearing all the evidence, Judge Reeves was obviously displeased that Brest and the other stockholders had managed to place the criminal rap for this fraud on subordinates. Observing that many of the truckdrivers who testified had given testimony at the trial clearly in conflict with earlier signed statements to the U.S. attorney and the FBI, which involved some of their supervisors in management, Judge Reeves stated:

> All the way these witnesses (Duval's truckdrivers who were called to testify) were under a handicap. The company was back of them threatening their jobs. I knew it and the jury knew it.

The Judge continued:

> The facts are, in this case, the Government was shamefully defrauded and everybody knew it.

And that:

> The company ought to be made to respond to the Government heavily for its conduct.

According to the court, the attitude of this company, and presumably he meant the manager and principal stockholder Alex Brest, was "Cheat the Government if you can."

Thereafter, in March of 1961, a State legislative committee, chaired by State Senator Scott Kelly, held a series of hearings to determine if the Duval Co., had used this same practice on State highway projects. The evidence presented to this State committee showed that the same short-loading practices had been used to defraud the State of Florida on asphalt deliveries, some of which were Federal-aid projects within the jurisdiction of our own special subcommittee. The evidence adduced before the committee also showed that the Duval Co., also performed substandard work which resulted in the breakdown of the Beach Boulevard Highway, east of Jacksonville, and that the company had been bribing, with payments of cash and other things of value, several employees and officers of the Florida State Roads Department.

A retired roads department inspector, W. F. Blois, testified before Senator Kelly that the Duval Co. had systematically and intentionally defrauded the State on asphalt. Blois testified that the State was defrauded in asphalt not only by short loading but also by cheating on the scales at the asphalt plant, which consisted of mixing short quantities of asphalt and aggregates so that while the quality was not impaired, the quantity was. Blois further testified that from his investigation, which was corroborated by records of the State roads department, Duval had systematically shortchanged the State about 8 percent on asphalt deliveries from two Jacksonville asphalt plants, Soutel and Bowden, which were producing asphalt for six State road jobs. He estimated that this overcharge alone amounted to $20,000.

Blois stated that he complained of these shortages and practices to Sam Taylor, the State's chief asphalt engineer in northeast Florida, who had jurisdiction over these two asphalt plants, but that Taylor just shrugged it off. Taylor's remarkable indifference may be explained by the fact that the company's records and his own admission showed that he had received $2,100 for helping Duval solve technical problems of asphalt production and training Duval's superintendent, John Hysler, in some of the refinements of asphalt production.

Alex Brest, treasurer and chief stockholder of the Duval Co., was called as a witness and identified checks which he had signed, usually in the amounts of $100 and which were used to pay Taylor what I think in all fairness can be described as bribes. Brest entered

the usual denial that he knew nothing about short loading, but was forced to admit that he had stopped making these bribes to Taylor when the FBI began its investigation of the Mayport contract. The Kelly hearing also showed that Brest and his company gave similar payments from $1,500 to $2,000 to one W. T. Ellis, soils engineer for the State road department, and $277 to a project engineer named Willie Ray Ryalls. Brest's repeated pleas of ignorance obviously exhausted the patience of Chairman Scott Kelly, who told Brest that, in his opinion, the evidence showed that Osbourne and Moore were merely the fall guys who "took the rap" for the Duval Co., Brest, and the other stockholders.

Following the exposure of the Kelly committee involving Duval, the State road department, through its chairman, John Phillips, announced that its preliminary investigation showed conclusively the company had short loaded the State on asphalt and other materials, and that it was systematic, deliberate, and intentional on State jobs over a period of several years. Thereafter, on about April 9, 1961, the State road board suspended Duval from the State bid list, which had the effect of suspending it also from participating in Federal aid projects.

On May 2, 1961, U.S. district judge, Albert L. Reeves, who presided over the Mayport trial, took the unprecedented step of writing a letter to the Governor of Florida, the Honorable Farris Bryant, congratulating him on the above action. Judge Reeves was courteous enough to send a copy of this letter to me and I placed it in the CONGRESSIONAL RECORD on May 8, 1961, and it appears on page 7577. This letter in part states that:

> It was obvious from the testimony that the acts of these employees were mere symptoms. The contracting company was performing a Government contract. Because of the extreme shortage in concrete loading, and because the Government knew it, the company made a refund on the basis of a shortage of 451 tons; this however, did not cover the entire shortage. From the testimony of witnesses, including the president of the contracting company it appeared that the Government had not only been defrauded on the basis of a greater shortage than was accounted for, but that the employees were acting for the contracting company and were simply obeying orders. They did not profit—the company did.
>
> I considered that the treatment of symptoms was of no value in the enforcement of the law, and granted probation to the two employees.
>
> An effort should be made to remove the cause of wrongdoing and such an effort would reach fruition by denying an unworthy contracting company the right to be awarded Government contracts under any circumstances.

Following the suspension of the Duval Co. from the Florida list of eligible bidders, I received word that this company was low bidder on a contract to supply asphalt and other material in the amount of $250,000 at Cape Canaveral. This was why I took the floor on April 19, 1961, to document the fact that the Federal Government had already been defrauded by this company in Mayport and to protest the intention of the Army Corps of Engineers to award this contract to Duval. Although I personally called this matter to the attention of the corps and advised them that I was making this talk on the floor of the House, nonetheless, this contract was awarded to the Duval Co. Apparently, the corps took the remarkable position that it cannot take notice of admitted fraud perpetrated on one branch of the Federal Government, but that somehow it is a separate and distinct branch of Government unto itself, and thus the right hand of the Federal Government need not take note of fraud against the left hand. I was, and I am still, shocked by this attitude of complacency and indifference on the part of public officials charged with responsibility of spending the taxpayers' money.

On Wednesday, July 26, and Tuesday, August 8, 1961, I again consulted in my office with several high representatives of the Corps of Engineers and on the basis of new evidence again demanded that this company be removed from the list of eligible bidders, pending investigation by my subcommittee, the State of Florida, and the Federal Government, of allegations of fraud which could certainly lead to the presentation by various agencies of Government of large claims for restitution. I was advised that everything would be done to accomplish this result at long last. I was then aware that Duval was then in the process of being sold to a new company and I requested the Corps of Engineers to look closely into the sale, to see if it was an arms-length transaction or whether it was merely a reorganization which would permit the present owners of the Duval Co. to return to the State bid list and avoid removal from the corps bid list and perhaps to do as they have in the past.

Following the action of the State of Florida in suspending Duval, the Governor's State road board retained two ex-FBI men, Olin T. Richards and Elmer F. Emrich, to investigate the Duval Co. This investigation resulted in a confidential report dated May 1, 1961, which was submitted to the State road board and to the Governor.

On June 13, 1961, I wrote Governor Bryant a letter in which I advised him that our own subcommittee had voted unanimously on my motion to investigate allegations that Duval had short-loaded asphalt on Federal-aid projects and requested a copy of this report, if and when it was made public. By letter dated June 17, 1961, Governor Bryant courteously replied to the effect that no public release of this report was then contemplated, but that he would cooperate closely with our subcommittee.

Our subcommittee has a copy of this report. Likewise, I have obtained a copy thereof from another source, and I shall comment upon it below.

On July 27, 1961, according to the Jacksonville Journal, the Duval Co. was sold on that day to Houdaille Industries, Inc. for $4 million cash. I had known about this sale for some time but did not wish to comment upon it until more of the details were made public. According to the press, the R. H. Wright & Sons Co. of Ft. Lauderdale, a subsidiary of Houdaille, has purchased the Duval Co. and several Duval subsidaries and will form a new company under Florida law, to be known as Duval-Wright of Jacksonville. I include at the close of my remarks, the above-mentioned stories in the Jacksonville Journal entitled, "Duval Engineering Co. Sold to New York Firm for $5 Million" and "No Obstacle Seen for Duval-Wright."

I know nothing about Houdaille and assume it is an honorable firm, deserving public trust and confidence. However, I am concerned when I notice that Alex Brest, the former chief stockholder of Duval, is to be retained as secretary-treasurer of this new company, and a consultant on a 5-year basis, and also he will be a director. I am concerned also when the new company announces there will be no change in personnel, policy, or functions. This sounds ominous to me in view of the fact that Brest and his old company had personnel well-versed in carrying out what was a company policy of cheating the Federal and State Governments.

I am also at a loss to understand why any company like Houdaille would want to purchase a company under investigation by several different agencies of the Government and Congress and which is under such a dark cloud of suspicion. I think it is entirely safe to conclude that there were prior assurances given by the State of Florida that this new company as constituted would be promptly placed on the bid list. But I am not personally satisfied that the interests of the public will be protected as long as this new company is not purged of the taint which attaches to it under Brest, Osbourne, and Moore, and there is no assurance that they will not continue, when given the opportunity, to operate as before.

As I stated above, I have in my possession a copy of the Richards-Emrich report, dated May 1, 1961. I understand that the rules of the House preclude my making this report public, although I feel that the public's interest demands it. However, I can say that this report is replete with evidence that the Duval Co. has, for a period of at least 10 years, systematically short loaded on asphalt and, therefore, overcharged on projects which it has constructed for local, State, and Federal governments. These projects specifically include such projects with the city of Jacksonville and the State as S.R. 13 at Miami Road and San Marco Boulevard, Pearl Street; Orange Park; Seminole Road between Atlantic Boulevard and Mayport; U.S. No. 1 from Hilliard to the Georgia State line; S.R. 207 near Hastings, Fla., U.S. No. 1 from Flagler County line to Bunnell; Beach Boulevard, U.S. No. 90—Beaver Street; S.R. 13 at Julitan Creek. This report indicates the short loading continued even after the Mayport swindle was discovered.

Copies of this report are in the hands of the Bureau of Public Roads and, of course, the State authorities, and should provide the basis for claims against the

assets of the Duval Co. from the city of Jacksonville, the State of Florida, and the Federal Government. Accordingly, I am requesting the Attorney General of the United States, the attorney general of Florida, and the State attorney for the city of Jacksonville, and Duval County, to take appropriate action to protect the interest of the governments concerned and to recover from the old Duval Co. and its stockholders any and all amounts which were obtained by fraud, false claims, and other methods of overcharging. I insert, at the close of my remarks in the RECORD, copies of these letters to the Attorney General of the United States, the attorney general in Florida, and the State attorney for Duval County and the city of Jacksonville.

Even as I was writing this speech my worst fears were confirmed when I received the Jacksonville Journal of August 2, 1961, which carried an article entitled, "D.E. & C. Refunds State $17,000." I will insert this article in the CONGRESSIONAL RECORD at the close of my remarks. This article states that on that day the old Duval Co. refunded to the State of Florida $17,285, which it had overcharged the State on three 1957 projects and that roads board chairman, John Phillips, stated publicly that he would recommend the old company, which I thought was out of business, be reinstated as a qualified bidder on State jobs.

This article states that this $17,285 overcharge was a mere result of accounting errors, according to Duval's officials, and that there was no intention to short-change the State. The evidence against this company, which, as I have outlined above, makes this pious denial a shabby joke. My sense of outrage is not lessened one bit when the chairman of the State's road board publicly declares that the old company will be reinstated on August 18, 1961, just to clear the record.

My judgment is that this is a blatant effort to compromise the public interests in this moral issue in an effort to appease Alex Brest and the Duval Co., who are known to have considerable political influence. This action does not clear the record, as long as this company is actively under investigation by my own subcommittee of the House and is now or ought to be under investigation by both the Department of Justice and the State of Florida. The acceptance by the State of this piddling amount of $17,285 in satisfaction of all claims against Duval is a travesty, especially when this amount admittedly was overcharged the State on just three contracts in 1 year alone. As I have shown, above, there should be claims on many other projects on which the Federal and State Governments have been cheated for a period of about 10 years.

The Federal Bureau of Public Roads, at my request, provided me with a tabulation dated April 25, 1961, which shows that from January 1, 1957, to that date the Duval Co., as prime contractor or subcontractor, supplied asphaltic or other bituminous materials to the State of Florida for 16 Federal-aid projects, with a total contract value of approximately $17.9 million. I include a copy of this letter in the CONGRESSIONAL RECORD following the conclusion of my remarks. I, therefore, simply cannot comprehend this irresponsible action on the part of the State of Florida in even considering closing out this case and reinstating this same company to the bid list. This is so incredible that in carrying out my responsibilities, particularly in view of our highway investigating committee's active investigation of the matter, I feel it my duty to spread this matter on the record for all to see and judge for themselves, including Florida's Governor and highway board. It is obvious to me that the Duval Co. has the Bryant administration in its Brest pocket.

I am convinced, according to Florida's Road Board Chairman Phillips' press statements, that unless action is taken at this time the entire matter will be swept under the rug by the State of Florida. This is all the more incredible in view of the fact that the Department of Justice is contemplating action for double damages and fraud penalties as a result of the Mayport convictions, and our congressional investigating committee is investigating and preparing hearings in November and December. However, as I say, I am most anxious that the State of Florida protect its interests and not be detracted from its duty by the simple expedient of reinstating the old Duval firm to pave the way for this new company, and refusing to act upon other evidence of fraud and other false claims. I refuse, by my silence, to be a party to such a deal—that deals out the public interest and which is an obvious attempt to whitewash the entire matter even before our committee holds hearings.

Accordingly, I hereby serve notice that if the Governor of Florida and his State road board do not make relevant portions of this report available to the appropriate authorities and take proper action thereon, including full disclosure publicly before reinstatement of Duval is considered by the road board, I shall ask for an emergency executive session of our subcommittee. I will not be deterred in this serious matter from what is my plain duty. If necessary, I shall give consideration to the necessity, in the public interest, for placing the relevant portions of this report in the CONGRESSIONAL RECORD. Time is of the essence and the public interest, both State and Federal, will be satisfied by nothing less.

Mr. Speaker, the newspaper articles and letters to which I have referred are, as follows:

[From the Jacksonville Journal, Aug. 2, 1961]

DUVAL ENGINEERING & CONTRACTING CO. REFUNDS STATE $17,000

(By Clarence Jones)

Duval Engineering & Contracting Co. today reimbursed the State road department $17,285 for material shortages on three 1957 projects and State Road Board Chairman John Phillips said he would recommend the company's reinstatement as a qualified bidder on State jobs.

But the reinstatement would be merely a technical action with no practical effect as the firm has been sold and is no longer in existence. The successor company is expected to become eligible to bid on State jobs.

Phillips said he would recommend the reinstatement at the road board's next meeting August 18 "just to clear the record." Duval Engineering was suspended from State road bidding last March for evidence of short loading on previous contracts.

The $17,285 repayment, Phillips said, was an overpayment by the State for materials on three maintenance projects in 1957. The company made the reimbursement and denied any intention to short-change the State, Phillips said. The overpayment was a result of "accounting errors," Duval Engineering officials said.

Last week the old firm was sold to Houdaille Industries, Inc., of Buffalo, N.Y., and renamed the Duval-Wright Engineering Co. The new company is to be a subsidiary of R. H. Wright, Inc., of Fort Lauderdale, also owned by Houdaille.

Phillips said the road department's next bid opening is set for August 31.

When the sale of Duval Engineering & Contracting Co. was first announced, it appeared that the new Duval-Wright firm would be a separate company and would have to apply for qualification to build State roads.

U.S. DEPARTMENT OF COMMERCE,
BUREAU OF PUBLIC ROADS,
Washington, D.C., April 25, 1961.

Hon. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR MR. CRAMER: Reference is made to a request from your staff concerning identification of Federal-aid projects for which Duval Engineering & Contracting Co., Jacksonville, Fla., furnished asphaltic or other bituminous materials as prime contractor or subcontractor.

Bureau of Public Roads records show that Duval Engineering & Contracting Co., as prime contractor or subcontractor, from January 1, 1957, to date, supplied asphaltic or other bituminous materials for 15 Federal-aid projects, which are identified below:

Project	State No.	Location	Contract amount
S-383(1)	7853-250	St. Johns County	$354,654.51
I-IN-003-7(12)	72020-3282	Duval County	1,496,072.38
I-95-5(9)344	7202-481	do	2,147,998.04
I-10-5(4)356	72270-3478	do	1,411,734.27
R-AD-6(3)	70080-3202	Brevard County	815,668.62
I-IN-95-5(3)344	7202-280	Duval County	903,561.34
I-IN-95-5(17)348	72020-3487	do	1,298,612.88
I-IN-95-5(13)346	72020-3485	do	1,079,280.20
I-95-5(11)345	72020-3483	do	870,901.92
I-95-5(18)346	72020-3489 72090-3177	do	1,069,499.33
I-10-5(6)357	72270-3480	do	1,952,489.66
I-10-5(2)354	72270-3476	do	1,314,630.10
S-34(4)	71120-3501	Clay County	205,250.00
S-478(1)	7860-250	St. Johns County	214,829.03
I-10-5(13)349	72270-3405	Duval County	1,204,321.96

NOTE.—H. E. Wolfe Construction Co. was the prime contractor. Duval Engineering & Contracting Co. was a subcontractor on items 43, 57A, and 57B in the amount of $210,620.36, on the above project.

Also, we are advised that Duval Engineering & Contracting Co. supplied asphaltic material for the project, next below, on which H. E. Wolfe Construction Co. was the prime contractor. We have requested the State to advise us concerning Duval Engineering & Contracting Co.'s participation in this project, since a subcontract therefor is not of record.

Project	State No.	Location	Contract amount
F-003-7(17)	72080-3107 74030-3111	Duval and Nassau Counties	$1,558,749.75

We are obtaining data concerning quantities and costs of the asphaltic materials furnished by Duval Engineering & Contracting Co. for the above projects and will advise you further upon completion of our compilation.

Sincerely yours,

F. C. TURNER,
Deputy Commissioner and Chief Engineer.

[From the Jacksonville Journal]

NO OBSTACLE SEEN FOR DUVAL-WRIGHT

(By Clarence Jones)

Duval Engineering's men and equipment probably can go back to full-time work within a matter of weeks, it appears, as a result of today's sale.

State Road Board Attorney Tom Cobb: commented in Daytona Beach: "Houdaille is an excellent company, from everything I've heard. This is a tremendous development for Jacksonville and will be important for the entire State."

If control of the old Duval Engineering & Contracting Co. has changed hands completely, Cobb said, he sees no obstacle to Duval-Wright's qualifying for State roadbuilding contracts.

In Washington, however, Republican Congressman WILLIAM C. CRAMER questioned the sale.

He said the House Federal-Aid Highway Investigating Committee, of which he is a member, will want to investigate the purchase of the old firm along with its continuing probe in Duval Engineering's past work for the Federal Government.

"Is it a good faith sale?" CRAMER asked, "or is it a subterfuge to permit the same people to acquire new Government work?"

Today's sale, Cobb said, will lead to a conclusion of his investigation "very quickly."

"We will have to take a new look now at any possible claim we may have against Duval Engineering & Contracting Co. and see if there is some reasonable solution that can be worked out," Cobb said.

When a firm sells its assets, as Duval Engineering did today, Cobb said, any claims against the old company would be paid from the money received in the sale. The new owner would not be liable for damages incurred by the old firm.

State Road Board Chairman John R. Phillips said his board "will want to know who will be running the new company." But if the Duval-Wright firm is a truly new organization, the past performance of Duval Engineering would not be held against the new firm.

Cobb pointed up a similar situation when Houdaille purchased the old R. H. Wright & Sons Co. in Fort Lauderdale. The old Wright firm had been charged with poor workmanship on a Dade County project.

In March, Cobb told the State road board there was sufficient evidence against the R. H. Wright & Sons Co. to suspend it from future bidding on State projects.

But after an investigation into the sale, where he determined that the old owners had nothing to do with the new organization he advised against penalizing the new firm "for the sins of the old one."

The new firm, R. H. Wright, Inc., was not suspended from the bidders list when four others were at that time.

The new Duval-Wright firm will have to apply for eligibility to bid, Phillips said. In applying for qualification to bid on road contracts, a firm must file a certified public accountant's report showing the company's equipment, personnel, and previous experience in roadbuilding.

Then the road board studies the report and sets a limit on the amount of work the company may conduct at one time. This check is written into the law to insure that successful bidders on road projects have the assets to complete the job and do it properly.

In Miami, Gov. Farris Bryant said he is sure "the road board will carefully study the qualifications of the new firm for being included on our bid list. We're always happy to see new firms of high integrity move into Florida."

Both State and Federal investigators have mentioned attempts to recover damages from Duval Engineering, if sufficient fraud on public contracts could be proven.

[From the Jacksonville Journal, July 27, 1961]

DUVAL ENGINEERING CO. SOLD TO NEW YORK FIRM FOR $4 MILLION—NEW OWNERS HUGE OUTFIT

(By Jimmy Walker and Bill Sweisgood)

Duval Engineering & Contracting Co. was sold today to Houdaille Industries, Inc., of Buffalo, N.Y., at a reported price of $4 million cash.

Houdaille, a vast industrial complex with 60 manufacturing plants and 10 divisions in the United States and Canada, moved into the construction field when it bought out the R. H. Wright & Sons Co., of Fort Lauderdale.

The Wright firm was under suspicion of unethical practices in connection with a Florida road project before it was bought out by Houdaille in March 1959.

Duval E. & C. becomes a division of R. H. Wright, Inc., operation and its name will be Duval-Wright Engineering Co.

The purchase was announced at midday in the headquarters of Houdaille, by Ralph Peo, chairman of the board and president.

He said the terms were cash but gave no amount. Authoritative sources, however, said the price was $4 million.

Peo said B. E. Ellis will continue as president of Duval-Wright, L. E. Davis will join the firm as assistant to the president.

Alexander Brest, secretary-treasurer of Duval Engineering & Contracting Co., who held 25 percent of the stock, will remain as a consultant but not an officer.

With the sale go also the White Shell Corp., an oyster shell road base firm; the Newberry Corp., which operates limerock quarries near Gainesville; the Savannah Bridge Co., general contracting firm in Georgia. These are subsidiaries of Duval Engineering & Contracting Co.

Peo announced there would be no changes in "personnel, policies or functions" in Duval-Wright.

"These acquisitions make Houdaille a leading construction company in the Florida area and the largest producer of prestressed concrete forms in the State."

Rumors of the sale have grown intense within the past week and the sale seems to open the way to restoration of the firm on the State's list of eligible road contractors.

Duval Engineering & Contracting Co. has been banned from State and Federal road projects since March 23 when road employees with the firm were charged with cheating the State on asphalt loads.

The impending sale may have had an influence on the bid by the R. H. Wright Co. submitted Tuesday to win a Jacksonville expressway job.

Wright's bid of $650,000 was more than $100,000 under the cost of the project—from 4th Street to 13th—estimated by expressway engineers.

Houdaille Industries began as a manufacturer of auto shock absorbers and was named for the Frenchman who designed the absorber.

It has grown to include divisions spread from coast to coast, manufacturing aircraft landing gears, auto bumpers and parts, oil drilling equipment, and power lawnmowers.

It also produces various construction materials.

Plants are located in Buffalo, Huntington, W. Va.; Cleveland and Toledo, Ohio; Detroit, Los Angeles, and Niagara Falls and Oshawa, Ontario.

Sales by Houdaille were $87 million last year.

AUGUST 7, 1961.

In re *U.S.* v. *John Baston Hysler, George D. Osbourne, Sr. and Virgil Moore* (No. 10,989-Cr-J).

The Honorable ROBERT F. KENNEDY,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: The records of your Criminal Division will show that on or about January 26, 1961, two of the defendants in the above-captioned case, George D. Osbourne, Sr., and Virgil Moore, both supervisors of Duval Engineering & Contracting Co., Inc., of Jacksonville, Fla., were convicted of defrauding the Government by short loading on asphalt in connection with their employer's performance of a contract with the Mayport Naval Air Station. The court records also show that Mr. Alexander Brest, treasurer, chief stockholder, and operating head of the Duval Co., admitted in open court that his company had indeed overcharged the Government to the extent of approximately $5,079 and made restitution. The evidence was so impressive that the presiding Federal judge, Hon. Albert L. Reeves, denounced Brest and his company as sharing a philosophy of "cheat the Government if you can" and stated that the "company ought to be made to respond to the Government heavily for its conduct" which was a "shameful case of defrauding the Government."

This fraud which Duval admittedly perpetrated on the Government clearly comes within the false claims provisions of title 31, U.S.C., S231 which provides that in such cases the Government can bring a civil action to recover double damages plus penalties. The verdict of guilty and judgment on the verdict in the criminal case should be res judicata in the subsequent civil case as to this issue, and I am requesting that you promptly institute such an action if you have not already done so. In this manner I am convinced that Judge Reeves' observation, "that the company ought to be made to respond heavily for its conduct," which I share, will be carried out with salutary effect.

I am enclosing a copy of the text of my remarks concerning the Duval Co. which I have delivered on April 19, 1961, on the floor of the House and which appears in the CONGRESSIONAL RECORD. As I note therein, this firm has a long and sordid record of bribing employees of the Florida State Roads Department, substandard performances of highway construction, and systematic short loading on asphalt concrete which caused

the State of Florida in April 1961 to suspend its bid privileges, and, at present, the House Special Subcommittee on the Federal-Aid Highway Program, of which I am ranking minority member, has this company under investigation.

I should also advise you that on July 27, 1961, Duval and several of its subsidiaries were sold to another corporation which will merge with Duval and be incorporated under the name Duval-Wright. The new management has announced that the same policies and personnel, which includes those convicted and Alex Brest as a consultant, will be retained, which is a source of some concern to me in view of the history of the old company and its personnel.

However, I am more immediately concerned that any claims due the Government be timely presented and satisfied out of assets of the old company. The evidence suggests that many such claims may be forthcoming from Federal, State, and local governments. There is in possession of the Bureau of Public Roads, a copy of the report of the results of an investigation of Duval by the Florida State Roads Board, and presumably available to the Department, which will, I believe, be of great help to your office in seeking any restitution due the Federal Government.

I will appreciate being advised as to present or future action the Department has taken or will take in this matter. If I may be of further service, do not hesitate to let me know.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress,
First District of Florida.

In re Duval Engineering & Contracting Co., of Jacksonville, Fla.

AUGUST 9, 1961.

The Honorable RICHARD W. ERVIN,
Attorney General of the State of Florida, Tallahassee, Fla.

DEAR MR. ERVIN: I am enclosing for your information, the text of my remarks which I delivered on the floor of the House of Representatives today, relating to the activities of the above company. I do so because I am ranking minority member of the Special Subcommittee on the Federal-Aid Highway Program, as a Representative of the First District of Florida, and as an interested citizen and taxpayer.

I especially direct your attention to the fact that this company, which is currently under investigation by my subcommittee, has a record of one conviction for defrauding the Federal Government; making payments to employees of the State roads board, which, in similar cases, you have ruled to be illegal bribes and which have resulted in several indictments. The State's road board has conducted an investigation which resulted in a confidential report dated May 1, 1961, and which contains evidence that this company has defrauded both the city of Jacksonville and the State of Florida. Moreover, according to the Jacksonville Journal dated August 2, 1961, this company on that date admitted further overcharges to the extent of $17,285 and has made restitution.

I have a copy of this report and I assume it is available to your office. This report convinces me that the above company by merely making restitution on three 1957 projects, still has much to answer for and that the taxpayers of Florida have every right to expect that civil claims will be presented far in excess of this amount against the stockholders of this company. I know that you share my deep concern in this matter that any claims be prosecuted forthwith, especially in view of the fact that this company has recently been sold. I should, therefore, appreciate your advising me what action in this regard your office has thus far taken to act upon the evidence in this report dated May 1, 1961, or what action that your office will take in the future.

I am motivated in a spirit of friendly cooperation which I think is due your office from those of us who have the privilege of representing both Federal and State interests. If I may be of any further service to your office, I am at your pleasure.

With best personal regards.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress,
First District of Florida.

AUGUST 9, 1961.

In re Duval Engineering & Contracting Co. of Jacksonville, Fla.

Mr. WILLIAM A. HALLOWES,
State Attorney,
Duval County Courthouse,
Jacksonville, Fla.

DEAR MR. HALLOWES: Enclosed herewith is a copy of the text of my remarks concerning the above company which I have delivered today on the floor of the House of Representatives.

I am taking this opportunity to call to your attention the strong possibility that the above company has overcharged the city of Jacksonville and the county of Duval in connection with its performance of construction contracts to provide asphalt and other material on road and street projects. I do so with the urgent request that you take any appropriate civil and criminal action, which you may think necessary, in view of the contents of the Richards-Emrich report, dated May 1, 1961, prepared at the direction of the State road board. I understand that a copy of this report is in your possession and you are aware that this report contains evidence that Duval Co. has, in the past, short loaded asphalt on both city and county projects.

As you are probably aware, the Special Subcommittee on the Federal-Aid Highway Program, of which I am ranking minority member, is now actively investigating charges that this short loading also occurred on State Federal-aid highway projects on which Federal tax funds were used to the extent of 90 percent. As you will understand, our jurisdiction is limited to Federal-aid highway projects and not to purely city or State matters. However, there is a matter which, while beyond our jurisdiction, is within yours, and which I believe ought to be called to your attention for appropriate investigation and action.

The Duval Co. is, at present, performing a contract, which is non-Federal aid, to build a portion of the Jacksonville Expressway connecting U.S. Route 1 and Haines Street, further known as State project No. 72090–504, from boulevard to Phoenix Avenue on 20th Street. Bid item No. 5902 calls for Duval to supply approximately 445,297 cubic yards of earth for embankment at a lump sums price of $422,465, which is approximately $1 per cubic yard. This embankment material comes from a borrow pit on Pickettsville Road in Jacksonville, which is owned by O. A. Imler Earth Movers, which charges Duval 22 cents per cubic yard.

As of several weeks ago, approximately 250,000 cubic yards of this material from the Pickettsville pit has been placed in the above project and I have received allegations that about one-third of the material delivered, or about 80,000 cubic yards, is substandard material which does not meet specifications because it is so-called gumbo, or red clay, with too high a plasticity index, and which will, in time, cause this street to break down. It is further reported to me that both Duval and the Imler Co. were aware that this material was substandard and that this practice was stopped about the time my own subcommittee publicly announced that it would investigate Duval. I, therefore, respectfully suggest that your office and/or the State, obtain the service of some disinterested expert engineers and soils analysis laboratory to conduct test cuttings in the roadbed on this project from boulevard, eastward to Phoenix Avenue, to determine whether or not this embankment material is substandard as alleged. I am rather confident that you will find this material to be as I have described. It may be that your office would be able to obtain the services of the Federal Bureau of Public Roads jointly to investigate inasmuch as, while it is not Federal aid, it is nonetheless an important connecting link in the Jacksonville Expressway, much of which was constructed with Federal participation.

I am not unaware that the Duval County grand jury has investigated the charges that this company has short loaded asphalt on both city and county projects and exonerated this company, in a report to the court on May 31, 1961. However, I understand the only issue before the grand jury involved asphalt on a tonnage basis within the city and county and was limited by a 2-year statute of limitation. I further know that you will welcome any new evidence and I submit that the above information comes within this description. I also call your attention to an article which appears in the Jacksonville Journal on August 2, 1961, and which states that the Duval Co. has, since two of its supervisors were convicted last January for defrauding the Federal Government to the extent of $500, made restitution to the State for an admitted shortage of $17,285. This damaging admission will be of great interest to you and I know that you will be governed accordingly.

If I may be of any further service to you in this matter, please do not hesitate to let me know.

Best personal regards.

Sincerely,

WILLIAM C. CRAMER,
Member of Congress, First District of Florida.

PERSONAL EXPLANATION

Mr. TOLL. Mr. Speaker, I should like to explain for the RECORD why I was absent on rollcall No. 140. I was called to the White House for a meeting with one of the assistants with regard to some pending legislation. Had I been here I would have voted for the rule on H.R. 6882.

U.S. FOREIGN AID PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Delaware [Mr. McDOWELL] is recognized for 60 minutes.

Mr. McDOWELL. Mr. Speaker, as is pointed out in a current study of international economic assistance:

> Foreign economic and technical assistance in the free world has ceased to be a matter of isolated national attention.

One of the more incisive studies of the current policies and emerging problems of our foreign aid program that I have seen is that prepared by Arthur H. Darken, analyst in U.S. Foreign Policy, Foreign Affairs Division, Legislative Reference Service, the Library of Congress.

It is important that the problems and policies of our foreign aid program be

understood by the American people who are called upon to foot the bill.

I include this analysis as part of my remarks:

INTERNATIONAL ECONOMIC ASSISTANCE IN THE FREE WORLD: CURRENT POLICIES AND EMERGING PROBLEMS

INTRODUCTION

Foreign economic and technical assistance in the free world has ceased to be a matter of isolated national attention. Many now view it as a cooperative effort by the free world; it is the subject of frequent and intensive international negotiations. This study examines the current aid policies and programs of the major capital exporting nations to answer the following questions:

1. What is the current volume of economic assistance and which are the major donor and recipient nations?

2. What are the principal reasons for each of the major national aid programs? Is there a sense of common purpose among the donors that would support the view that free world foreign aid is a cooperative effort?

3. Are the developed nations assuming relatively equal responsibilities in their aid programs or are there marked disparities? How can these efforts be measured equitably?

4. What kinds of public and private aid are being provided and under what conditions?

5. To what extent is aid being channeled through multilateral agencies? Under what conditions do the capital exporting nations usually agree to provide significant amounts of aid through these agencies?

6. What are the major problems of using economic aid to spur the development of the less-developed nations?

The problem of defining aid and securing adequate statistics

The analysis of international economic aid is hampered by disagreement over what constitutes aid and by the inadequate and often contradictory statistics currently available. The United States uses the term "foreign aid" and provides all of its aid to foreign countries, but some donors provide the bulk of their aid to their own dependencies and thus do not regard it as "foreign aid." Some Americans therefore may be skeptical of including aid to such areas as Algeria in the French totals, when the United States does not include its grants to Puerto Rico and the Virgin Islands. The dependencies of the European powers are, however, all less-developed areas and expenditures there do constitute a burden on the donor. Moreover, the fact that the United States initiates aid programs to most of the new nations as soon as they become independent, and frequently even earlier, suggests that this country has a strong interest in the continued provision of aid by the European governments to their dependencies.

The distinction between "aid" and "foreign aid" may soon be largely a semantic one because of the rapid pace at which dependencies are receiving their freedom. For the present, however, the difference is a real one. The U.S. Government and the Organization for European Economic Cooperation (OEEC) both include aid to European dependencies in their tallies of international economic aid and sometimes the figures do not specify what portion of a nation's aid has been provided to its dependencies. The present report is based principally on the OEEC and U.S. figures and attempts whenever possible to allocate aid between dependencies and nondependencies, but includes both in the overall national totals.

A more perplexing problem is to determine which types of capital should be considered aid. Capital flows from the advanced to the less-developed nations through a variety of channels. These include public grants and loans on both commercial and noncommercial terms, export credits, skilled manpower, sales of surplus agricultural commodities on concessionary terms, private loans, investments and reinvested earnings, as well as regular export earnings. Some less-developed countries also receive World War II reparations and indemnification payments. In addition, the advanced nations provide public and private capital to the growing number of multilateral organizations that in turn make this capital available to the less-developed countries. All of these sources, though varying in degree of usefulness, are important in meeting the needs of the less-developed countries. Clearly, however, all capital cannot be considered aid.

At present there is no agreed free world definition of aid. The OEEC's Development Assistance Group (DAG) discussed the nature of aid in March 1961 but the communique issued at the close of the meeting reveals no agreement on which forms of capital may properly be called aid. The DAG noted the value of private and public finance on commercial terms, but emphasized that the "common aid effort should provide for expanded assistance in the form of grants or loans on favorable terms, including long maturities where this is justified."[1]

The DAG also warned against providing most aid in the form of short-term credits fully repayable in convertible currencies since this places too heavy a financial burden on the less-developed economies. A major obstacle to deriving a generally acceptable definition of "aid" is that the various donors emphasize different forms of aid, some of which might be excluded by a definition adopted by the remaining members of DAG. The quotation from the DAG communique, however, does indicate the trend of thinking among most DAG participants.

The OEEC reports on economic aid do not take a position on what constitutes aid but instead speak of the "flow of financial resources to countries in course of economic development" and list all sources of capital except regular export earnings. The U.S.-Government-prepared table, "Official Assistance to the Less Developed Countries by OEEC Countries and Japan," reprinted on page XI of this study, selects only certain forms of capital and labels them "aid." It is restricted to official or Government-provided capital, and includes: (a) grants, (b) bilateral loans of 5 years or over, (c) contributions and subscription to international organizations, and for the United States also (d) the increase in U.S. holdings of local currencies derived from Public Law 480 title I sales of surplus agricultural commodities. The evidence of this table suggests that the United States does not consider the following other forms of capital to be aid: reparations and indemnification payments, loans of less than 5 years' duration, guaranteed private export credits, Government purchase of international financial securities, and all forms of private investment and lending.

This study adopts the U.S. working definition of "aid" in referring to the aid programs of other nations. But it also lists all Government and private sources of capital provided to the less developed countries, taking care to distinguish between capital and that capital which may properly be called aid.

The comparison of international economic aid programs began only recently and comparable statistical data are not available for all donor countries. Developing coordination of aid information through the DAG and eventual acceptance of a definition for "aid" may greatly reduce these statistical problems.

[1] "Development Assistance Group Concludes Fourth Meeting." Department of State Bulletin, Apr. 17, 1961, p. 555.

I. SUMMARY OF MAJOR FINDINGS

A. Total flow of aid and other capital

The advanced nations increased the value of their economic aid to the less-developed nations from $3 billion in 1956 to an annual level of $4.1 billion in 1959, the last year for which complete statistics are available. Although the United States has consistently provided more than half of this aid, its share has dropped from 70 percent in 1956 to 59 percent in 1959, due principally to increasing contributions from other nations.

Foreign aid represents only about half of the capital made available by the advanced nations to the less-developed ones. During the 4-year period of 1956–59, foreign economic aid totaled $14.5 billion, while additional public and private financing totaled $13.5 billion.

The less-developed countries have two additional sources of economic aid. The Sino-Soviet bloc, during the years 1954–60, agreed to provide $3.45 billion in economic aid to free world countries, but expenditures are reported to have reached only $735 million. The less-developed countries also provide limited amounts of aid, mostly technical assistance, to each other.

B. Multiple purposes of aid

The many national aid programs do not reflect a common sense of purpose, but rather a variety of purposes which may or may not be complementary in the effect they have within a particular receiving country. Some governments supply economic aid to secure military bases, support allied armies, retain acquired political influence, or stimulate economic development to undercut the appeals of communism. Others with limited international security problems seem more interested in increasing their exports. Finally, there is a widely shared view that the advanced nations have some measure of moral responsibility to share their resources with the poorer, less-developed nations.

Most of the principal donors concentrate their aid in a few less-developed countries where their political, military, or economic interests are centered. Expanding the volume of a nation's aid program under these circumstances usually fails to increase the number of recipients. The United States also provides the bulk of its aid to a few countries. This Government's interests extend throughout the less-developed world, however, so that it contributes some aid to more than 60 governments, many of which also receive aid from one of the other advanced nations. By virtue of contributing approximately half of the free world's foreign aid, the United States has provided much of the present limited sense of unity and cooperation on foreign aid. Consultation among the donor governments, especially in the recently formed Development Assistance Group, can do much to improve the harmonious operation of these multipurpose aid programs.

C. A comparison of foreign aid expenditures by the developed nations

Recent interest in making the economic development of the less-developed nations a cooperative free world effort is usually interpreted as requiring equality of sacrifice by all donor governments. It is not clear, however, what are the proper scales in which to weigh the various national aid programs. Aid expenditures are most often compared as a percentage of the gross national product but, by itself, this is inadequate. It fails to take account of other major foreign and domestic claims on the economy. Also, the impact upon two countries spending similar

percentages of their gross national product on foreign aid can be vastly different depending on their respective average levels of personal income.

This study evaluates the national foreign-aid programs on three different bases. The results are not completely consistent but, on balance, they show that the major European colonial powers and the United States are making relatively comparable foreign-aid efforts; the German Federal Republic and the other noncolonial powers contribute considerably less.

D. Major bilateral programs

The United States, France, and the United Kingdom provide 90 percent of all free-world economic aid to the less-developed countries. These three, plus Germany, provide 90 percent of the total of free-world capital that goes to the less-developed countries, including aid, other government and private sources of finance.

The European nations with dependencies in the less-developed areas usually center their bilateral economic aid on these present or former possessions.

Most aid is provided in the form of grants, but there is increasing interest in loans. Available evidence indicates that the United States is the only donor that makes some of its loans repayable in the borrower's local currency. The United States is also unique in selling its surplus agricultural commodities in return for the relatively inconvertible currencies of the purchasing countries.

With the exception of U.S. grants and loans from the Development Loan Fund, most bilateral economic aid has been formally or informally tied to purchases in the donor country. U.S. grants and loans are now also tied to purchases in the United States.

Economic aid normally has been provided for specific projects rather than to meet general budget deficits, or to support national development programs as a whole. Accurate information is not available on the percentage distribution of aid among the various economic sectors in the less-developed countries. What is available, however, indicates that more than half of the aid that can be identified with particular projects has been used for transportation, industry, mining, and electric power production.

E. The role of the multilateral aid agencies

The multilateral aid agencies have played and will continue to play a limited though useful role in fostering the flow of capital resources and technical aid to the less-developed countries. During the years 1956–59, about 90 percent of Government aid was provided bilaterally and only the remaining 10 percent was channeled through the multilateral agencies. All multilateral aid, except for technical assistance grants, has been in the form of loans repayable in the currency borrowed. The major donor governments in particular provide most of their aid bilaterally to concentrate it in areas of special interest. But multilateralism is growing in favor, especially in the United States. The agencies are viewed here principally as means of augmenting the total volume of international credit by eliciting increased aid from the other industrialized nations. An exception would be the Inter-American Development Bank (IDB). The IDB, in which the United States is the major contributor and the only one from among the developed nations, has the virtue of providing a mechanism for distributing and administering aid among the many countries of Latin America without the difficulties of active U.S. intervention. Here, too, it is hoped that other developed nations may eventually make some capital contributions.

The number of multilateral aid programs has grown rapidly in the last few years and there are now at least 10 in operation. The International Bank for Reconstruction and Development (IBRD), formed in 1945, remains the principal source of multilateral credit, and provided over two-thirds of the total in 1956–59.

To the limited extent that the developed nations provide aid through multilateral agencies, they emphasize those like the IBRD and the recently organized International Development Association (IDA) and the Inter-American Development Bank (IDB) that provide for weighted voting. This practice matches voting strength with capital subscriptions and guarantees the major donors proportionate control over lending operations. The United Nations grant technical assistance programs have failed to expand greatly while the United States and many other developed nations have refused to support the formation of a U.N. development agency to make capital grants or loans repayable in soft currency. United Nations aid programs usually operate on the basis of state equality, with all members—large and small contributors, capitalist and Communist governments—having an equal voice in determining fund allocations.

Apart from the formation of new programs, there recently have been two important innovations in the field of multilateral aid. The first is the authorization of "soft loans" by the new IDA and the IDB. The IDA may accept loan repayments in the borrower's own currency. Recent statements by Bank officials indicate that these loans will be the exception, however, and that most loans will be "soft" in the sense of providing for repayment periods of up to 50 years and bearing little or no interest. The IDB has a fund for special operations that is expected to make all its loans repayable in the borrower's own currency.

The second innovation is a device for providing aid that combines significant donor control with a multilateral framework. Sometimes called ad hoc multilateralism, it requires a special agreement between the interested nations to provide aid to a particular project or country with all contributions being administered by a multilateral agency, usually the IBRD. Support for the Indus waters project in India and Pakistan and the 5-year development plans of these two nations are the most important examples of this new approach to aid. In effect it permits the coordination of multination and multipurpose aid in support of major programs that would be beyond the means of any single donor.

F. Emerging issues in international economic aid

1. The general trend in the expansion of economic aid is away from grants and toward loans, usually repayable in hard currency over periods of 5 to 20 years. A serious question is now arising, however, of the ability of the less-developed countries to earn the necessary foreign exchange to service such loans. In some instances, such as India which has already accumulated a large international indebtedness, it may be necessary to make hard currency loans with maturities of 50 to 100 years and perhaps bearing no interest whatever, if hard currency loans are to continue to be a source of development capital. In addition, it may be necessary to reconsider making greater use of grant aid and loans repayable in the local currency of the borrower.

2. The ability of the developing countries to service hard currency loans and their general need for foreign aid is sometimes closely related to the changing world market prices of their few principal exports. Declining export prices have sometimes wiped out the value of all the foreign aid received. Also the erection of import tariffs and quotas against these products by the developed countries can sometimes have the same effect.

3. Economic aid can have a profound influence on the distribution of political power within the receiving country because of the social tensions it may create and the help it may provide to certain economic groups and not to others. The donor countries, however, have given little attention to planning development aid with an eye to its impact on the distribution of political and economic power. This would seem to merit greater attention if aid is to be useful in serving the multiple purposes for which governments now provide it.

4. To date most aid has been contributed in annual installments to specific isolated projects in the less-developed countries rather than to support one segment of an integrated national development program. The result has sometimes been uneven economic development and the failure to use available resources in the most rational manner.

5. The sale of U.S. surplus agricultural commodities for foreign currencies and the provision of dollar development loans repayable in the borrowers' own currency have greatly expanded the volume of vital imports available to the less-developed countries without use of their usually short supply of convertible foreign exchange. The growing U.S.-owned accumulations of foreign currency derived from these sales and loans and also the relending of the local currencies once they have been repaid have been of only slight value in fostering the economic development of the less-developed countries. The continued growth of these local currency balances over the years may constitute a substantial U.S. "mortgage" on these countries and exacerbate political relations.

Some steps have been taken recently to slow down the rate of growth of the U.S. foreign currency holdings. These include: elimination of the maintenance of value clause in loans made with local currency derived from surplus commodity sales; the provision that up to 50 percent of the "country use" portion of these currencies may be granted to the local government; and the decision not to make any further dollar loans repayable in local currency. The U.S. local currency accounts will continue to grow, however, and it is quite possible that at least two multilateral agencies will begin to accumulate similar balances from the repayment of hard currency loans in the borrowers' own currency.

II. THE TOTAL FLOW OF FREE WORLD AID AND OTHER CAPITAL TO THE LESS-DEVELOPED COUNTRIES

During 1956–59 the developed countries provided an average of about $3.6 billion per year in economic aid to the less-developed countries. Approximately $2.3 billion, or 64 percent, was supplied by the United States, with the remaining $1.3 billion or 36 percent being supplied by Western Europe, Canada, and Japan.

During this 4-year period the annual aid level rose steadily from $3 billion in 1956 to $4.1 billion in 1959, with most of the increase accounted for by countries other than the United States. The value of aid from these countries doubled, rising from $843 million in 1956, or 30 percent of all aid that year, to $1.7 billion in 1959, which was 41 percent of free world aid. U.S. aid, during this same 4-year period, rose from $2.1 billion in 1956, or 70 percent of the total, to $2.4 billion in 1959, or 59 percent of the total. The Western European countries, Canada and Japan, therefore increased the absolute value of their aid by 100 percent and increased the portion of total free world economic aid which they provided from 30 to 41 percent. Table 1, on page — shows the annual aid levels for the Western European OEEC countries, Canada, Japan, and the United States.

United Nations statistics on economic aid, which are not completely comparable to those used elsewhere in this study, indicate that most aid is provided in grant form, but that the importance of loans is increasing. The share of loans in total government aid rose from 27 percent in 1953–54—1955–56 to 37 percent in 1957–58—1958–59, while the share of grants correspondingly declined from 73 percent to 63 percent.[2]

An examination of the multiple sources of capital including all but regular export earnings shows that the less-developed nations received far more capital from the advanced nations than the average of $3.6 billion in aid each year. The total capital received was $27.9 billion, or an average of $7 billion per year. Almost half of this total, or $14 billion, came from the United States. The next most important capital sources were France, the United Kingdom, and Germany. Together, these four countries supplied almost 90 percent of all the free world finance made available to the less-developed countries. Table 2 lists the capital exporting nations and the total each provided during 1956–59.

More than half of the $27.9 billion in free world capital, or $15.9 billion, was provided by governments, and $12 billion by private sources. The value of official or government capital has increased at a steady pace of $400 to $500 million a year; the value of private capital has fluctuated indecisively, but on balance appears to be declining. Table 3 shows the annual levels of government and private capital received by the less-developed nations.

Governments, as a group, have consistently provided more than half of their capital in the form of grants. Most private capital is supplied as investments and reinvested earnings with guaranteed export credits and the purchase of securities issued by international financial organizations being much less important.

Most private and government capital is provided bilaterally, with multilateral channels receiving only 8 to 10 percent. Table 4 shows the annual levels of capital made available from the various government and private sources.

III. THE MULTIPLE PURPOSES OF FOREIGN AID

The provision of international economic assistance in the free world today is not directed toward a common purpose. The various national and multilateral programs have their own specific purposes and operating principles. As a result, some programs complement one another, some are directly antagonistic, while most simply exist side by side. The United States is now attempting to make this a cooperative venture of the free world by increasing the foreign aid contributions of the other industrialized nations. But there is still no agreement on the purposes for which aid will be used. Scholars and public officials in the United States and elsewhere have sought to develop such a sense of common purpose, but to date these efforts have not borne fruit. It is necessary, therefore, to examine the multiple purposes of separate programs in order to understand free world foreign aid.

The major purposes of aid

A survey of free world international economic aid programs indicates that the following are the most prominent motivating forces, though the importance of each varies from one country to another:

1. To speed the economic and other aspects of national development in order to make the Communist alternative less appealing or to avert political chaos in general.

2. To maintain political and economic influence in the colonial or former colonial areas.

3. To increase exports in general and sometimes surplus agricultural commodities in particular.

4. To secure and maintain military bases or to support indigenous armed forces to an extent and in a manner not feasible with the locally available economic resources.

5. To help the people of the newly independent and resurgent nations escape from the bonds of poverty, sickness, and ignorance and to realize the material promises of the 20th century.

Other motivations might be added, but these tend to be subsidiary benefits flowing from the aid program rather than initiating reasons. This category would include such factors as: increasing employment in the donor country; enhancing the role and security of private foreign investments in the less-developed countries; and assuring access to raw materials.

Undercutting the appeals of communism

The first motivation—to undercut the appeals of communism—is probably the most generally powerful one, but it is especially strong in the United States. It is recognized here as in Europe, however, that belief in the ability of economic aid to accomplish this purpose in the less-developed countries is based on a relatively untested assumption. It is a calculated risk, but the stakes are high and the risks courted by failing to provide "adequate" foreign aid seem even more forbidding.

Maintaining influence in former colonial areas

France, England, the Netherlands, Belgium, Portugal, and Italy—all colonial or former colonial countries—have used their foreign aid to help maintain economic and political influence in their present and former possessions. The force of this motive is now reenforced by the threat of communism in the less-developed countries. This is the principal reason why these European powers restrict foreign aid almost entirely to present and former colonial possessions. Consequently, each of these less-developed countries receives most of its aid from a single European government. The United States breaks into this pattern, however, for while it too centers the bulk of its aid in a few countries, it also has interests throughout the less-developed world that lead to aiding countries that also receive aid from Europe.

Almost all French, Belgian, and Portuguese aid is provided to Africa. The Netherlands and the United Kingdom center their aid in south and southeast Asia, though British aid is increasing in Africa, too. The Latin American countries receive almost no aid from Europe.

Export promotion

All donor states use foreign aid to spur their exports. But it appears to be a particularly important motive for Germany which has had no colonial possessions since World War I and has limited its political interests to Europe. This is changing. During the last year Germany also became concerned with the necessity to undercut the appeals of communism in the less-developed countries. Most Japanese aid derives from its World War II reparations agreements, but the remainder appears to be directed largely at export promotion.

The United States and the former colonial powers also use foreign aid to increase exports and often tie this aid to purchases in the donor country. These countries generally provide loans on extremely flexible and noncommercial terms, however, for political interests override export considerations.

Military bases and forces in being

France is a prime example of the interpenetration of political, economic, and military justifications for providing economic aid. Fully 40 percent of French economic and technical assistance now goes to Algeria where since 1954 France has been engaged in military actions to quell the insurgents who demand independence. While France has pursued this military policy of "pacification," however, it has also embarked on the 5-year Constantine plan to provide massive economic aid for the political, economic, and educational development of Algeria. And in more than a dozen countries the United States has long provided economic aid to secure base rights and support local armed forces.

Humanitarian responsibility

Despite the prominence of political and economic motivations for providing foreign aid, there is often a strong moral-humanitarian sense of responsibility to help the less-developed nations escape from the ring of poverty, disease, and ignorance. This is particularly widespread among the general public, but it also influences government policy.

The United States has traditionally given some private and Government assistance to the poorer nations for humanitarian reasons. A recent public opinion poll in Germany indicated that more than half of those who favored an expansion of foreign aid emphasized the ethical and moral reasons for doing this.[3] In each colonial country there is a strong sense of responsibility for the well-being of its dependent peoples which usually results in the provision of more economic and technical aid than is required simply for peaceful and effective colonial administration.

In Great Britain, for instance, the tradition of colonial and commonwealth responsibility increases popular acceptance of today's expanded foreign aid program. It is apparent during parliamentary debates on appropriations for economic aid that both supporters and opponents of the Government favor development assistance in order to improve the conditions in the poorer countries of the Commonwealth. Appendix A is a detailed study of how this purpose interacts with and reenforces the other purposes of foreign aid in the United Kingdom.

The U.S. blend of purposes

President Kennedy's March 1961 foreign aid message to Congress provides a succinct summary of the many purposes the United States tries to serve by its foreign aid program:

"It is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary? Why should we not lay down this burden which our Nation has now carried for some 15 years?

"The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations—our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop

[2] United Nations. International economic assistance to the less-developed countries. Report of the Secretary-General to the Economic and Social Council. U.N. Doc. No. E/3395/Rev. 1 (1961), p. 43.

[3] Forty-seven percent of those interviewed favored increasing aid, 21 percent were opposed, and 32 percent were undecided. The 47 percent who favored aid gave the following reasons: ethical and moral, 53 percent; economic, 13 percent; political, 15 percent; and "feeling of solidarity," 9 percent. This poll is reported in "West German Attitudes Toward Economic Aid for Underdeveloped Areas," translated from the German by E. W. Schnitzer, January 20, 1961. Translation T-136 published by the Rand Corp., Santa Monica, Calif., 1961. 6 p.

our own economy—and our political obligations as the single largest counter to the adversaries of freedom.

"To fail to meet this obligation now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structure which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the Nation's interest and the cause of political freedom require it." [4]

Economic aid as a cooperative effort

Only during the last 2 years has the provision of capital assistance to the less-developed countries been widely viewed as a cooperative venture among the industrialized nations of the free world. From a state of almost completely separate national aid programs the industrialized nations have now begun consulting with each other and concerting efforts to expand aid through the development assistance group of the OEEC. It is still true, however, that the major donors, except for the United States, Canada, and Germany, provide bilateral aid to only a few selected countries with which they have a special historical relationship.

The expansion of bilateral aid under these circumstances will result in providing increased aid to the same countries already receiving it. The European governments generally do not accept the principle of increasing the list of recipients beyond those in which they have longstanding connections and interests. The United States probably will continue to provide the bulk of its aid to a few countries but also provide aid to those receiving it from other donors when this appears necessary in support of U.S. vital interests. It is possible, however, that future expansion of the German aid program will have a different result since Germany has no special interests in any of the particular, less-developed countries.

Expanding the volume of international economic aid, therefore, does not necessarily imply or require general agreement among the developed nations on the purposes of aid. The United States has urged all developed nations to accept the provision of economic aid as a common responsibility of free world membership. Increased acceptance of this responsibility may be the result, but the free world lacks a single philosophical, economic, or political outlook that would facilitate such a common effort to aid the less-developed members. Even without a "free world philosophy," however, it is apparent that frequent consultations and cooperative planning among the donor governments, especially in the development assistance group, can do much to improve the harmonious operation of the present multipurpose aid programs.

IV. A COMPARISON OF FOREIGN AID EXPENDITURES BY THE DEVELOPED NATIONS

During the last 2 years there has been a growing conviction in the United States that the other industrialized nations should markedly increase their economic aid programs in the less-developed countries of Asia, Africa, and Latin America.

Many Americans reason that Western Europe, because its recovery was partly financed by the U.S. Marshall plan, has a duty to provide more economic aid to the less-developed countries now that the United States appears to be having international financial difficulties. From this point of view, the European effort would demonstrate gratitude for the U.S. aid provided to Europe in her hours of need, or at least constitute a type of repayment for the Marshall plan grant aid. In either case, this implies that Europe would provide economic aid primarily to safeguard United States interests in Asia, Africa, and Latin America rather than to protect its own interests.

Other Americans emphasize that the prosperous European NATO partners should provide economic aid as one of the responsibilities of membership in the NATO alliance, because the Sino-Soviet bloc uses foreign aid and trade to expand its control in the less-developed countries. This assumes that the member governments have a common interest in preventing increased Sino-Soviet penetration into these areas that are outside the territory covered by the North Atlantic Treaty. It also assumes agreement on the theory that economic assistance is an effective means of undercutting bloc influences in the free nations of Asia, Africa, and Latin America.

There is also a widely held belief that the developed nations have a moral responsibility to share at least a portion of their resources with the poor, less-developed countries in their new struggle for dignity and national development. Though strongest among some private non-Government groups, it is also persistent undercurrent in official policy statements and was eloquently expressed by President Kennedy in his inaugural address when he said:

"To those people in the huts and villages of half the globe, struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves, for whatever period is required—not because the Communists may be doing it, not because we seek their votes, but because it is right. If a free society cannot help the many who are poor, it cannot save the few who are rich."

In general, the first of these three approaches to increasing the foreign aid effort by the developed nations starts from the need to reduce the U.S. foreign aid burden or at least the percentage of the total burden carried by this country. The other two approaches, however, appear to have different bases. They seem to start from the twin convictions that the magnitude of the problems in the less-developed countries demands sharp increase in the overall level of economic aid and that the European countries and Japan must constitute the principal source of this additional aid.

How should a nation's foreign aid program be judged in comparison with those of other nations? Several standards have been used but none appears adequate by itself.

Foreign aid as a percent of the gross national product

The percentage of gross national product devoted to foreign aid is the most commonly used yardstick to compare national efforts, though it fails to take account of many other important claims on the national economy such as servicing the national debt, military and other security expenditures, fixed domestic welfare costs, etc. By itself, therefore, it is not an equitable measure.

During the years 1956–59, the average percentages of gross national product (GNP) devoted to foreign aid ranged from a low of 0.02 percent for Switzerland to a high of 1.61 percent in the case of France. The United States and Portugal were second and third with respective totals of 0.52 and 0.47 percent.

Table 5 lists aid expenditures as a percentage of the gross national product in the case of all the OECD countries and Japan.

The foreign aid expenditures by most countries fluctuated both in dollar value and as a percentage of the GNP. France, Germany, Norway and the United Kingdom, however, all expanded their programs steadily in both these respects. United States dollar expenditures rose steadily from $2.1 billion in 1956 to $2.4 billion in 1959, but in both years the economic aid program accounted for only 0.51 percent of the gross national product.

Only the United States, Canada, and Japan among the noncolonial developed nations spent a significant portion of their gross national product on economic aid. The colonial countries—Belgium, France, Netherlands, Portugal, and the United Kingdom—all spent 0.25 percent or more for economic aid. The noncolonial countries, with the three exceptions mentioned, spent no more than 0.12 percent on economic aid, or less than half the lowest percentage for any colonial country.

Defense and foreign aid expenditures

Should military aid and other defense expenditures be included with those of foreign economic aid in comparing national efforts? Many European governments, especially those that provide only economic aid, separate these expenditures from defense and refuse to acknowledge economic aid as a security measure. Those that do provide foreign military aid usually include the figures under general defense or colonial administrative expenditures and fail to indicate how much is spent for military aid or even how much is spent overseas. In short, Europeans tend to view aid as only economic aid.

The United States, however, provides military and defense support economic aid as well as several categories of economic aid for development purposes and often regards the entire foreign aid program as a security expenditure. Americans, therefore, often add the total for defense and all kinds of foreign aid in judging both our own and other countries' aid efforts. When this is done, the United States moves to the head of the list with expenditures totaling 10.2 percent of the gross national product in 1959. France and the United Kingdom are second and third, respectively, with percentage expenditures of 8.97 and 7.74 percent. Most other developed nations in the free world spend less than 5 percent of the gross national product on defense and foreign aid. Table 6 on page — presents comparison figures for selected developed nations.

The impact of defense and foreign aid on personal consumption

Another means of judging national effort is to compare the per capita gross national product with the percentage of that product expended on defense and foreign aid. This shows how deep a cut these expenditures make into the resources available for personal consumption and thus the measure of national sacrifice which is involved. This comparison shows, for instance, that the United States with a per capita GNP of $2,538 spent 10.85 percent of its GNP on defense and aid, while the United Kingdom had a per capita GNP of only $1,224 and spent 7.82 percent of its GNP on defense and aid. Also, Germany had a per capita GNP of $1,035 and spent 3.25 percent of its GNP on defense and aid while Portugal, with a per capita GNP of $230, spent 4.39 percent on defense and aid.

How does one evaluate the expenditure of approximately the same percentage of GNP on defense and aid by two countries that have radically different amounts of money available for the use of their citizens? Even if there is no simple way to include these calculations in an estimate of national effort, it is clear that the country with a much lower per capita GNP is making a greater sacrifice than the wealthier country.

Or to put it another way, if one's income is only $1,224 it may be a greater deprivation to commit 7.82 percent of that income to defense and foreign aid than it would be to commit 10.85 percent to the same purposes if the income was twice as much, or $2,538 a year. For the same reasons it may

[4] U.S. Congress, House, message of the President relative to foreign aid, 87th Cong., 1st sess., H. Doc. 117, Mar. 22, 1961, p. 3.

be much more difficult for the government of a poor country to increase the tax rate by 1 percent than it would be for the government of a comparatively rich country to increase its tax rate by 2 or even 3 percent. Table 7 shows a comparison of per capita GNP with defense and foreign-aid expenditures for selected developed countries.

There are other indices of effort that might be used such as the size or cost of servicing the national debt, the percentage of national income absorbed by taxation, the rate of increase in the gross national product during recent years, or perhaps the balance of international payments. All are useful but the three actually used in this study appeared to be the most appropriate. They do not provide accurate results, however, because of the differing concepts as to what constitutes aid and what weight is to be given to the variety of major claims on the national economy. With these reservations considered, it appears that the major European colonial powers and the United States have made relatively comparable foreign aid efforts. The German Federal Republic and the other noncolonial powers have contributed considerably less.

V. MAJOR BILATERAL PROGRAMS

This section provides brief summaries of the aid and capital export programs of the major free world countries. It highlights important program trends, the relative balance between private and government sources of capital, and the extent to which this capital may be considered "aid." It also indicates the principal recipients of each nation's aid program.

A. Canada

During the 4 fiscal years of 1956–57 through 1959–60, the Canadian Government provided $198.9 million in bilateral aid to the less-developed countries and $54 million in contributions to the multilateral assistance agencies. Grants constituted most of the aid, with loans totaling only $34.5 million. An additional $243 million of Canadian capital flowed to the less-developed countries through Canadian private investments, reinvested earnings, export credits, and the purchase of International Bank securities. Private investment has centered on Latin America.[5]

Canadian grants and loans are provided to about 10 countries, mostly in south and southeast Asia. Available reports suggest that at least 90 percent of the aid is concentrated in India and Pakistan. From 1950 through 1959 Canada expended $218.9 million on aid to the countries of this area and of the total, India received $124.9 million and Pakistan $74.4 million. Most Canadian Government aid consists of industrial metals, wheat, and fertilizer. Two major projects have also been constructed, however, a $37 million hydroelectric station in Pakistan and one in India costing $25 million. Canada, like the United States, has a surplus of agricultural commodities and has sought to dispose of them through various foreign aid arrangements. More than $70 million in the Canadian aid total from 1950 to 1959 consists of grants and loans for the purchase of Canadian wheat and flour.[6]

Recent years have seen an expansion of both the scope and magnitude of Canadian aid. In 1958 the Parliament increased the annual foreign aid appropriation from $35 to $50 million and has since maintained this larger flow of capital. At the same time the program was broadened to include a number of African countries and a 5-year, $10 million development aid plan was announced for the West Indies.[7]

B. France

Except for the United States, France supplies a greater volume of economic and technical resources to the less-developed countries than any other member of the free world. In the 4-year period from 1956 through 1959 France provided an overall total of $4.9 billion, divided between $3.3 billion in government aid and $1.6 billion in private lending, investments, reinvested earnings, and the purchase of International Bank securities. French aid is for the most part bilateral, with the multilateral agencies receiving only $75 million or 2 percent of the government aid during these years. Within bilateral aid the emphasis is upon grants which totaled $2.66 billion against only $0.66 billion in loans with maturities exceeding 5 years. The aid level has been rising in recent years with expenditures increasing from $633 million in 1956 to $858 million in 1958.

Almost all French bilateral aid is provided to Algeria, the French possessions, or independent states formerly under French control. The leading recipient of this aid is Algeria and the Sahara, though the various official French estimates differ on the exact totals. According to the OEEC report, Algeria accounted for approximately 30 percent of the French bilateral aid in 1958 and for almost 40 percent in 1959.[8] A recent U.N. report on French aid, however, sets the Algerian figure at 45 percent in 1958 and 46 percent the following year.[9] Analysis of the various categories of French aid for "current expenses" and investment in 1958 (OEEC report) indicates the following allocation: oversea departments, $93 million; Algeria and Sahara, $245 million; French community states and oversea territories, $396 million; Tunisia and Morocco, $126 million; Vietnam, Laos, and Cambodia, $15 million.[10] More than 90 percent of all French aid centers in Africa.

French bilateral aid is functionally divided between the categories of "current expenses" and "investment" or development aid. In 1958 the proportions for the two types of aid were 32 percent and 68 percent respectively. In 1959 it was 35 percent and 65 percent. The provision of almost one-third of all bilateral aid in the form of current expenses reflects a continuation of the French practice of meeting budget deficits and providing general administrative services of the African countries that were formerly possessions or protectorates. This general budgetary support is almost completely in the form of grant aid. Both grants and loans are used to finance development aid, although the emphasis is upon loans.[11] Investment or development loan conditions vary from case to case.

Typical conditions recently have been an interest rate of 2.5 percent and maturity periods of 10 to 20 years for loans extended to public authorities and an interest rate of 5.5 percent and maturity periods of 7 to 10 years for loans extended to private firms. Neither grants nor loans are technically tied to purchases in France, though regulations restricting some types of imports into the franc area have had the effect of tying a substantial portion of French aid.

In addition to the formal program of economic and technical assistance France provides many valuable economic services to her possessions and to the independent countries within the franc zone. Specifically, France provides credit to meet temporary international balances of payments, deficits, creates incentives for increased French private investment overseas, guarantees stable export prices for many African raw materials and permits all franc zone exports to enter France duty free. In addition, there are many Algerian workers in France who transfer a considerable portion of their franc earnings back to Algeria, thus increasing the hard currency available for Algerian development. It is not possible, therefore, to secure an accurate picture of total French aid to the less developed countries merely by computing statistics on loans and grants.

C. German Federal Republic

The total net bilateral flow of German capital to the less-developed countries amounted to $1.75 billion during the period of 1956–59. More than half of this, or $1.086 billion, was private capital in the form of investments, reinvested earnings and government guaranteed commodity export credits. World War II indemnification payments to Israel made up another $290 million of the total ($428 million from end of war to 1959).

The official bilateral aid program, therefore, was limited to $376 million. New loans constituted $117 million of this figure, grants, $30 million, and the balance of $229 million was provided in the form of consolidation credits—the refinancing of existing debts.

Germany has provided an unusually large portion of its capital through multilateral channels. From 1956–59 this totaled $556 million. The bulk of it went to the International Bank in the form of increased purchases of Bank securities by the German Government ($381 million), and private investors ($62 million), and additional subscriptions to the Bank's capital ($58 million.)[12] Only the $58 million capital subscription may properly be called aid. Total German multilateral aid contributions were $113 million, including the International Bank subscription. The U.N. technical assistance programs, and the Common Market's African development fund.

German grant aid has been provided exclusively in the form of technical assistance and has totaled only $30 million in the years from 1956–59. Since 1956 the Technical Aid Fund has financed 45 training centers, 18 model institutions, sent 450 technical advisers to developing countires and brought 1,500 trainees and students to the Federal Republic for instructions.

The technical assistance program has not focused on any one economic sector and has included agriculture, industry, education, health, and transportation.[13]

German Government loans have been financed principally by borrowings on the private capital market rather than by direct Bundestag appropriations of the amounts loaned. The exception is that the Government is authorized to draw on its European recovery program counterpart funds for loans to underdeveloped countries and for export credits up to the limit of $62 million. Most recent German discussion of expanding foreign aid has centered on increasing the use of counterpart funds for these purposes and drawing additional finance from the private capital market. Some of this would also be used for grant purposes.

The capital export guarantee program also demonstrates the German reliance on private

[5] OEEC, op cit., pp. 114, 115.

[6] United Kingdom. H.M. Treasury. "The Colombo Plan for Cooperative Economic Development in South and South-East Asia." ninth annual report of the Consultative Committee. January 1961. Cmnd. 1251, p. 173.

[7] U.S. Department of State. Economic assistance as a cooperative effort of the free world. An unnumbered press release, 1959, pp. 27, 28.

[8] OEEC, op. cit., pp. 45–62.

[9] U.N., Economic Commission for Africa, 1960, "International Economic Assistance to Africa," reprinted in Economic Development Aids for Underdeveloped Countries, edited by A. G. Mezerik (International Review Service, v. 7, No. 63, 1961), p. 93.

[10] OEEC, Ibid.

[11] U.N., Ibid.

[12] OEEC, op. cit., pp. 27, 31, 64.

[13] "West German Aid to Developing Countries Since 1957," the Bulletin (Bonn. Germany), No. 15, 1960, p. 3.

capital sources. The 1960 budget law provided for Government guarantee of private German capital exports valued up to $1.2 billion. Private capital exports, of course, are not aid. As a rule the guarantees are for periods of 15 years and occasionally up to 20 years with the charges ranging from 0.75 percent to 1.5 percent per annum of the amount covered.

The commodity export guarantee program is the oldest of the joint Government-private financing arrangements. It is useful to the less developed countries, but cannot be considered aid. Since 1949 the maximum value of exports that could be guaranteed has risen from $29 million to the current level of $2.9 billion. The charges are determined by a complicated formula, but in general the rate varies from 0.75 percent to 1.5 percent for the first 6 months and then 0.1 percent for each additional month.

At present, about 90 percent of the exports guaranteed are for underdeveloped countries. The guarantees have been used mainly for exports to India, Argentina, the United Arab Republic, Brazil, Iran, Venezuela, Iraq, and Spain.

D. Italy

The net bilateral flow of Italian capital to underdeveloped countries during 1956–59 totaled $655 million. Foreign aid amounted to $326 million while private investments, export credits, and other sources of private capital totaled $262 million and reparations payments came to $67 million. Italy also contributed $42 million to the various multilateral agencies, but received $156 million in loans from the World Bank. This more than canceled out the resources Italy made available to the multilateral agencies for provision to the less-developed countries. The Government program of bilateral aid during this 4-year period considered mostly of new loans ($128 million) and consolidation or refinancing credits ($161 million). Grants amount to only $37 million.[14]

Italy has confined grant aid almost completely to its United Nations Trust Territory of Somaliland, which became independent in 1960. From 1950–59 Italy provided Somaliland with $96.5 million in budgetary support and development assistance. Italy plans to continue the provision of some aid to Somalia as evidenced by the March 1961 appropriation of $2.2 million in technical assistance and scholarship aid to Somalia during 1961.

World War II reparations payments (grants) have been a major factor in the totals of Italian capital provided to the less-developed countries. These payments, which amounted to $181.8 million through 1959 were provided principally to Greece ($100.9 million) and Yugoslavia ($60.0 million).[15]

The Italian provision of capital to the less-developed countries has fluctuated from year to year. Official bilateral aid amounted to $34 million in 1956, $171 million in 1957, $52 million in 1958, and $137 million in 1959. Press reports suggest that Italian aid will increase in the next few years, but the precise magnitude and character of the program has not been clarified.

E. Japan

The Japanese Government provided $372 million in bilateral aid to the less-developed countries in the years 1956–59. This was concentrated in south and southeast Asia. Grants totaled $182 million, new loans $127 million, and consolidation credits $63 million.

Japan also provided $42 million to the multilateral agencies, but borrowed $162 million from the International Bank to finance her own needs.

Japanese World War II reparations totaled $209 million from 1956 to 1959 and the various forms of Japanese private investment in the less-developed countries amounted to $123 million.[16]

Most Japanese economic aid to the less-developed countries has been provided under the terms of World War II reparations agreements though not necessarily as reparations. Direct reparations payments totaled $227 million from the end of the war through June 30, 1960, and there are remaining commitments of more than $770 million. The major recipients have been Burma ($99.7 million), the Philippines ($95.6 million), and Indonesia ($31.6 million). The importance of the agreements, however, extends far beyond the direct payment of reparations.[17] The Japanese Government committed itself to facilitate the extension of more than $700 million in private loans, mostly to Indonesia ($400 million) and the Philippines ($250 million); the Indonesian trade debt of $177 million was canceled in lieu of reparations and is included above in the 1956–59 total of $182 million in grants; Thailand was to receive $15 million in cash and $26.7 million in credits to settle World War II currency problems; and finally, Cambodia and Laos were slated for nearly $1 million in goods and services in lieu of reparations.[18]

Loans have been provided for the most part by the Japan Export-Import Bank which lends to exporters in cooperation with private financial institutions and occasionally also to foreign governments. Since 1951 the bank has loaned Japanese exporters $1.1 billion, most of this repayable in periods of from 5 to 7 years with interest rates slightly below those paid for long-term Japanese Government bonds. Such export loans are now being provided at the annual rate of $190 million with special attention to India, Pakistan, Egypt and the reparations countries.

There will be a substantial volume of Japanese aid for some years to come due to the $770 million balance of unpaid reparations and the largely unutilized Japanese commitment to $715 million in export loans. Also, the Japanese Diet has established (1958) a southeast Asia Economic Development Fund of $14 million which has yet to be utilized. Japanese technical assistance to the Colombo plan countries has totaled $1.5 million in the years 1954–60 and the annual Diet (Parliament) appropriations for this have increased from $36,000 in 1954 to $850,000 in 1959.

F. United Kingdom

Total United Kingdom capital provided to the less-developed areas on a bilateral basis totaled $2.9 billion in the period 1956–59. Government aid constituted $896 million of the total, with $555 million of this in grants. Private capital amounted to $2 billion, including investments, reinvested earnings and export credits. In addition, there were net multilateral contributions by the Government equal to $255 million.[19] These are OEEC figures and are not wholly consistent with the official United Kingdom statistics cited in the following paragraph because the OEEC includes export and consolidation credits which the United Kingdom does not consider as aid to underdeveloped countries.

Bilateral aid expenditures have almost doubled in the last 3 fiscal years, increasing from $177.2 million in 1957–58 to approximately $335 million in 1959–60. The Government has consistently placed primary emphasis on bilateral aid to the colonies and independent Commonwealth countries, with other nations and multilateral agencies receiving much smaller amounts. In 1958–59, for instance, the colonies received $123.3 million, the independent Commonwealth $72.8 million, all other countries a total of $30.1 million, and multilateral agencies $65.5 million. India has received approximately $145 million in aid since 1957, which makes it the leading individual recipient of United Kingdom assistance.[20]

The major trend in recent United Kingdom economic aid has been the rapid increase in the attention paid to the needs of the independent Commonwealth countries while the aid provided to the colonies has risen only slightly. Grants and (grant) technical assistance is concentrated in the colonies while loans constitute the bulk of the independent Commonwealth aid. As a result of the shift away from the colonies, loans now account for slightly more than half of the total British aid program, whereas only 3 years ago they constituted less than one-sixth of the total. British loans are repayable in sterling and about one-half are tied to purchases in the United Kingdom. Loans are provided under several programs and involve differing degrees of government participation, but most are made for long terms with interest rates approximately equal to the current rates on United Kingdom Government borrowings.[21]

Colonial grant aid has been provided mostly for education, roads, and agricultural development with the colonial government usually meeting part of the costs. In addition, the United Kingdom provides extensive training, technical assistance and services through regular appropriations for colonial administration.

G. United States of America

According to OEC calculations the United States has provided a total of $14.062 billion in all forms of capital to the less-developed countries during the 4-year period 1956–59.

This was composed of $8.63 billion in official grants, loans, and the sale of surplus agricultural commodities for foreign currencies, $4.6 billion in private investments and reinvested earnings, $248 million in official contributions to multilateral agencies and $546 million in private purchases of World Bank securities.[22]

In the years 1946 through 1960 the United States, according to official Government statistics, made net expenditures of $53.5 billion for all types of foreign economic aid, including $48.6 billion in bilateral aid and $4.9 billion invested in international financial institutions.[23] In the early postwar years the aid went principally to Europe under several successive programs, the most important of which was the Marshall plan ($13 billion). Most of the European aid was in the form of grants, except for the British loan and the Export-Import Bank credits which were long-term loans repayable in dollars. Aid was focused on relief type activities at the end of the war, but soon shifted to helping in the economic reconstruction of industrialized Europe.

U.S. programs of economic aid have changed in four important respects during the last decade:

1. There has been a steadily increasing shift to non-European and less-developed areas, especially to Asia.

2. Consequent on this shift, the focus of aid has moved away from reconstructing highly technical societies suffering war damage and toward basic economic development activities, including technical assistance.

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[14] OEEC, op. cit., p. 72.

[15] U.S. State Department, op. cit., p. 35.

[16] OEEC, op. cit., p. 118.

[17] United Kingdom. His Majesty's Treasury, op. cit., p. 181.

[18] U.S. Department of State, op. cit., pp. 36–38.

[19] OEEC, op. cit., p. 94.

[20] United Kingdom. H. M. Treasury. "Assistance from the United Kingdom for Overseas Development. March 1960. Cmnd. 974 and interviews conducted by the author.

[21] Ibid.

[22] OEEC, op. cit., p. 9.

[23] U.S. Department of Commerce, Office of Business Economics. Foreign grants and credits by the U.S. Government, June 1960 quarter. 1960, p. S–5.

3. Military and economic aid programs deeply interpenetrate in most of the less-developed countries today and this sometimes results in providing economic development aid principally because of its expected contribution to satisfying the immediate demands of national security.

4. There has been a marked expansion in the number of programs and agencies through which foreign economic aid is provided so that the problems of coordination both in the United States and overseas have been greatly magnified over those which existed 10 years ago.

Bilateral economic aid is today provided by the United States in four different forms: (1) dollar loans repayable in dollars or local currency through the Development Loan Fund and straight dollar loans through the Export-Import Bank; (2) grants provided through the International Cooperation Administration for essential commodity imports and programs of technical assistance; (3) agricultural commodities provided under the Agricultural Trade Development and Assistance Act (Public Law 480) on a grant basis or in return for local currencies, most of which are used for economic development purposes; (4) the occasional provision of cash grants in dollars to meet crisis situations.

Grant-type aid still predominates, but in the last 4 years there has been increasing attention paid to the various forms of loan assistance. U.S. aid is unique in that it permits (Development Loan Fund) the repayment of dollar loans in the frequently unconvertible local currency of the borrower. In the past, economic aid has not been tied to purchases in the United States except in the case of Export-Import Bank loans. Recent policy changes require, however, that most of the future grants and loans be tied to U.S. purchases.

The principal recipients of economic aid have been the West European governments (United Kingdom, $7.7 billion, France, Germany, and Italy) and Japan, but among the less-developed states, where the aid is now concentrated, the largest amounts have gone to Korea ($2.8 billion), China, or Taiwan ($1.7 billion), Greece ($1.6 billion), India ($1.6 billion), Yugoslavia ($1.4 billion), Brazil ($1.2 billion), Vietnam ($1.2 billion), and Turkey ($1 billion). There is a varied mixture of forms of aid provided to these countries. Some, like Brazil, have received mostly long-term dollar repayable loans from the Export-Import Bank. Others, like Korea, have received almost entirely grant aid. Most governments, however, have been provided with a mixture of forms of aid.

VI. THE ROLE OF THE MULTILATERAL AGENCIES

The multilateral agencies have played a limited though useful role in fostering the flow of capital resources and technical aid to the less-developed countries. During the years 1956–59 they were the channels for about 10 percent as much aid as the governments provided bilaterally in grants and long-term loans. It appears that in the future the donor nations will make greater use of the multilateral agencies but that the bulk of international aid will continue to be provided on a bilateral basis.

Bilateral versus multilateral channels of aid

The major donor governments in particular channel almost all foreign economic aid through direct bilateral arrangements because they wish to concentrate their resources for political or economic effectiveness. The politics of an international organization such as the United Nations, however, requires that economic aid be distributed with relatively equal attention to worthy projects in all the less-developed areas, including countries that may be political opponents of the governments supplying most of the aid. In addition, national governments are always uneasy about resigning the expenditure of their own taxpayers' money to an international organization in which they are not free to control the administration of the funds.

Yet there is growing support in the United States for increased multilateralism in order to augment the volume of international credit and elicit greater assistance from the other developed nations. Moreover, in some areas the donors may wish to make special use of multilateral aid channels to avoid the charge that economic aid is being used as a weapon in the cold war. In addition, some believe that sensitive nationalistic feelings in the newly independent countries make it easier for an international agency than for an individual donor government to insist upon the efficient administration of aid funds. The result has been a sharp increase in the number of multilateral aid agencies and special arrangements with emphasis on those that provide for a large measure of control by the donor countries.

The expanding number of multilateral agencies

Immediately after World War II the only multilateral sources of aid were the U.N.'s small technical assistance programs, the International Bank for Reconstruction and Development (IBRD), that provides technical advice and long-term, hard currency loans, and the International Monetary Fund (IMF), limited to short-term capital loans to correct temporary balance-of-payments deficits. The Organization of American States (OAS) initiated a small technical assistance program in 1948. The United Nations now has three technical assistance programs in addition to the original one. These are the Expanded Program of Technical Assistance (EPTA) (1950), the Special Fund (1959) and the organization for the provision of operational and executive personnel, known as OPEX (1959). The advanced countries now contribute a total of about $100 million a year to the group of the U.N. technical assistance agencies. In addition, there is also the International Finance Corporation (1956) which is part of the IBRD and provides loans to private enterprise in the less-developed countries. It disbursed a total of $14.2 million in the 4 years from 1956 to 1959.

The European Economic Community (Common Market) has established a Development Fund for the Oversea Countries and Territories (1958) that is in effect a regional program for Africa with intended expenditures of $581.25 million in the 5-year period of 1958–63. The two most recent creations are the Inter-American Development Bank (1959) and the International Development Association (IDA) (1960) which is also under the IBRD. Each has a capitalization of $1 billion equivalent.

There are also two important consultative arrangements. The Colombo Plan for Cooperative Economic Development in south and southeast Asia (1951) includes the United States, the United Kingdom and Canada, as well as the area countries. It is not an agency that provides aid directly, but its annual consultative meetings of all member nations have helped stimulate economic development planning and elicited additional resources among the members on a bilateral basis. The Development Assistance Group (DAG) (1960), associated with the Organization for European Economic Cooperation (OEEC), was initiated at the suggestion of the United States and is composed of the ten leading capital exporting nations of the free world. The group is designed principally for sharing information among the major donor nations and eliciting a greater and more equal foreign aid effort on their part. The DAG is scheduled to be included in the OEEC's successor, the Organization for Economic Cooperation and Development (OECD), whose treaty is now before the member governments for ratification. One of the OECD's major concerns will be the expansion and coordination of the members' programs of international economic aid.

The general multilateral agencies are now able to provide all types of economic assistance to the less-developed countries, with the one important exception of grant aid for capital developments. The IRBD supplies large-scale, long-term, hard currency "banker type" loans; the International Finance Corporation stimulates private enterprise and investment; under certain circumstances the IDA is able to accept loan repayments in the relatively inconvertible currencies of the borrower and in general is to provide loans "on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans"; and the U.N. has several programs that provide grant technical assistance.

The International Bank for Reconstruction and Development

The International Bank has been the source of about two-thirds of all the multilateral aid provided to the less-developed countries in recent years, or about $930 million from 1956 to 1959. Interest rates are now about 6 percent, or 1 percent higher than the bank has to pay for the capital it secures on the world market. Most loans mature in 15 to 25 years and are provided either to governments or to private enterprise, and usually for specific projects. Recently it was voted to double the Bank's capitalization, and thus its own borrowing and lending capacity, to $21 billion.

The Bank has received strong support from the United States and the other major capital exporters because of its carefully nurtured reputation for fiscal responsibility and project by project selection which keeps it relatively free of domestic politics in the recipient countries. The International Bank has constituted a sound investment from a banking standpoint.

In understanding the dominant multilateral role played by the Bank it is perhaps even more significant to note that the Bank's operations are determined by weighted voting. Each member country has a vote that is equal to its share of the Bank's subscribed capital. As a result, the U.S. ballot is equal to 31.38 percent of all votes cast; the next largest contributor, the United Kingdom, controls 12.92 percent of the vote. The Bank is required to make loans on the basis of economic considerations only and is specifically prohibited from making politically motivated loans. Yet the provision for weighted voting gives the major donor countries the opportunity to determine in large measure how the funds will be used within these general guidelines. This often makes the Bank more useful to the major donors as an instrument of national policy than it would be if all donors, both large and small, had an equal voice in deciding how funds would be allocated. In this regard it should be noted that the new IDA and the regional Inter-American Development Bank, potentially the most important multilateral sources of capital outside the IBRD, also operate on the principle of weighted voting.

The importance of weighted voting

This indicates that the major donor countries, to the limited extent that they have provided aid through multilateral agencies, have emphasized those operating on a system of weighted voting that matches capital subscriptions with voting strength. This should not imply that the industrialized nations of the free world are opposed to the economic development of some of the less developed free nations of Asia, Africa, and Latin America. The emphasis on weighted voting derives rather from the fact of limited capital resources in terms of the multiple demands placed upon them. This

requires the donors to husband their resources carefully and allocate them first of all of those less developed countries where they are most interested in speeding national development or supporting other political and military policies. The major capital exporting countries are thus most apt to use multilateral aid channels when these channels operate so as to support the priorities in their own national aid programs.

SUNFED AND UN TECHNICAL ASSISTANCE

The case of the Special United Nations Fund for Economic Development (SUNFED) and the U.N.'s technical assistance programs offer negative proof of this line of argument. Since 1952 the less-developed nations have been urging that SUNFED be established to provide capital assistance in the form of grants or loans repayable in the (often inconvertible) currency of the borrower. The United States, the United Kingdom, Canada, and some of the other developed countries (including the Soviet Union until 1954) have usually opposed this on the ground that sufficient funds would not be available until savings could be effected through general disarmament.[24] SUNFED would have been part of the United Nations itself, under the Economic and Social Council, and like the U.N. technical assistance programs it would have been operated on the basis of state equality with all members having at least an indirect voice in determining fund allocations. In the United States it was clear that this was an unacceptable principle on which to operate a multilateral grant agency and that it was particularly unacceptable in the case of a United Nations program in which the Soviet bloc was represented along with the free world countries.

The United States, although it has opposed the formation of a U.N. capital development fund, did take the initiative in 1957 in calling for an expansion of the U.N.'s technical assistance program from the then current level of $30 to $100 million. The United States also proposed a special projects fund within the expanded program of technical assistance to permit concentration on a few major survey and demonstration activities of a preinvestment nature. These were to include general economic and physical resources surveys and the establishment, staffing, and equipping of agricultural and industrial research and training centers. The plan was introduced to the General Assembly by the U.S. Representative, Congressman WALTER JUDD, and a resolution embodying its its essential aspects was unanimously adopted.

The U.N. technical assistance programs demonstrate what may be called the strengths and weaknesses of a U.N. grant aid program in which all members have an equal voice in determining policy. As might be expected, the programs have remained small and all of them together now account for only $100 million a year while the U.S.'s own program of bilateral technical assistance totaled $149 million in 1960. Despite the relatively small funds available, the politics of the United Nations requires that an appropriation be made to almost every less-developed territory or nation. In 1959, for instance, the U.N. expanded program of technical assistance allocated $3.7 million to Africa and divided this among 44 different areas with the result that most received less than $100,000 and only one country, Libya, received more than $500,000.[25] The U.N. programs serve the principle of equality and enable each less-developed area to receive some slight assistance, while the major donor nations concentrate their aid in selected countries.

The U.N. technical assistance programs are therefore particularly welcomed by those countries that are not the recipients of large-scale bilateral aid. All less-developed countries, however, wish to receive aid from multiple sources rather than be completely dependent upon one donor whether it be the former colonial governor, the United States, or even the United Nations. But from the viewpoint of the major donor nations, the U.N. programs appear not to be worthy of massive support because of this tendency to fragment aid rather than to concentrate it for the sake of economic and political effectiveness.

Ad hoc multilateralism

An ad hoc form of multilateralism has recently become prominent and indications are that it will be a major factor in the international aid picture during the next few years. This involves an agreement between several industrialized nations to cooperate in providing aid to a particular multination project or to an individual less-developed country, with the total aid package being administered by a multilateral agency, usually the International Bank. Ad hoc multilateralism elicits increased foreign aid contributions and permits the donors to retain greater control than is possible even under the system of weighted voting in the IBRD, IDA, or the Inter-American Bank. This is so because the decision to provide aid in any particular instance is made by the individual donor nations, thus insuring the use of their limited resources for international projects that each considers to have special merit.

Ad hoc multilateralism, as it is called by the State Department, has been used recently in Spain, Turkey, and India, and is currently the basis for the lower Mekong Basin and the Indus waters projects. In the case of the Indus waters project financing is being provided by six developed nations (Australia, Canada, Germany, New Zealand, the United Kingdom, and the United States), the International Bank, and the two countries in which the project will be located—India and Pakistan—with the Bank serving as administrator for the whole plan. The United States is to provide $270 million in grants and loans out of a total of $513 million. In addition, it will release $235 million equivalent in the U.S.-owned Pakistani currency derived mostly from the sale of surplus agricultural commodities to Pakistan. This project is generally considered to have great economic merit. It is also an important means of helping to resolve the longstanding dispute between India and Pakistan, two countries in which the United States has invested more than $2 billion in economic aid.

Another type of ad hoc multilateralism can be seen in the new Inter-American Fund for Social Progress. The United States chose the 1960 Bogotá, Colombia of the Organization of American States to offer to establish this Fund, provide all of its capital and make the Inter-American Development Bank the primary administrator. In the words of the Act of Bogotá, the purpose of the special fund is, to contribute capital resources and technical assistance on flexible terms and conditions, including repayment in local currency and the relending or repaid funds, in accordance with appropriate and selective criteria in the light of the resources available, to support the efforts of the Latin American countries that are prepared to initiate or expand effective institutional improvement and to adopt measures to employ efficiently their own resources with a view to achieving greater social progress and more balanced economic growth.[26]

In May 1961 the Congress appropriated the full $500 million requested by the President for inter-American social progress and agreed to provide $394 million of this total through the Inter-American Development Bank. The Bank will not own this money, but merely act as the administering trustee for the United States. The Bank will be able to provide money from the Fund only by a two-thirds vote of the executive directors where the United States casts 41 percent of the votes.

This Fund is similar to the other examples of ad hoc multilateralism in that it involves multilateral administration of national funds that have been provided for a specific purpose in a specific region. This Fund is different, however, in that the money is being provided by only one government which is given an absolute veto over each allocation by the Fund's multilateral administrator.

VII. EMERGING ISSUES IN INTERNATIONAL ECONOMIC AID

A. The limited ability of the less-developed countries to service loans repayable in convertible foreign currencies

The general trend in the expansion of international economic aid is in the direction of loans rather than grants. Most such loans, whether provided by individual governments or multilateral agencies, are repayable in the hard currency of the lender over a period of from 5 to 20 years. Yet most of the newly developing nations have little opportunity to accumulate the foreign exchange needed for servicing hard currency loans. Nor can any appreciable change be expected in this situation for at least the next two decades. Not until then will it be practicable for the developing countries to increase their foreign export earnings sufficiently to meet the mounting interest and repayment costs on the international borrowings used to finance the heavy imports needed for industrialization. The result is to impose definite limitations on the extent to which the less developed countries can have recourse to the usual types of hard currency international loans to finance their development programs.

Mr. M. F. H. B. Tyabji, the Indian Ambassador to the German Federal Republic, has stated the impact which he believes this problem will have on his country's future development:

Priority in an underdeveloped country like India has to be given to the development of the infrastructure, and basic heavy industries, which cannot be expected to pay for the loan in a short period of time.

To put it in another way, a developing country cannot, and should not be forced to repay such basic development debts except over an extended period, and at low rates of interest.

An appraisal of India's existing repayment obligations due during the third, fourth, and fifth plans (i.e., the next 15 years) leads one inevitably to the conclusion that she simply cannot afford during the next 15 years to contract any further obligations to repay; and that even after that period,

[24] See the 1952–58 annual reports entitled, "U.S. Participation in the U.N." Report by the President to the Congress for the year * * * also Rubinstein, Alvin Z., "Soviet policy toward underdeveloped areas in the Economic and Social Council," in Internatoinal Organization (vol. 9, No. 2), May 1955, pp. 242–243.

[25] U.S. Congress. House. Committee on Foreign Affairs. Mutual Security Act of 1960. Hearings, part 2, 86th Cong., 2d sess., 1960, table on p. 398.

[26] Act of Bogotá: Measures for Social Improvement and Economic Development Within the Framework of Operation Pan America, adopted by the Council of the Organization of American States, Special Committee to Study the Formulation of New Measures for Economic Cooperation, 3d Meeting, Bogotá, Colombia, September 1960, pt. II, sec. 2.

such obligations will have to be severely restricted.

For these reasons, the only really genuine economic aid which a friendly country can give India must necessarily be in the form of (a) grants; or (b) extended term loans, repayable in foreign currency, but given under flexible conditions permitting India to utilize it where it can purchase equipment and services most economically, and for projects which she considers most beneficial within the broad framework of her development plans; or (c) extended term loans repayable in local currency.[27]

B. The needs of the less-developed nations for economic aid often fluctuate with their export earnings

The foreign export earnings of the less-developed countries are often more important than international economic aid in meeting their need for development capital. During the period of 1949 to 1959, for instance, the total export earnings of Asia, Africa, and Latin America (excluding the free world developed nations of Japan and the Union of South Africa), amounted to approximately $235.4 billion. U.S. purchases from these areas amounted to $57.5 billion while its direct economic aid was only about one-fifth as much, or $11.5 billion.

Periodic adverse shifts in the volume or terms of trade of the less-developed countries have sharply reduced their earnings in recent years. Such a shift occurred in the Far East and South Asia (excluding Japan and Communist China) during the first half of 1958, when earnings dropped $428 million from the first half of 1957. In terms of an annual rate, this loss amounted to 69 percent of U.S. nonmilitary aid to the area in the following year. It represented $208 million more than the total of U.S. grants of nonmilitary aid to Latin America, Africa, and the Near East combined during 1959.[28]

The reduction in export earnings by the less-developed countries has led to numerous and drastic cutbacks in their imports: 17 such cuts of over 20 percent in a single year may be found in the period of 1948–57.

These cuts bore heavily, and even predominantly in most cases, on capital goods, industrial materials, and fuels, thereby disrupting development programs.[29]

Most of the less-developed countries have an overall deficiency in the convertible foreign exchange needed to finance imports for economic development, but this deficiency is greatly increased by declining export earnings. Their need for foreign loans and grants to aid development therefore has been enlarged still further by fluctuating and generally declining export earnings. The impact of this problem is often exacerbated because many less-developed countries must depend on the export of one or two commodities for the bulk of their foreign earnings. They are, therefore, more seriously hurt by falling prices for particular commodities than are most developed countries whose foreign earnings usually come from a variety of exports.

Many economists believe that stabilizing raw materials prices would be a key factor in spurring economic progress in the less-developed countries. This suggestion was included in a development program submitted to the European Economic Community in 1959 by Jean Monnet's Action Committee for the United States and Europe. The meetings of the General Agreement on Tariffs and Trade (GATT) have also considered the problems facing these raw materials exports.

To date, the principal means of mitigating the commodity problems have been the special price support and marketing agreements that some countries, such as France and the United Kingdom, maintain with their present or former possessions and also the development of generalized international production and marketing agreements for specific commodities such as sugar, wheat, and tin. Published materials indicate that international thought on solution of the raw materials problem has centered on negotiating additional commodity agreements, the formation of common markets and free trade areas, and attempts to diversify production in the less-developed countries to minimize the national impact of declining world prices or markets for any particular commodity.

C. The need for a better understanding of the political and social change that may accompany economic development

The level of economic and technical assistance provided by the developed nations will increase during the 1960's. This points up the already critical need for serious study of the impact that foreign economic aid has on the less-developed countries in order to maximize the usefulness of aid in serving the purposes for which it is provided.

There is a vast and growing literature on underdevelopment, but it shows imbalance, major deficiencies, and scholarly disagreement on the process of development and what needs to be studied in planning future aid programs. Gaps appear to be of three kinds: (1) lack of basic data on the economies and economic process in many less-developed countries, much of which can be attributed to the lack of comprehensive and accurate statistics for these countries; (2) gaps in knowledge and understanding of noneconomic characteristics (social structure, value systems, ideologies, law and authority) and of the way they affect social and economic development; and (3) the crude and underdeveloped state of theories about the nature of economic growth, the causes of modernization and social development, the relation of economic development to political change, and of political systems to economic growth.

If aid is provided merely to increase exports it is not particularly important to study its impact on social tension or the distribution of political and economic power within the receiving country. But in fact most Government aid is provided for purposes that are ultimately political: to strengthen and maintain friendly relations with governments in power, undercut the appeals of Communist or other political extremist groups by helping afford an "acceptable" rate of economic growth or simply to maintain a longstanding political and economic position. Under any of these circumstances it is crucial to understand the effect of the aid provided.

To date the major donor governments have given little attention to this kind of deeper policy planning. President Kennedy's foreign aid message to Congress in March 1961, however, did call upon the receiving countries to undertake economic and social reforms that would spread the benefits of U.S. assistance among all the people. This can be viewed as an attempt to goad the rulers of some less-developed countries into accepting a partial redistribution of local property and political power to avoid impending revolution. U.S. economic aid would help these governments finance land reform and other crucial programs to reduce discontent and broaden their bases of popular political support. If the United States does provide aid for these reasons it will apparently become even more important to undertake a major program to study the economic, social, and political impact of U.S. aid in the less-developed countries.

D. The provision of aid for isolated projects and integrated programs of national development

To date most foreign aid, whether provided directly, or through a multilateral agency, has been used to support specific projects—steel mill, railroad, fertilizer plant, or educational institution—rather than to contribute to the integrated development of the receiving country. This has, of course, been particularly true of private investment which seeks out individual opportunities for secure and reasonable profits. The result has sometimes been the uneven development of the economy and the failure to use available resources in the most rational manner.

It is inevitable that this problem will persist in some measure given the multiple sources and purposes of aid and the fact that the receiving government often insists upon using it in ways that help solve its immediate political crises rather than contribute to the solution of long-range developmental problems. From the viewpoint of both the donor and the recipient nations, however, it would be useful to attempt a greater measure of coordinated aid planning among the donors and in cooperation with the recipients. The more advanced of the newly developing nations, such as India, often try to do this through elaborate governmental machinery against the background of multiyear development plans. In effect the donors often fail to support these endeavors, however, because they remain isolated from one another and deal only with the recipient government. To some extent this problem may be ameliorated by the formation of the Development Assistance Group (DAG), which is designed to share aid program information among the donor nations as well as generally to raise the level of aid. It would be useful if the DAG were able to involve private investors in some manner since private foreign investment often provides as much foreign capital as do the official Government aid programs.

National development planning also involves long-term aid commitments on the part of the donor governments. The recipient government cannot make its plans for coherent development unless it has a reasonably certain expectation of how much foreign capital will be available for the next few years. Having received aid in the past, a particular government may assume this will continue in relatively the same measure. This, however, is not a sufficiently sound base on which the government can commit other available resources to a development plan. In practice, most donor governments provide aid on an annual basis due usually to the difficulty of securing multiyear commitments from the respective national legislatures. Donors must weigh the probable foreign political and economic benefits of multiyear financing against their usual fear of resigning the annual appropriations authority. This power frequently is surrendered in the case of domestic government programs, but rarely with foreign programs of any sort.

E. The accumulation of large local currency holdings by the United States and some multilateral agencies

The U.S. Treasury now holds about $2.4 billion equivalent in foreign currencies[30] and the figure is gradually increasing. About $2.2 billion of this total is in currencies of the less-developed countries that are receiving aid from the United States

[27] Urgency of German aid to India, the magazine of the Federal Republic of Germany, No. 18 (iv/1960), pp. 24–25.

[28] U.S. Congress. Senate. Committee on Interstate and Foreign Commerce. United States and World Trade: Challenges and Opportunities. Final report by special staff on the study of U.S. foreign commerce, 87th Cong., 1st sess., 1961. Committee print, p. 46.

[29] Benoit, Emile. "Europe at Sixes and Sevens." New York, Columbia University Press, 1961. P. 262.

[30] U.S. Treasury Department. Fiscal Service, Bureau of Accounts. "Foreign Currencies in the Custody of the United States, Fiscal Year 1960." (Extracted from pt. V of the combined statement.) Table 16, p. 6.

or whose currencies are relatively inconvertible. Most of the present accumulation has resulted from the sale of surplus agricultural commodities for local currency and from the provision of dollar loans repayable in the borrower's currency.[31] The United States is the only developed country in the free world that makes such sales and loans. In the future, however, at least two multilateral agencies, the Inter-American Development Bank and the International Development Association also may accumulate local currency accounts through repayment of some of their hard currency loans in the borrower's own currency.

The magnitude of their soft currency operations has not yet been determined.

The growth of these large-scale holdings plus the fact that there are no agreements for the ultimate use of most of the money has raised important long-range problems for the United States and the less-developed countries. The entry of the multilateral agencies into the soft currency field can be expected to produce many of the same difficulties. Whether the United States should continue to expand its local currency holdings and whether the multilateral agencies should begin to do so are decisions involving multiple domestic and international factors and are beyond the scope of this study. The intent here is merely to indicate the impact of the accumulation and use of these currencies on relations between the developed and less-developed countries and on the course of economic progress in the latter.

The generation of most of the present U.S. foreign currency holdings has added significantly to the economic resources of the less-developed countries. The bulk of the currencies derive from the sale of surplus agricultural commodities for foreign currencies under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The sales were initiated to help reduce the growing store of commodities accumulated by the Government in support of domestic agricultural programs. Another major effect, however, has been to provided needed food and other raw materials to the less-developed countries without drawing down their normally short supply of dollars. The sale of surplus commodities for soft currencies under section 402 of the Mutual Security Act and the provision of dollar loans repayable in local currency, principally under the Development Loan Fund, have been intended to increase the resources available to the less-developed countries beyond what they could finance with their present hard currency earnings.

This purpose of the soft currency loan programs point up the economic dilemma of how to use the growing amounts of U.S.-owned soft currencies. By definition, the less-developed countries need additional outside resources. Any major withdrawal of their present resources by insisting upon conversion of their currency into dollars or by taking repayment in exportable local commodities, therefore, would have the ultimate effect of proportionately increasing the need for foreign aid. For the same reasons the United States cannot use the soft currencies to provide U.S. aid to other needy countries except in rare instances.

The sales and loan agreements with the less-developed countries therefore provide that almost all the local currency proceeds and repayments are to be used for mutually agreed purposes within the receiving country. Of the current unexpended total, about $1.1 billion is reserved for U.S. uses, such as local embassy and information program expenses, while the remaining $1.4 billion is allocated for loans and grants to the receiving countries.

The volume of U.S. commodities, equipment, or capital provided to the less-developed countries under the sales and loan agreements is not increased by use of the local currency generated by these transactions. This is true regardless of whether the money is used for United States or country purposes.

The funds reserved to the United States obviate the expenditure of additional dollars for operations in the countries concerned, but divert local resources to nondevelopment purposes. Thus an estimate of this practice requires prior choice between two conflicting values—reducing the expenditure of U.S. dollars or fostering the development of countries to which the United States is providing foreign aid.

The local currency that is loaned or granted to the recipient government has very limited economic value to that government or to securing the interests of the United States. Because the currencies are relatively inconvertible they cannot be used to make additional purchases in any of the developed nations. The loans and grants merely influence the use of part of the existing local resources and therefore do not provide additional resources beyond those available to the government by increasing tax collections or printing more money. Perhaps these uses do have a political value, however, by moderating inflation or by permitting central governments to mobilize additional local capital without the difficulties of raising tax rates or being more strict in tax collections.

In most instances, the United States secures only a marginal influence over the use of local resources by lending and granting the currencies to the government. Where United States and local policies are in agreement, the United States merely ratifies local policy by releasing currency in support of the agreed projects. Where there is a difference of judgment, the recipient government usually can find sufficient projects acceptable to the United States and then use its own funds to carry out those that do not qualify for grants and loans of U.S.-owned local currency.

The immediate economic impact of the U.S.-owned local currencies therefore is not great, either for the United States or the less-developed countries. Nor is there evidence to prove that the impact will change perceptibly during the next few decades. Most of the currencies will remain relatively inconvertible and those that do become convertible to some degree will have to be allocated to servicing senior commitments such as International Bank and bilateral loans repayable in hard currency. The negotiation of most such senior commitments is geared to the expected growth rate of the economy and its foreign exchange earning capacity. Diversion of the available convertible currency to repatriate U.S.-owned local currency accounts would have the effect of destroying much of the security that underlies the senior hard currency commitments. And the negotiation of surplus commodity local currency sales agreements is not in fact predicated on the eventual ability of the less-developed countries to redeem the remaining local currency accounts in dollars.

While there is little long-term economic merit to be expected from the growing accumulation of most of the U.S.-owned local currency accounts, it is likely that political difficulties will eventuate. This is essentially the problem of maintaining harmonious relations with countries, a large share of whose economies are mortgaged to the United States. In a few years, the United States will hold such mortgages on half a dozen of the currently less-developed countries unless steps are taken to slow down and reverse the pace at which the United States is expanding its local currency holdings. These holdings now expand each year because deposits exceed the amounts that can be used under present regulations.

The current magnitude of the problem is not accurately reflected in the fact that the foreign currencies from the less-developed countries on deposit with the U.S. Treasury now total $2.2 billion.[32] In addition, there are about $2.1 billion worth of outstanding loans to be repaid in local currency with interest. Beyond this, the United States has signed commitments for an additional $2.5 billion in local currency or dollar loans that are to be repaid in the borrower's own currency. An undetermined portion of this $2.5 billion is reflected in the Treasury's present deposits, however, because some of the local currency to be loaned will be withdrawn from these accounts. It seems reasonable, therefore, to place the present local currency indebtedness to the United States at least at $5 billion. A recent conservative estimate of local currency indebtedness in 1963 (cash balances plus outstanding loans) places the total at $9 to $10 billion.[33]

The long-range political impact of the local currency balances is increased by the fact that they are clustered in a few countries rather than being evenly spread throughout the less-developed world. Fully one-third of the present foreign currency holdings are in Indian rupees. India, therefore, is the most extreme example of the general political problem that the United States may confront in a few years.

"American holdings of Indian rupees are now (1960) approaching the equivalent of $800 million. In the course of the next 3 years, these holdings can easily approach $2.5 billion. Now $2.5 billion in relation to the Indian national income is roughly equivalent to $35 billion in this country. Imagine the reaction in the United States if a foreign country, no matter how friendly, held $35 billion in our currency. The inevitable reaction to the currently much smaller holdings is already in evidence in Asia, not necessarily from governments, but from the Communists and from opposition parties.[34]

Most recent studies of foreign economic aid have argued against the continued unchecked expansion of U.S. foreign currency holdings because they have little or no economic value to the United States or the less-developed countries, or because of the future political embarrassments they can produce. Some steps have already been made in this direction:

1. Prior to April 1959 all loans made to the less-developed governments with the local currency generated under Public Law 480 surplus commodity sales stipulated that the borrower had to repay the same dollar "value" it had received. The elimination of this "maintenance of value clause" in April 1959 therefore prevented the expansion of United States-owned local currency accounts through inflation in the less-developed countries.

2. Up to 50 percent of the "country use" portion of the local currency generated under the surplus commodity sales agreements may now be granted to the receiving country where this is deemed by the United States to be desirable. Formerly the emphasis had been placed on loans so that these constituted about two-thirds of the total country uses of this local currency and grants averaged only about 20 percent of the

[31] An explanation and analysis of the several programs under which the United States accumulates local currencies is available in Asher, Robert E., "Grants, Loans, and Local Currencies." Washington, D.C., the Brookings Institution, 1961, pp. 7–14, 99–105.

[32] Estimate supplied by the Department of Commerce, Office of Business Economics.

[33] Asher, op. cit., p. 102.

[34] Mason, Edward S., "Foreign Money We Can't Spend.", the Atlantic, May 1960, p. 83.

country uses. This shift from loans to grants can have particularly important results in slowing down the accumulation of currencies in countries such as India that have been leading recipients of surplus agricultural commodity sales.

3. It is not expected that the United States will negotiate any additional dollar loans repayable in the borrower's own currency under President Kennedy's revised foreign aid program. This legislation provides that all dollar development loans will be repaid in dollars, but may be made "soft" by long-term repayment periods with little or no interest.

These changes will operate to slow down the accumulation of U.S.-owned local currency accounts, but will not provide a final answer to the long-range problems that may develop with continued accumulations. The ideal solution probably would be to provide in all future surplus commodity sales agreements for the ultimate disposition of the local currencies that are to be paid to the United States. This may not be feasible at this time because there is no general agreement on how these funds should be expended. Much further thought will be required to deal with the local currency problem in ways that do not jeopardize the long-term economic and political interests of both donor and recipient countries.

APPENDIX A: THE BRITISH APPROACH TO FOREIGN AID

The British colonial and commonwealth tradition must be recognized in order fully to understand the British approach to foreign aid. Parliament debates how much and what kinds of aid to provide to the colonies, but there is unanimous agreement on the principle that Britain does have a moral responsibility for bettering the living conditions of its dependent peoples. Some of this same feeling also is directed at the less-developed independent countries in the Commonwealth that formerly were colonies, although it is usually assumed that private business investments and government loans can meet a large share of the needs in these areas. This sense of what may be called "imperial responsibility," to which has now been added "Commonwealth responsibility," means that it is generally accepted in Britain as proper that the Government should provide development assistance. Other reasons have been important in the recent expansion of British aid, yet the tradition of colonial responsibility has helped establish an initial popularity for British development assistance quite apart from openly political, economic, or military considerations.

There are, of course, important political and economic reasons for Commonwealth cooperation. The colonies and the independent less-developed Commonwealth countries are areas where Britain has traditionally played an active role, where she has strong trade and financial relationships today, and where she also feels a sense of political responsibility. Development assistance therefore while being itself an example of Commonwealth cooperation also is an important instrument for maintaining the many and varied forms of Commonwealth cooperation and Britain's position of leadership within that community. This further helps explain the fact that most development aid goes to the colonies and Commonwealth countries.

The facts of British colonial responsibility and Commonwealth cooperation are usually assumed rather than argued and the chief emphasis in official statements of the aims of development assistance is placed upon improving "the conditions of life" in the poorer countries. For instance, the Queen, in her speech of October 27, 1959, said:

"The improvement of conditions of life in the less-developed countries of the world will remain an urgent concern of my Government. They will promote economic cooperation between the nations and support plans for financial and technical assistance." [35]

Or as Earl Jellicoe put it in a House of Lords debate on aid to the uncommitted countries:

"As we in the West have come to believe that slum conditions in our own societies cannot be tolerated, how can we sit idly by while the rich countries become richer and the poor, if anything, poorer." [36]

In the parliamentary debates both supporters and opponents of the Government favor development assistance in order to improve the conditions in the poorer countries. This purpose of the aid program, apart from the sense of colonial responsibility already mentioned, seems compounded of a moral humanitarian desire to help less fortunate peoples and a desire to help assure the growth of the underdeveloped countries.

The possible relevance of economic aid to overcoming the Communist threat in the less-developed countries is seldom mentioned in official Government statements yet the parliamentary debates suggest that it is an important consideration in formulating British policy. British officials sometimes say they talk little about this "cold war" purpose of economic aid because to do so would destroy some of the political impact of economic aid by seeming to compromise the recipient's independence and thus perhaps increasing the internal political opposition to accepting aid from Britain, the former colonial ruler. Some members of Parliament suggest that the Communist threat is the chief "negative incentive" for the provision of aid, but that "more positive and stronger" reasons also exist. The strongest and most positive reason for many of them is quite simply that of helping the less fortunate peoples better themselves.

Another purpose of the British aid program that must not be omitted is that of expanding trade, especially intra-Commonwealth trade. The provision of the great bulk of British grants and loans to the colonies and independent Commonwealth countries and the loose tying of these funds to purchases in Britain helps expand British exports. The aid program is thus added to the preferential trade regulations among Commonwealth members, London's provision of central banking functions for the sterling area, and several other devices that multiply lines of economic cooperation within the Commonwealth and thus may increase the normal markets for British goods.

Some members of Parliament, especially among the Labor Party opposition, urge that most British economic aid be provided through multilateral channels instead of bilaterally as at present in order to depoliticize the aid and permit more stringent administration than can usually be enforced by one sovereign government upon another. The prevailing view, however, appears to favor increasing both bilateral and multilateral aid to the extent possible, but maintaining the present emphasis in the program on direct aid to the Commonwealth.[37] The foregoing discussion of aid theory suggests that Britain's political and economic interests in the Commonwealth may well lead the Government to continue the present emphasis on Commonwealth aid and therefore on the use of bilateral channels.

APPENDIX B: [38] ECONOMIC ASSISTANCE PROVIDED BY THE LESS-DEVELOPED NATIONS TO EACH OTHER

Cooperation among the less-developed countries may be expected to expand. Certain of the less-developed countries have taken the initiative in sharing their experience with others without waiting for full industrialization.

As a part of the technical cooperation program, a small but growing number of less-developed cooperating countries are participating with the United States in the support of training at "third country" facilities located within their territory. These third-country facilities ordinarily provide training for participants from other less-developed countries in situations or problem areas akin to those actually experienced in their home countries.

Among the less-developed countries assisting in the third-country training operations under the mutual security program are Taiwan, Indonesia, Korea, the Philippines, Thailand, Vietnam, Brazil, Costa Rica, Ecuador, Peru, Mexico, Ceylon, Israel, India, Iran, and Lebanon. Approximately 450 third-country participants annually are now undergoing courses of study or receiving practical training in the lesser-developed countries named above. While the principal costs, such as tuition and per diem, are often paid out of the Mutual Security Act funds, the receiving or third-country training countries are beginning to assume certain other costs which constitute a contribtuion to the training program.

Israel is playing an important role in extending technical assistance to the underdeveloped countries of Africa and Asia and, in order to operate these programs effectively, has recently established a Department for International Assistance and Cooperation under the Ministry for Foreign Affairs. Assistance to the countries of Africa and Asia is centered in three main fields: (1) provision of Israeli experts, (2) the training of Africans and Asians in Israel, and (3) joint commercial enterprises.

Israeli technicians in various fields are serving in Ghana, Liberia, Sierra Leone, Nigeria, French Sudan, Ethiopia, Burma, the Philippines, Cyprus, and Turkey. In addition, Nepal has recently expressed an interest in receiving technical assistance. These experts are sent at the request of the foreign governments to assist in projects connected with agricultural irrigation and water supply problems, medical, maritime and aviation services, housing, land resettlement, and business management. In most cases the expenses of technicians sent abroad are shared by Israel and the receiving country.

An outstanding example of cooperation involving the less-developed countries is the continuing tripartite negotiations between the United States and India for the benefit of Nepal as the result of which India, out of its own internal resources, has given technical assistance to Nepal.

There are about 50 technicians in the Indian Aid Mission to Nepal. Major fields in the past have been construction of the Rajpath Highway into the capital city of Katmandu; and construction of the Katmandu Airfield. Technical assistance services have also been provided. Indian aid is generally provided within the framework of the Colombo plan.

In an effort to assist Nepal in its 5-year plan for economic development, India offered the rupee equivalent of $26 million

[35] United Kingdom. H. M. Treasury. Assistance from the United Kingdom for Overseas Development. March 1960. Cmnd. 974. p. 5.

[36] Great Britain. Parliamentary Debates. Lords. Fifth series 1959, v. 218, p. 227.

[37] Great Britain. Parliamentary Debates. Commons. Fifth series. 1959. v. 609, pp. 883–943.

[38] Excerpted from U.S. Department of State. "Economic Assistance as a Cooperative Effort of the Free World," an undated press release, published in 1960, pp. 14–17.

for the years 1956–61. These funds have been drawn down gradually for projects such as regional roads, village development, and Trisuli power.

In addition, 29 Nepali participants are receiving training in India particularly in the field of education.

On January 28, 1960, it was announced that India agreed to provide financial assistance of $30 million in rupees to assist Nepal over a 5-year period. Of this, about a fourth is a carryover from previous years. In addition, India has offered to construct the East Kosi Canal in Eastern Nepal and continues to supply assistance to Nepal's military establishments.

There are many other examples of economic cooperation between the less-developed nations. Under the Colombo plan, for instance, the less-developed countries have given considerable training assistance to others. Burma has provided training facilities for trainees from Nepal, Thailand, and Sarawak. From the beginning of the Colombo plan through fiscal year 1959, Indonesia has provided training facilities to 85 students from countries which are members of the plan; Ceylon has trained 53 foreign trainees in the fields of medicine and health, food and agriculture, engineering, transport and communications, public administration and cooperatives—and has assisted the Pakistan Government in coconut experimental work at its research station at Karachi, making available coconut seeds and seedlings at a low cost. India provided 1,165 training places to students from other less-developed countries, mainly in agriculture, civil engineering, forestry, medicine, statistics, water resources development, poultry management, post and telegraph, community development, and radio technology. The services of 26 Indian experts were also made available.

Burma, Sarawak, and Singapore have utilized Colombo plan fellowships offered by the Philippines in 1958–59, in malariology, rural home extension, and public administration. The Philippines continues to make other scholarships available for students from south and southeast Asia in education, social and cultural studies, and various branches of engineering.

In 1958, a total of 153 trainees from Laos received training in Thailand under programs sponsored by the United Nations Specialized Agencies and various Colombo plan countries. Such training programs continue.

APPENDIX C: SINO-SOVIET BLOC PROGRAMS OF ECONOMIC AID

In the period from 1954 through the end of 1960 the Sino-Soviet bloc extended $3.45 billion in economic aid to the less-developed countries of the free world, with most of it concentrated in five places: India ($933 million), the United Arab Republic ($766 million), Indonesia ($513 million), Afghanistan ($217 million), and Iraq ($216 million). Altogether 20 less-developed countries outside the bloc are now receiving aid and it appears the total will increase as the bloc shows increasing interest in Africa and Latin America. Only $735 million of the $3.45 billion total aid commitment has so far been utilized due apparently to the difficulties of reaching agreement with the receiving countries on the specific projects to be constructed. To date the only major project completed is a $134 million steel mill at Bhilai, India, with an annual capacity of one million tons. About one-half of all bloc aid has been in the industrial field. In addition to material aid it is estimated that there are presently about 6,000 Soviet bloc technicians working in the less-developed countries.

Most aid (75 percent comes from the Soviet Union) is provided in the form of lines of credit that can be utilized over a period of years but only for purchases in the bloc country providing the aid. Very little grant aid is provided, but the terms of credit are considered lenient. Interest rates average 2.5 percent, repayment is accepted in locally produced commodities or perhaps a convertible currency (subject to annual negotiations), and the first of many annual repayments usually is not due until one year after a project has been completed.[39]

TABLE 1.—*Annual level of economic aid provided to the less-developed countries by governments of the OEEC countries and Japan, 1956–59* [1]

[In millions of dollars]

Country	1956	1957	1958	1959	1956–59
Austria	2	1	6	4	13
Belgium-Luxembourg	17	24	23	52	116
Denmark	3	1	4	5	13
France	487	639	787	954	2,867
Germany	21	46	78	107	253
Ireland	------	1	1	1	2
Italy	16	16	31	17	81
Netherlands	33	34	41	43	151
Norway	1	2	3	4	10
Portugal	7	5	4	21	38
Sweden	3	12	4	10	29
Switzerland	1	1	3	1	5
United Kingdom	208	243	264	356	1,070

[1] U.S. Congress. Senate. Committee on Foreign Relations. Organization for Economic Cooperation and Development. Executive Report No. 1, 87th Cong., 1st sess., 1961, excerpted from p. 16.

[39] U.S. Department of State, Bureau of Intelligence and Research, "Intelligence Information Brief, No. 348: Sino-Soviet Economic Offensive: Summary of Developments, July through October 1960." Nov. 18, 1960.

Also interviews conducted by the author.

TABLE 1.—*Annual level of economic aid provided to the less-delevoped countries by governments of the OEEC countries and Japan, 1956–59*—Continued

[In millions of dollars]

Country	1956	1957	1958	1959	1956–59
Canada	28	46	88	57	219
Japan	16	15	205	41	277
Total	843	1,086	1,540	1,673	5,144
United States	2,144	2,343,	2,415	2,438	9,340
Total including United States	2,987	3,429	3,955	4,111	14,484

TABLE 2.—*Total capital made available to less-developed countries and multilateral agencies, 1956–59* [1]

[Billions of U.S. dollars]

Total capital from all sources
(Figures rounded)

United States	14.0
France	4.9
United Kingdom	3.1
Germany	2.3
Austria	(–)
Belgium	.4
Canada	.5
Denmark	.05
Ireland	.002
Italy	.6
Japan	.6
Luxembourg	.008
Netherlands	.9
Norway	.006
Portgual	.2
Switzerland	.1
Total	28.0

[1] Organization for European Economic Cooperation. The flow of financial resources to countries in the course of economic development, 1956–59. Paris, 1961, p. 9.

TABLE 3.—*Comparison of net value of government and private capital provided by OEEC member and associated countries and Japan, 1956–59* [1]

[Expenditures in billions of U.S. dollars. Includes both bilateral and multilateral]

Year	Official	Private
1956	3.2	3.0
1957	3.8	3.7
1958	4.4	2.9
1959	4.5	2.4
Average, 1956–59	3.9	3.0
Total, 1956–59	15.9	12.0

[1] Ibid., derived from tables on pp. 11–17. The $900,000,000 increase in private capital contributions in 1957 was largely accounted for by new U.S. investments in Venezuelan oil.

TABLE 4.—*Summary analysis of finance made available by OEEC member and associated countries to less-developed countries and multilateral agencies, 1950–59*

[Sum of cols. may not equal totals because of rounding of figures. Does not include Japan. Expenditures in billions of U.S. dollars.]

Year	Bilateral contributions					Multilateral contributions		Total
	Official		Private					
	Grants, reparations, and indemnity payments	Net lending	Guaranteed export credit	Other new lending and investment	Reinvested earnings	Official	Private	
1950–55 average	1.2	0.6	0.2	0.7	0.6	------	------	3.5
1956	2.0	.9	.4	1.5	1.0	------	------	6.1
1957	2.2	1.1	.5	2.1	1.0	0.2	0.2	7.4
1958	2.4	1.4	.2	1.4	.9	.3	.4	7.1
1959	2.6	1.6	.3	1.1	.8	.3	.2	6.8
1956–59 average	2.3	1.3	.3	1.5	.9	.3	.2	6.9

TABLE 5.—*Official Government aid to the less-developed countries by OEEC countries and Japan in terms of impact on the donors' gross national product, 1956–59* [1]

[Dollars in millions]

	1956	1957	1958	1959	1956–59
Austria:					
GNP	$4,238	$4,665	$4,938	$5,264	$19,105
Aid	2	1	6	4	13
Aid as percent of GNP	0.05	0.02	0.12	0.08	0.07
Belgium-Luxembourg:					
GNP	$10,860	$11,650	$11,616	$12,000	$46,126
Aid	17	24	23	52	116
Aid as percent of GNP	0.16	0.21	0.20	0.43	0.25
Denmark:					
GNP	$4,461	$4,769	$4,918	$5,270	$19,418
Aid	3	1	4	5	13
Aid as percent of GNP	0.07	0.02	0.08	0.09	0.07
France:					
GNP	$37,513	$41,867	$47,532	$51,000	$177,912
Aid	487	639	787	954	2,867
Aid as percent of GNP	1.30	1.53	1.66	1.87	1.61
Germany:					
GNP	$46,048	$49,905	$52,929	$56,645	$205,527
Aid	21	46	78	107	253
Aid as percent of GNP	0.05	0.09	0.15	0.19	0.12
Ireland:					
GNP	$1,510	$1,588	$1,630	$1,710	$6,438
Aid	----------	1	1	1	2
Aid as percent of GNP	----------	0.06	0.06	0.06	0.03
Italy:					
GNP	$23,414	$25,088	$26,638	$27,970	$103,110
Aid	16	16	31	17	81
Aid as percent of GNP	0.07	0.06	0.12	0.06	0.08
Netherlands:					
GNP	$8,610	$9,315	$9,592	$10,175	$37,692
Aid	33	34	41	43	151
Aid as percent of GNP	0.38	0.37	0.43	0.42	0.40
Norway:					
GNP	$3,725	$3,950	$3,894	$4,100	$15,669
Aid	1	2	3	4	10
Aid as percent of GNP	0.03	0.05	0.08	0.10	0.06
Portugal:					
GNP	$1,945	$2,015	$2,071	$2,135	$8,166
Aid	7	5	4	21	38
Aid as percent of GNP	0.36	0.25	0.19	0.98	0.47
Sweden:					
GNP	$9,470	$10,245	$10,623	$10,850	$41,188
Aid	3	12	4	10	29
Aid as percent of GNP	0.03	0.12	0.04	0.09	0.07
Switzerland:					
GNP	$6,846	$7,355	$7,593	$8,000	$29,794
Aid	1	1	3	1	5
Aid as percent of GNP	0.01	0.01	0.04	0.01	0.02
United Kingdom:					
GNP	$57,960	$61,328	$63,484	$65,700	$248,472
Aid	208	243	264	356	1,070
Aid as percent of GNP	0.36	0.40	0.42	0.54	0.43
Total, above countries:					
GNP	$216,000	$233,740	$247,458	$260,819	$958,617
Aid	799	1,025	1,247	1,575	4,648
Aid as percent of GNP	0.37	0.44	0.50	0.60	0.48
United States:					
GNP	$419,200	$442,500	$441,700	$478,000	$1,781,406
Aid	2,144	2,343	2,415	2,438	9,340
Aid as percent of GNP	0.51	0.53	0.55	0.51	0.52
Canada:					
GNP	$30,182	$31,773	$32,509	$34,700	$129,614
Aid	28	46	88	57	219
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25
Japan:					
GNP	$24,650	$28,050	$27,750	$30,000	$110,450
Aid	16	15	205	41	277
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25

[1] U.S. Congress. Senate. Committee on Foreign Relations, op. cit., p. 16.

NOTES

a. GNP figures are at current market prices. The figures for 1959 are estimated.

b. Both the GNP and aid figures have been converted to dollars at current exchange rates.

c. Aid figures are based primarily on actual expenditures. Aid listed for all countries includes (a) net official grants, (b) gross official bilateral loans of 5 years or over, (c) official contributions and subscriptions to international organizations paid during the period (i.e., net IBRD subscriptions, IFC capital contributions, contributions to the EEC Development Fund, net contributions to United Nations technical assistance and relief agencies). For the United States, the increase in U.S. holdings of local currencies derived from Public Law 480, title I sales is included to reflect the transfer of resources. For Japan, the yearly breakdown on gross official bilateral loans of 5 years or over is estimated. Reparations payments have not been included. This definition of assistance has not been accepted by the countries involved and has no international standing.

TABLE 6.—*Official Government expenditures for aid to the less-developed countries and national defense in 1959 as percentages of the gross national product* [1]

Country	Defense expenditures	Economic aid expenditures	Defense and foreign aid expenditures
Belgium-Luxembourg	3.3	0.43	3.73
Denmark	2.8	.09	2.89
France	7.1	1.87	8.97
Germany	4.8	.19	4.99
Italy	3.8	.06	3.86
Netherlands	3.9	.42	4.32
Norway	3.7	.10	3.80
Portugal	4.3	.98	5.28
United Kingdom	7.2	.54	7.74
United States	9.7	.51	10.21
Canada	5.1	.16	5.26

[1] Foreign aid percentage expenditures from Ibid.; defense expenditures from U.S. Congress. Senate. Committee on Appropriations, Mutual Security Appropriations for 1961. Hearings on H.R. 12619. 86th Cong., 2d sess., 1960. P. 215. Defense expenditures are based on current not constant prices and the data are not adjusted for disparities in purchasing power.

TABLE 7.—*Defense and foreign aid expenditures in 1958 as a percentage of the per capita gross national product* [1]

Country	Per capita GNP in dollars	Defense and aid expenditures as percent of the GNP
Belgium-Luxembourg	$1,239	3.40
Denmark	1,074	2.98
France	1,067	8.76
Germany	1,035	3.25
Italy	548	4.02
Netherlands	857	4.93
Norway	1,104	3.78
Portugal	230	4.39
United Kingdom	1,224	7.82
United States	2,538	10.85
Canada	1,903	5.67

[1] Ibid.

A FIRM STAND

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. HORAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HORAN. Mr. Speaker, perhaps the most controversial legislative proposals introduced during this present session of Congress are those relating to Federal aid to education. Recently, the Catholic Bishop of Spokane, Wash., the Most Reverend Bernard J. Topel, D.D., Ph. D., wrote his weekly column appearing in the August 4 edition of the Inland Register, the Catholic diocesan weekly newspaper, on the subject of education.

Although Bishop Topel points out that he is well aware of the numerous problems involved in financing all forms of education today, his statements are not directly concerned with the controversy about the relative merits of providing Federal financial assistance to private as well as public schools. Rather, his remarks pertain to the heart of the controversy, that is, Should the Federal Government enter the field of financing school construction and help pay teachers' salaries or should the financing remain the responsibility of the State and local governments?

I believe his remarks, which set forth his own personal convictions are not necessarily those of his church, are worthy of study by all of my colleagues. His remarks are constructive and are worthy of our study.

Bishop Topel said:

Recently I noted that the U.S. House Rules Committee voted 8 to 7 against presenting the Federal aid to education bill to the House. First reports were that this committee killed the bill for this session. I was glad. Later reports, however, said that efforts are being made to get around the committee's decision. I hope they are not successful.

Before I go any further, this needs to be said. My comments in this particular column are of course not to be taken as the official stand of the church. They are strictly my personal views.

Yes, I am glad that the House Rules Committee voted as it did. But do not misunderstand me. I am for the best possible education for every American boy or girl. I know about the rising costs of education. What American bishop does not? I want all to be done that possibly can be done to get the best possible education for every American. This goes for students in public as well as parochial schools.

I am aware that to kill the Federal aid to education bill will also kill the bill providing for Federal loans to Catholic schools at favorable interest. Nevertheless I am glad—glad because I am afraid of Federal aid to education.

In the first place I see no real need for Federal aid. In no State of my acquaintance is there such a need. In each such case the State and local school districts can care for the existing needs. Nor have I seen a need proved for other States—States with which I am not personally familiar.

In the second place, we must not think that Federal aid is something for nothing. This money must come from somewhere. Sooner or later it must be paid by the American taxpayer. I also believe that Federal aid will cost more. I mean that less school

aid will come from the Federal dollar than from the school district dollar. Considerably less.

In the third place, I am of the opinion that Federal control of education will inevitably follow Federal aid. This is what I fear most of all. I cannot prove this statement, but I am convinced of it. I am afraid that when aid is given by the Federal Government, the Federal Government will begin to regulate education, and dictate to it arbitrarily. This will be most objectionable. On the other hand, I believe that all necessary regulation can be made just as well within the State. Moreover, it will be far safer.

My fear of this is increased from what happened in Nazi Germany and Fascist Italy. Also, from what has happened and is happening to education in Russia, China, the satellite countries, and Cuba. Most assuredly the United States is not Fascist, Nazi, or Communist, but I fear that Federal power over education will in due time—perhaps all too quickly—take on some of the form that is so objectionable in totalitarian countries.

Recently a 56-page report prepared by the U.S. Office of Education was issued. It was entitled "A Federal Education Agency for the Future." From excerpts I gather this report gives sufficient proof of the danger of Federal control and Federal regulation of education.

For these reasons I am glad that the House Rules Committee voted against the Federal aid to education bill.

ECONOMIC STATISTICS IN OUR DYNAMIC ECONOMY

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the task force of the House Republican Policy on Employment in our Dynamic Economy has delegated to me, at my request, the preparation of a paper on economic statistics. I am neither an economist nor a statistician, but I am, as I believe all Congressmen should be, a user of economic statistics. I am also a member of the Subcommittee on Economic Statistics of the Joint Economic Committee. The purpose of this subcommittee is to disseminate economic statistics, to encourage their intelligent use, and to seek for ways to improve them.

It is elementary that a man learn the excellencies and shortcomings of a tool before he uses it. It is also elementary that he learn what tools are available before he starts on a job. It is also elementary that a man learn to care for the tools he uses. One definition of a man, and a good one is this: Man is an animal that uses tools. One can find a tool in nature and primitive man did find his first tools there, but it is obvious that a tool is better if it is adapted to the job for which it is employed. A tool-using animal, therefore, is almost perforce a tool-making animal. And he should constantly be on the alert to improve his tools.

Economic statistics are nothing more than tools. They have their excellencies and they have their shortcomings. I am happy to state that it is the general consensus of economists and those who use economic statistics that we in the United States have the best collection of economic statistics of any society in the world.

I wish it were also the consensus of economists that the best collection in the world consists of very cumbersome and woefully inadequate tools. Perhaps it is the consensus, but out of pride in a profession, they are reluctant to admit these shortcomings to outsiders. It is my judgment that the science of economics, because of its inadequate tools, is at the stage of development chemistry was in when it was alchemy and astronomy was in when it was called astrology. This is not as harsh a judgment as it may sound. Our alchemists knew a great deal about chemistry and our astrologists knew a great deal about astronomy. Their difficulties lay in trying to use their limited knowledge as a base for drawing vast conclusions. Because of this, many people who had no knowledge of chemistry or astronomy were better able, by drawing on commonsense, sense that was common to men and not limited to experts, to handle the problems that impinged on the fields of those two specialties than the experts.

I am suggesting that it is still quite important today to apply commonsense to the field of economics because our economic statistics have not yet reached the point of excellence where we can make important economic decisions based solely upon them. However, I am also suggesting that economic statistics are sufficiently good tools that it would be foolhardly to attempt to reach important economic decisions without using them.

The science of economics has observed a relationship between maximum employment, maximum economic growth, and maximum price stability in a society. This observation is based upon common knowledge, but it is also revealed in some of the series of economic statistics the economists have developed.

The primary economic statistic used to measure economic growth, is that referred to as gross national product. This seeks to measure the goods and services produced in a society in a given year. The relationship of the GNP of 1 year to another year gives some indication of a difference in economic activity between the 2 years. Economic activity reveals to some extent economic potential; certainly it is impossible to have activity exceed potential so economic activity of a given year can fairly safely be used to reflect a minimum potential. Even this fairly safe rule has its exceptions. It is entirely possible for a society to be eating up its potential which would be reflected in an increased amount of GNP, economic activity for that particular year, but would leave the society with a decreased potential for the next year. Let me illustrate. During the Korean war our steel industry for a short time was operating at over 100 percent capacity. How, you may say, could this be? It was because the industry was not shutting down for proper maintenance. In effect the industry was eating into capacity for the future.

The compilation of GNP leaves many gaps of unmeasured economic activity. The housewife's time is unmeasured, in the United States. In the United States only 35 percent of our women are in our labor force and have their work show up in GNP. In Russia 63 percent of their women are in the Russian labor force and their work shows up in the Russian GNP. Surely our housewives' time is real economic activity. The economic activity in the governmental sector of our society is measured in an inadequate manner because we have no dollar value to attach to this work. All the unpaid charity and religious work of the United States, which is considerable, goes untabbed. So does all the do-it-yourself activity. All home study, research, and inventiveness, unless paid for, goes unrecorded. By its very nature a society which is heavily oriented toward private enterprise will not have its economic activity fully measured by aggregate national statistics seeking to measure goods and services produced.

Furthermore, increased efficiency, increased productivity can easily show up as a minus factor in gross national product. An economic mistake translated into a useless or inefficient hydroelectric powerplant, as Russia found out, can loom large in the GNP for several years. Military production which generates so much obsolete and unused equipment will loom large in the GNP series. Yet in the long run it is not real economic growth. Indeed it may be economic deterioration.

We have no economic statistics which endeavor to measure our capital plant on a continuing basis. There have been attempts to measure our plant capacities in given years by special studies but these ad hoc studies do not add up to a statistical series which would help us in knowing at a given time what our gross plant capacity is.

Likewise we have no economic statistical series which endeavors to measure labor skills. We have only gross figures of employment broken down into fairly large components.

We have no economic series which endeavors to measure business enterprise, that which brings plant and skills together. Indeed, the President's Council of Economic Advisers left out this basic ingredient in its model which purported to show a gap between our economic potential and our economic activity. The Council merely assumed that the raw numbers of unemployed people were wasted economic potential without any regard to the economic activity which perforce is necessary to put people and machines together.

Our employment and unemployment statistics are quite primitive. The basic unemployment statistic series we use is compiled by asking people if they are looking for a job. Their subjective answers become the basis for the statistical series.

There are no statistical series on potential labor force. Our figures relate to who is in the labor force, which is compiled by adding up those working and those who say they are looking for work.

Russia has 57 percent of her population in her work force. The United States

has only 42 percent of her population in the work force. A good bit of the differential is made up by the number of women listed in the work force in Russia compared to the United States, as I quoted before, 63 percent in Russia, 35 percent in United States. Does this mean that Russia's women are better employed than ours? I doubt it. I suspect that the activities of being a good mother and a good housewife, which the bulk of our women are engaged in and remain outside the GNP compilation, mean a great deal more to future economic growth, sustainable economic growth as well as better human values than the activities the Russian women may be engaged in. Furthermore a society that still employs child labor might show up well in certain statistical series. Yet who can but agree that elimination of child labor is economic advancement and lays the groundwork for future economic growth? Looking at it another way, however, our children are not economically idle. Going to school is not idleness, yet this activity goes unmeasured in our GNP series. In some countries, where people are paid to go to school, this activity gets into the GNP measurement.

The Subcommittee on Economic Statistics of the Joint Economic Committee has just recently conducted hearings into the limitations we use to measure cost of living. The primary thing we found out of the various price indexes was that the price indexes were not set up to measure inflation, differences in cost of the same living, but were really series which measured costs of different kinds of living. In other words, our standard of living has been constantly increasing and some of these increased standards cost increased amounts of money. For example, the Consumer Price Index does not seek to measure the increased economic value of flying from St. Louis to Washington in 3 hours instead of 5 hours, or by ox cart in 40 days, but rather merely the increase in the cost of one form of travel over the other. The more rapid the economic growth and advancement of course the more misleading is the Consumer Price Index if used for a purpose for which it was not intended .

Commonsense tells us that our standard of living has increased tremendously in the past few years and yet we have no economic series which either attempts to measure this or even adjusts what it is measuring to this phenomena. I submit there is more real economic growth involved in increasing our standard of living than any other single thing. Yet, as I have said, we don't even attempt to evaluate it. Indeed, we have been calling a great deal of this growth—inflation and attempting to correct for the assumed inflation by messing around with our monetary policy. In the process we have damaged future growth somewhat and contributed to a greater economic fluctuation than was necessary.

The fourth important economic phenomenon we need to measure in some respects is quite akin to measuring increased standard of living. This is worker productivity. The number of man-hours it takes to do a specific thing. The increase in productivity in the United States has been tremendous in recent years. Increased productivity has more real economic growth in it than any other item outside of increased standard of living. Indeed increased standard of living is one of the main ingredients in increasing worker productivity. Fortunately, we have been making some attempts to measure productivity, albeit these attempts have been meager. Most economists recognize the great difficulty involved in trying to measure productivity but I believe none will deny the importance of being able to measure it.

It is from increased productivity that we recoup the cost of increased standard of living so that the price index need not rise even though the quality and choice of the goods and services have risen rapidly. It is from increased productivity that we can increase the wages of our workers without creating inflation which results in increased prices for goods and services. Yet as I have said, we have no real ways of measuring this increased productivity. The best we do is in specific industries. Yet in a dynamic economy what is an industry today is a useless enterprise tomorrow. The productivity gains frequently are found in making obsolete an entire industry and supplanting it with activities that are so diffuse and far removed from the original industry that we have difficulty in knowing about them, let alone following them.

So returning to employment in a dynamic economy. We have no statistical series today which will help us in identifying unfilled jobs that are in demand either by gross number or by components. Senator PAUL DOUGLAS has suggested that our unemployment statistics are inadequate because they do not measure the partly employed. I agree with him but I point out that they do not measure the amount of "moonlighting" either. Nor do they attempt to measure the jobs that are available, crying to be filled. We need to develop bench marks and methods of measuring all these things.

I believe it is axiomatic that the more rapidly we advance technologically in our society, the more we increase productivity, the more we will cut down on the demand for the unskilled, the semiskilled, and the obsolete skilled worker. This is the result of rapid economic growth and the faster we grow the more difficult the problem will become. The high incident of unemployment which the President's Council of Economic Advisers takes as one of its factors to prove that our economy is stagnant is one of the clearest indications that our economy has been growing rapidly. If we grow more rapidly and fail to apply the proper remedies, the incident of unemployment will become even greater.

We have developed no way of measuring these economic phenomena but I believe that we can. However, until we develop proper statistics we must rely on a little commonsense to keep us from diagnosing that which is the result of rapid economic growth as being the result of a stagnant economy.

THE LATE DR. FRANK N. D. BUCHMAN

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. JENSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JENSEN. Mr. Speaker, millions upon millions of people in many nations are today mourning the passing of Dr. Frank N. D. Buchman, who passed to his reward yesterday. Dr. Buchman was worshiped by all who knew him well, and who had knowledge of his effective Christian works in bringing God into the hearts of lost souls of the high, the low, the rich, the poor, the learned, and the unlearned by his devotion to God and to the high principles of moral rearmament to which he dedicated his full strength and his life unto death.

He had a global view of the situation confronting the statesmen and a passionate concern for individuals. These two qualities singled him out as the man to whom people in every walk of life turned for advice and direction.

Robert Schuman of France said of him:

> I am eternally grateful to Frank Buchman. He has helped and encouraged me from the first moment.

Chancellor Adenauer of Germany, who came with his whole family to the Moral Re-Armament World Assembly in Caux, Switzerland, just after the war, remained a constant friend. Adenauer paid tribute to the moral courage which Buchman showed in creating a world ideological force:

> What you have done through Moral Re-Armament is absolutely vital for the maintaining of world peace.

Prime Minister U Nu of Burma said:

> Dr. Buchman has all the qualities that inspire confidence and the tenacity of purpose which will accept nothing short of complete success.

The Secretary of the Presiding Abbots' Association of Burma, taking part with four senior abbots in the celebration of Dr. Buchman's 83d birthday in Caux, declared:

> A personality like Dr. Buchman comes once in a thousand years to lead humanity. That is why we have come 6,000 miles for the privilege of meeting him and giving him our highest blessing.

Mr. Speaker, the greatest gratitude we can show to Frank Buchman is to stand up for and carry on his high, noble, and godly ideals.

What is needed, Buchman declared, is social change, economic change, national change, and international change, all based on a drastic change in human nature:

> Until we deal with human nature thoroughly and drastically on a world scale, nations will continue to follow their historic road to violence and destruction.

The assemblies of Moral Re-Armament, held on every continent, have drawn a response from representatives

of 120 nations during the past 18 years. In 1952, Dr. Buchman's work earned the grudging respect of Moscow. In a series of broadcasts Moscow Radio attacked it as a global ideology with bridgeheads on every continent, having the power to capture radical revolutionary minds. Hundreds of Communists on every continent abandoned communism in favor of a superior idea of world change through a moral ideology. Eudocio Ravines, many years a member of the Comintern and founder of the Communist Party of Peru, said after accepting Moral Re-Armament:

Western civilization will collapse unless we conquer the hearts of men with the moral standards Frank Buchman has given us. He is leading a force on the road to world renaissance. It is humanity's one hope.

As well as Prime Minister U Nu of Burma, Presidents Magsaysay and Garcia of the Philippines, President Diem of Vietnam, former Premier Kishi of Japan, Rajmohan Gandhi, grandson of the Mahatma, were among the vanguard of a growing number in Asia who welcomed the ideology of Moral Re-Armament as being above race and class, answering the needs of the heart, and changing the motives of men and the policies of nations.

Indian leaders turned to Buchman after Kerala, the first state in the world to vote itself Communist, overthrew the Communist regime. They knew that without an ideology to unite the non-Communists, the Communists would take over again at the next election.

Leaders of Cyprus, too, have repeatedly expressed their gratitude for the part played by Buchman in ending the bloodshed on their island. Archbishop Makarios said in Dr. Buchman's London home:

I have come here to bring my personal thanks for what MRA has done in bringing an answer to Cyprus.

Vice President Dr. Kutchuk said:

MRA will save the world from communism, dictatorship, and war.

Frank Nathan Daniel Buchman was born in Pennsburg, Pa., on June 4, 1878. His family came originally from St. Gallen, Switzerland, arriving in Pennsylvania in 1740. An ancestor, Theodore Bibliander—Buchman—was the successor of Zwingli in the Theological Seminary at Zurich, and the first translator of the Koran into German. Another ancestor fought with Washington at Valley Forge. Frank Buchman's uncle was the first man in America to enlist in the Union Army under Abraham Lincoln. He was later killed at Bull Run.

Fifty Members of the U.S. Congress cabled him this year stating:

We are grateful for the moral stand you have taken over the years to show America what a nation under God is meant to be.

NATIONAL SECURITY

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. THOMPSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. THOMPSON of Texas. Mr. Speaker, at a time when our Nation is understandably concerned over the deepening Berlin crisis, it is a time when public leadership is at a premium. As the United States, together with its allies of the free world, approaches the decisive days that lie ahead, our Nation needs the strong and intelligent support of all its citizens.

One of the most influential elements of our citizenry is the Veterans of Foreign Wars, consisting of 1,300,000 oversea combat veterans. During his tenure as commander in chief of the Veterans of Foreign Wars, Mr. Ted C. Connell, of Texas, has demonstrated strong leadership and has contributed, by his thoughtful public observations on national defense matters, materially to the national security.

I was particularly interested in the statement by VFW Commander Connell concerning the necessity for a build-up of our Armed Forces in view of the Berlin crisis. Actually, the statement by Commander Connell, as published in much of the Nation's press, and in full text in the National Tribune-Stars and Stripes of July 20, 1961, constitutes a practical blueprint for what our Nation needs militarily in these troubled times.

One of the things that is most significant about Commander Connell's statement on this matter is his strong urging that when the Armed Forces are built up to a new strength that this strength be maintained on a continuing basis. He states the matter very well by saying:

We must not let our military power be controlled like a Yo-yo by Soviet Russia's habit of creating periodic crises.

Also, I was impressed by Commander Connell's comment that it is not a matter of choosing between missiles and aircraft, but rather we must realize the necessity of having both.

This fine analysis by the VFW commander in chief is especially helpful in furthering an understanding of our military requirements. This is a worthwhile article to read. For that reason the text of the statement of the VFW national commander in chief, Ted C. Connell, follows:

CONNELL WANTS STRONG AMERICA

Ted C. Connell, Killeen, Tex., commander in chief, Veterans of Foreign Wars, last Thursday called for a strong stabilized military machine based on continuing strength from year to year rather than one much like a yo-yo reacting to the creation of periodic crises by the Soviet Union.

"The VFW has long believed," Commander Connell said, "that the time has come when we must stop playing guessing games with our national security. The immediate crisis of Berlin and the recent disclosure of Russian advances in powerful high-speed aircraft finds our Nation once again pushing the panic button.

PERIOD OF CRISIS

"Certainly there is no question that this is a period of crisis and I am confident that all of the people stand behind President Kennedy. I do wonder, however, if the emergency would have been so great had we maintained our military might to the degree that we were ready to face such crisis. The VFW has consistently stated that this country could not afford the luxury of a guessing game on the importance of basic weapons. We cannot afford to haggle over the relative merits of manned aircraft and missiles. We must have plenty of both.

"We believe, also, that the time has come when the Army should be immediately increased to a minimum strength of 925,000. The Navy must have ready an adequate number of transports, carriers, naval aircraft, and the many types of ships required to discharge its heavy commitments in distant areas. Our antisubmarine forces must be enlarged. We must be prepared for a limited war and we must be prepared for a major conflict."

CONTINUING STRENGTH

Concluding, the VFW leader said, "Our military power should be based on continuing strength from year to year and not increased and decreased as national emergencies arise. A steady and strong military posture is far more preferable and from the standpoint of national military policy, more meaningful and effective than tardy efforts and partial mobilization on a crash basis. We must not let our military power be controlled like a yo-yo by Soviet Russia's habit of creating periodic crises. The recent words and actions of Chairman Khrushchev should dispel a lot of wishful thinking in this country and throughout the world. We must be prepared. Let's get about the job."

HIJACKING OF PLANES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, the United States is becoming the laughingstock of the world. Why does the U.S. Government allow itself to be pushed around by Communist hoodlums, young punks, and other misfits?

The American people have been patient for too long. It is time for the executive branch of the Government to give notice of action to be taken against plane hijackers, and then to carry through with that action to protect the rights and property of Americans everywhere. I shall support any legislative proposals which will beef up any presently weak laws in this area.

It is a disgrace that our citizens are subjected to intimidations and threats of bodily harm, as was the case last week at El Paso, Tex., and as is the case today in Mexico. There is no reason why this country should not initiate a get-tough policy, a policy which would be forthright and not subject to any misunderstanding by Castro or any other insane, power-drunk individual.

I urge the President to adopt Teddy Roosevelt's policy when he said that the United States was carrying a big stick. I would support any move by President Kennedy to effect such a policy and to use the big stick to protect our interests wherever they might be. It is a sorry state of affairs when the most powerful nation on the earth will allow a pipsqueak like Castro to hatch plots for waylaying our planes. The American people should demand that positive ac-

tion be taken now to prevent any further occurrences of the type taking place today between Mexico and Havana.

If the President does not take the initiative in this matter, I say that the Congress should take immediate steps to carry out the action demanded by today's events.

COMMITTEE ON DISTRICT OF COLUMBIA

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent that the committee on the District of Columbia may have until midnight Friday to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MILLIKEN (at the request of Mr. FENTON), for today on account of illness.

Mr. ROUSSELOT (at the request of Mr. LANGEN), for 3 days, on account of official business.

Mr. ELLSWORTH (at the request of Mr. ARENDS), for the balance of the week on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DOYLE, for 45 minutes, on Monday, August 14.

Mr. JENNINGS, for 1 hour, on August 16.

Mr. CRAMER, for 30 minutes, today.

Mr. MCDOWELL (at the request of Mr. PUCINSKI), for 1 hour, today, and to revise and extend his remarks and include extraneous matter and tables.

Mr. PUCINSKI, for 30 minutes, on tomorrow.

Mr. STRATTON, for 1 hour, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROOKS of Louisiana.

Mr. PHILBIN.

Mr. BELL.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. BRAY.

Mr. HOSMER.

Mr. FINO.

Mr. LATTA.

(The following Member (at the request of Mr. PUCINSKI) and to include extraneous matter:)

Mr. MULTER in two instances.

ENROLLED BILLS SIGNED

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

H.R. 2925. An act to amend the act of March 8, 1922, as amended, pertaining to isolated tracts, to extend its provisions to public sales;

H.R. 5228. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America for use at the 1962 Girl Scouts senior roundup encampment, and for other purposes; and

H.R. 7445. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon);

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola; and

S. 1673. An act for the relief of Blagoje Popadich.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 8, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 181. An act to amend sections 3253 and 8253 of title 10, United States Code;

H.R. 2203. An act to authorize the Secretary of the Interior to exchange certain property in Rocky Mountain National Park, Colo., and for other purposes;

H.R. 4321. An act to amend section 303 of the Career Compensation Act of 1949 to authorize the transportation of dependents and baggage and household effects of certain retired members;

H.R. 4323. An act to amend the Career Compensation Act of 1949 with respect to special pay for diving duty, and for other purposes;

H.R. 5518. An act to revise the boundaries of the Fort Raleigh National Historic Site in North Carolina, and for other purposes; and

H.R. 7722. An act to amend section 3579, title 10, United States Code, to provide that commissioned officers of the Medical Service Corps may exercise command outside the Army Medical Service when directed by proper authority.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 6 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Thursday, August 10, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

1210. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 31, 1961, submitting a report, together with accompanying papers and illustrations, on a review of report on Kokosing River Basin, Ohio, requested by resolutions of the Committee on Public Works, House of Representatives, adopted March 5, 1952, and June 3, 1959 (H. Doc. No. 220); to the Committee on Public Works and ordered to be printed with three illustrations.

1211. A letter from the Acting Secretary of State, transmitting a report on the operations of the Fulbright program of the Department of State under section 2 of Public Law 584, 79th Congress, containing a summary of developments during the calendar year 1960; texts of executive agreements with Portugal, Republic of Korea, and Uruguay; names of both American and foreign recipients of grants, various statistical tables, etc., pursuant to section 2, Public Law 584, 79th Congress (H. Doc. No. 221); to the Committee on Government Operations and ordered to be printed.

1212. A letter from the Secretary of Health, Education, and Welfare, transmitting a report relative to the disposal of foreign excess property, submitted periodically; to the Committee on Government Operations.

1213. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled, "A bill to amend the act of April 29, 1941, as amended, to authorize any Federal agency to waive performance and payment bonds, and for other purposes"; to the Committee on the Judiciary.

1214. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled, "A bill to amend the Federal Employees' Compensation Act Amendments of 1960"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee of conference. H.R. 7851. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 873). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURLESON:

H.R. 8587. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. CASEY:

H.R. 8588. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. COOLEY:

H.R. 8589. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. FISHER:

H.R. 8590. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. POAGE:

H.R. 8591. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. STEED:

H.R. 8592. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. THOMPSON of Texas:

H.R. 8593. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. WICKERSHAM:

H.R. 8594. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. CUNNINGHAM:

H.R. 8595. A bill to prevent the taking of parklands by the Secretary of Commerce for highway purposes; to the Committee on Public Works.

By Mr. DAWSON (by request):

H.R. 8596. A bill to eliminate the requirements for certain detailed estimates in the annual budgets; to the Committee on Government Operations.

By Mr. HARRIS:

H.R. 8597. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62 and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:

H.R. 8598. A bill to authorize the Administrator of the Housing and Home Finance Agency to assist States, counties, cities, political subdivisions of States, and public corporations established under State law in providing improved mass transportation services in those metropolitan areas which have planned and developed a mass transportation system; to the Committee on Banking and Currency.

H.R. 8599. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. IKARD of Texas:

H.R. 8600. A bill to amend the Internal Revenue Code of 1954 to provide an increase in the amount for which a credit may be allowed against the Federal estate tax for estate taxes paid to States; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 8601. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. MORRISON:

H.R. 8602. A bill to correct the Postal Field Service Compensation Act of 1955 relative to conversion; to the Committee on Post Office and Civil Service.

By Mr. PATMAN:

H.R. 8603. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

By Mr. SMITH of Iowa:

H.R. 8604. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

By Mr. TABER:

H.R. 8605. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HALEY:

H.R. 8606. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JENSEN:

H.R. 8607. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WALLHAUSER:

H.R. 8608. A bill to prohibit the Secretary of Commerce from approving plans, specifications, and estimates for a portion of Interstate Route 78 in Newark, Essex County, N.J., and to prohibit further obligation or expenditure of Federal funds in connection therewith; to the Committee on Public Works.

By Mr. ALBERT:

H.R. 8609. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. FEIGHAN:

H.R. 8610. A bill to amend section 2(e) of the act of May 19, 1961, with respect to certain temporary judgeships established by such act for the northern and southern districts of Ohio; to the Committee on the Judiciary.

By Mr. McCULLOCH:

H.R. 8611. A bill to amend the act of May 19, 1961, providing for the appointment of additional circuit and district judges, and for other purposes; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H.R. 8612. A bill to amend the Highway Revenue Act of 1956, and for other purposes; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 8613. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. HALPERN:

H.R. 8614. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries; to the Committee on the Judiciary.

H.R. 8615. A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 8616. A bill to provide for redistricting of any of the several States by the Director of the Bureau of the Census for the election of Representatives in Congress in certain cases in which the State fails to redistrict in the manner provided by the law thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 8617. 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 Affairs.

By Mr. HALPERN:

H.R. 8618. A bill to amend section 35 of title 18 of the United States Code so as to increase the punishment for knowingly giving false information concerning destruction of aircraft and motor vehicles; to the Committee on the Judiciary.

By Mr. BOYKIN:

H.J. Res. 523. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HOSMER:

H.J. Res. 524. Joint resolution declaring Communist arms and munitions contraband in the Western Hemisphere and making provisions to enforce the same; to the Committee on Foreign Affairs.

By Mr. STUBBLEFIELD:

H.J. Res. 525. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mrs. DWYER:

H.J. Res. 526. Joint resolution providing for a National Mothers of Multiple Births Day; to the Committee on the Judiciary.

By Mr. DIGGS:

H.J. Res. 527. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. THOMSON of Wisconsin:

H. Con. Res. 366. Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. LANKFORD:

H. Res. 412. Resolution creating a select committee to conduct an investigation and study of the effect of Federal airport development on public and private housing; to the Committee on Rules.

By Mr. RODINO:

H. Res. 413. Resolution to authorize the Committee on Banking and Currency to conduct an investigation and study of the noise level created by jet aircraft and of the effect of Federal airport development on public and private housing; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL:

H.R. 8619. A bill for the relief of Mehmet Ozguler; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 8620. A bill for the relief of Anton and Rosanda (Rosana) Jugo; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 8621. A bill for the relief of Peter Tsandilas; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H.R. 8622. A bill for the relief of Drs. John and Catherine Sebestyen; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 8623. A bill for the relief of Guglielmo Filippelli; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 8624. A bill for the relief of Mrs. Winnie Berthilde Mathilda Pierre; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8625. A bill for the relief of Dennis H. O'Grady; to the Committee on the Judiciary.

H.R. 8626. A bill for the relief of Wilfrid M. Cheshire; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 8627. A bill for the relief of Ritsuko Nakayama; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 8628. A bill for the relief of Joseph A. Tedesco; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 8629. A bill for the relief of Miss Servet H. Kinik; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8630. A bill for the relief of Chew Wah Oy; to the Committee on the Judiciary.

By Mr. BROWN:

H.R. 8631. A bill for the relief of David B. Kilgore and Jimmie D. Rushing; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Our Foreign Aid Program

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. BRAY. Mr. Speaker, there follows herewith the report I made to my constituents 3 weeks ago on the subject of the foreign aid authorization:

The foreign aid authorization bill is before the Foreign Affairs Committee. We do not as yet know exactly what will be included in the committee's bill, but we are aware of what President Kennedy has requested.

The President has requested the largest amount in several years. He also has asked for two provisions which have not been included in previous foreign aid legislation. He is asking that part of this program be authorized for a period of 5 years rather than coming to the Congress on a year-to-year basis. Heretofore foreign aid has come before Congress in two ways—first for the annual authorization and then for the annual appropriation. Under the plan recommended by the President, the money would be available from the Treasury without a congressional appropriation, which is often called "back-door spending."

I view the foreign aid bill each year with mixed emotions. No one can deny that in some instances foreign aid has done a good job, nor can we deny that there were instances where it has done harm and actually injured the cause for which we are working. Except for the American people each year making their will felt through their representatives, foreign aid expenditures would have been far, far greater than they have been. It is easy for those close to the program to forget its basic purpose and get carried away in new proposals and projects. Congress has tried to apply the brakes.

My first contact with foreign aid was in 1945 and 1946 when I was with the military government in Korea. I saw Americans, with the best of intentions and sincerity, attempting to change an oriental economy and way of life into one like our own. We failed in doing it because we had the wrong approach. At that time I believed, and I still maintain, that the only successful aid that we can give a foreign people is to assist in educating them—I mean education in the broad sense—so that they themselves may improve their economy and culture in accordance with their needs. I am still trying to sell that philosophy, but I haven't had much success.

Included in our foreign aid bill are our programs which give military assistance, providing equipment and training to friendly allies such as Greece, Turkey and Pakistan. I believe our military aid should be considered separately from programs of economic aid, for it is materially assisting friendly foreign nations to defend themselves against Communist aggression. For years, however, the administration, regardless of party, has insisted on tying these programs together so that the popularity of military aid will "pull some of the unpopular facets of the program across."

The foreign aid bill will pass, but I will view it critically as I have always done. If some of us in Congress had not been putting the brakes on extravagant expending, the foreign aid program would be worse than it has been and much more expensive for the American taxpayer.

Cape Cod Conservatism: A Reality

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. PHILBIN. Mr. Speaker, I was greatly honored and thankful for the privilege accorded me on Monday, August 7, to attend, with some of my distinguished colleagues of Massachusetts and the Congress, the signing of the bill relating to the preservation of the beauties and most attractive features of Cape Cod.

As the author of H.R. 6720, which I introduced on April 8, 1957, in the 85th Congress, the first bill looking toward the proper conservation and development of Cape Cod presented to the Congress, I am naturally gratified that this legislation has finally been enacted into law.

The bill had bipartisan support, and several of my most distinguished colleagues of the Massachusetts delegation and of the House worked and cooperated wholeheartedly to make this legislation a reality.

Our great and beloved President himself and his colleague at the time, our distinguished senior Senator from Massachusetts, Senator LEVERETT SALTONSTALL, introduced this basic measure in the Senate, and my valued and distinguished friends and colleagues, Congressmen EDWARD P. BOLAND, THOMAS P. O'NEILL, and HASTINGS KEITH, introduced appropriate measures in the House.

Congressman KEITH, who represents the Cape Cod district, labored very ably and tirelessly in behalf of the bill. The able and distinguished gentleman from Texas, Congressman J. T. RUTHERFORD, and the outstanding members of the House National Parks Subcommittee, as well as the able, distinguished chairman of the Interior Committee, the gentleman from Colorado, Congressman WAYNE N. ASPINALL, and the gentlewoman from Idaho, Mrs. GRACIE PFOST, whose Public Lands Subcommittee did much of the initial work last year, rendered most valuable contributions in working out some of the perplexing problems that developed. Our colleagues on the Senate side also made unstinted contributions in behalf of the bill.

It was especially gratifying, in the most practicable sense, considering the difficulties and circumstances, that the bill for the most part takes into account the rights of private property owners and various communities on the cape, as well as the rights and interests of the Commonwealth of Massachusetts.

On the whole, I think it can be said that the bill, as enacted, represents about as fair and just a compromise as was possible in the light of the very various interests that were involved.

In a matter of this kind, where the broader, long time interests of the people as a whole must be served, it is virtually impossible to please everyone concerned, but I think that this particular bill has gone a long way in that direction and, to say the least, leaves a minimum of dissatisfaction.

I earnestly hope that the Department will carry out and administer the project provided by the bill in such a way to insure the conservation and most suitable development of one of the Nation's most cherished areas—our beloved Cape Cod.

Support for H.R. 6725

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. MULTER. Mr. Speaker, on May 1, 1961, I introduced H.R. 6725, a bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit.

This, the Truth in Lending Act, would require all persons extending credit to another to make full disclosure in writing of all finance charges prior to consummation of the transaction, under regulations to be prescribed by the Board of Governors of the Federal Reserve System.

In a report to the House Banking and Currency Committee on July 18, 1961, the Honorable Robert C. Weaver, Administrator of the Housing and Home Finance Agency stated:

The Housing Agency strongly supports the objectives of H.R. 6725, especially because of their salutary effect upon mortgage financing. We therefore favor enactment of legislation along the lines of this bill.

Mr. Speaker, millions of Americans buy on the installment plan, which means that they need credit. Since this is true, it behooves the Congress to see that they are informed of the true annual interest rate and all charges that will accrue as a result of this extension of credit.

I have urged our distinguished colleague from Kentucky [Mr. SPENCE], the chairman of the Banking and Currency Committee, to order hearings on H.R. 6725 just as soon as possible.

The American people have a right to know how much they are paying for the privilege before credit is accepted by them as a means of obtaining the consumer goods which make our standard of living possible. That applies to all extensions of retail credit.

Shut-Ins Plan Their Own Evaluation

EXTENSION OF REMARKS

OF

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. LATTA. Mr. Speaker, Mr. Luke Lewis, 640 North Summit Street, Bowling Green, Ohio, and a constituent of mine, has originated and put into being a plan worthy of the attention of all Americans. In a fast-moving, missile age it is most refreshing to find emphasis and value being placed on the little big things, as Mr. Lewis is doing.

Mr. Luke "Red" Lewis, alert, peppery 61-year-old citizen, who is confined to bed for all but 1 hour daily has launched a little big plan. Its title "Shut-In Project for Forgotten People." This plan was launched in mid-June with a barrage of some 800 incoming and outgoing phone calls from "Red" Lewis' beside, a task in itself as he has the use of only one hand. Mr. Lewis was concerned about the evacuation of the disabled in case of fire or disaster, bringing cheer to other shut-ins, interesting shut-ins in registering to vote, and providing fellow shut-ins with some type of communication with the non-shut-in world.

The evacuation plan has received the most urgent and prompt attention of Mr. Lewis. Through the medium of the press, the radio, and the telephone, he has prepared a list of 110 persons in the city of Bowling Green, Ohio, who would be in need of help and assistance in event of fire, tornado, or any other major disaster. The list that he has prepared contains the name and address of each person, the location of their room, as well as the infirmity or affliction that causes them to need such help or assistance.

It has been a tedious and laborious task writing the names and compiling pertinent information about the shut-ins for Mr. Lewis. This particular task has fallen to another shut-in. She is 18-year-old Joane Marski, a polio victim who types with one hand. The two consult several times daily by telephone and met only recently in person.

Mr. Lewis discussed his evacuation plan for shut-ins with Mayor F. Gus Skibbie, Fire Chief Morris Instone, and Sheriff Earl Rife, as well as Merle Klotz and J. W. Burris, the fire chief and assistant fire chief, respectively, of Center Township, and has received their enthusiastic support.

At an initial trial-run recently, Mr. Lewis was removed from his home within 10 minutes from the time his call for assistance was made.

To implement the disaster-evacuation plan for shut-ins, the four service clubs, Lions, Exchange, Rotary, and Kiwanis, have been asked to lend assistance to the fire and police units in the event of a disaster. This they have agreed to do. Mr. Lewis is also urging the service clubs to institute a Big Brother monthly visitation program for the shut-ins. "These people don't want sympathy," says Mr. Lewis. "They want a kind word and affection. Some of them have no visitors at all."

Already he has found the project has a number of possibilities for bringing cheer to others. For example, he learned that a blind lady was using a rope from her door to get to her rural mailbox on a heavily truck-traveled road. Through the use of his telephone, Mr. Lewis called this lady's case to the attention of Police Lt. Wayne Canfield, who purchased a new mailbox for her and installed it next to her door.

Mr. Lewis has solicited assistance from the Bowling Green bookmobile librarian in providing reading material for shut-ins.

Mr. Lewis plans a campaign to register his fellow shut-ins to make them eligible to vote. "I don't care what their political party is: I think they should vote," said Mr. Lewis, a former Bowling Green constable.

He believes some of the needy shut-ins might like radios and is working on a plan to provide poinsettia plants and chocolates to each shut-in at Christmastime. By the time these plans are completed, Mr. Lewis will probably have others and his chain of ideas could go on ad infinitum.

As I have pointed out, this program began as an idea conceived by a shut-in. The idea has ignited action in our community and it is only fitting that it should spread throughout the length and breadth of the United States.

Declaration of Contraband Against Communist Arms and Munitions in the Western Hemisphere

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. HOSMER. Mr. Speaker, I take this means of calling attention to the joint resolution I have introduced today declaring Communist arms and munitions contraband in the Western Hemisphere, directing the President to promulgate specific contraband lists, including petroleum products, and directing the President to use appropriate U.S. forces to enforce the contraband.

The text of the joint resolution and my explanations thereof will be found in the body of today's RECORD during proceedings of the House of Representatives. These can best be read in context of House Joint Resolution 517 "declaring that a state of conflict exists between the international Communist conspiracy and the Government and the people of the United States and making provisions to prosecute the same," text of which, together with my explanations thereof, starts at page 14797 of proceedings in the House for Monday, August 7, 1961.

Top-Level Performance

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. BROOKS of Louisiana. Mr. Speaker, the city of New York has many attractions but one of the most oustanding is that of the Centenary College Choir of Shreveport, La. This choir is performing at New York's largest music hall—seating an estimated 6,000 people—and is a credit to its native State and to the music community. If one wishes to enjoy a truly rare treat with all the loveliness and pristine beauty of young southern womanhood and the handsomeness and enthusiasm of young southern college men, one should present himself at one of the four performances being held each day in Radio City Music Hall at 50th and Broadway, New York City. It is a performance which the music and entertainment lovers of this country will not forget.

On Saturday, July 29, I caught the Air Shuttle Service from Washington to New York City to spend a part of that day with Dr. A. C. Voran, director, and members of the Centenary Choir from Centenary College, Shreveport, La. The choir began a 4-week engagement in New York City on July 5 and is being held over an additional 3 or 4 weeks, which will break all Radio City Music Hall records for summer attendance.

I had been hearing many fine reports regarding the work and performance of members of the Centenary College Choir and I arrived at the Music Hall in time to see one of the regular performances they give each day. Only 30 of the 40 choir members appear for a performance, thus allowing some time off for sightseeing and relaxation. With the opening of a curtain emblazoned with a map of the United States on which Louisiana and Shreveport were prominently identified, and to the music of the Music Hall's 54-piece orchestra, a loud backstage voice announced the choir: "It is a privilege to have the famous Centenary College Choir from the Centenary College, Shreveport, La.," and

the entire choir swung into their featured act—a medley of Stephen Foster's "My Old Kentucky Home," "Beautiful Dreamer" and "Camptown Races"—entitled "Playtime Down South."

I have had the opportunity to listen to the choir perform in Shreveport on many occasions and they have always given a performance of merit and have reflected real credit upon Centenary College and Louisiana, but after 4 active weeks at what is probably this country's largest music hall these lovely young ladies and young men showed the poise of veterans on the stage and were superb.

Everyone to whom I spoke in New York lauded the work of the Centenary Choir. One of the most welcome tributes, however, came from the practiced ear of the Music Hall's Walter Farrar who wrote—

> This group is one of the best choral groups that I have ever seen or heard in this huge theater. They look good. They carry themselves like true ladies and gentlemen and show good manners. This group is a credit to their parents, their college, Shreveport, and are good representatives of their lovely State of Louisiana.

I think one of the finest things which the choir has done during its stay of more than a month in the largest city of the Nation has been its ability to make friends locally. The stagehands, the ticket takers, the box office personnel, and others around the theater all praise the choir members for their fine conduct as representatives of Louisiana. Even those who passed on the street, having previously seen the performance, were loud in their praise of the fine manner in which these young men handled themselves, both on and off stage and they especially praised their ability to make friends.

I do not know that the choir will return to New York in the future but I can say that Centenary College Choir will take back to Louisiana very happy recollections of a visit of almost 2 months in the Empire State. At the same time I believe that the people of New York, together with visitors there, will long remember the Centenary College Choir.

The National Lottery of Poland

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. FINO. Mr. Speaker, I would like to point out to the Members of this House the national lottery of Poland. This lottery was not established by the Communists, for lotteries in Poland are traditional—they date back to 1808.

The Communist Government of Poland operates the national lottery in much the same way as do the governments of other nations. In 1960, gross receipts came to $53 million. The Government profit was close to $17 million.

Actually, most Communist governments are not prone toward lotteries. Only a few of the Communist nations utilize them. Of those European nations not operating lotteries, the overwhelming majority are Communist. The reason is quite simple—the Communists frown on gambling as being frivolous and undesirable in what they call the new Socialist man. This is just another manifestation of human individualism that the Communists refuse to recognize—we are in rare company.

Southern California International Exposition of 1966

EXTENSION OF REMARKS

OF

HON. ALPHONZO E. BELL, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

CONGRESSIONAL SUPPORT

Mr. BELL. Mr. Speaker, along with my esteemed colleague, the Honorable CRAIG HOSMER, and with the Honorable JAMES C. CORMAN, on August 7, 1961, I introduced in the House of Representatives a bill sponsoring a Southern California International Exposition to be held in 1966. Senators KUCHEL and ENGLE sponsored an identical bill in the Senate on the same day.

LOCAL SUPPORT

From the State legislature on down to the Long Beach Board of Harbor Commissioners and City Council, endorsement of this important event has been registered. The support is overwhelming.

Assurance of basic support for the project by all important segments of the community, such as industry, labor, civic groups, and so on, is of vital importance to the success of the program.

VENTURE MUST BE SOUND

One of the greatest concerns over sponsorship of such an event as the Southern California International Exposition is the fiscal soundness of the venture. Myriad problems, beyond the span of individual comprehension, are certain to arise. Ceilings to curb exorbitant salaries, to prevent abusive use of expense accounts and other slush funds are vital to sound operation. Adequate accounting and auditing mechanisms and procedures require scrupulously abiding standards. Competitive bidding and denial of favoritism in construction, leasing and the thousands of other transactions inherent in such an undertaking are indispensable. Especial concern must be directed at winding up the affairs of the managing corporation after the exposition has run its full course.

The above considerations barely scratch surface, but they are indicative of portending problems.

EXPOSITION TREASURER: IVY BAKER PRIEST

It was with great confidence that I was to put full faith behind the Southern California International Exposition when I learned that Mrs. Ivy Baker Priest Stevens, former Treasurer of the United States, serves as treasurer of the exposition. Full and unflinching confidence may be vested in her, as representative of the caliber of personnel promoting this great international event.

And, with Fred Hall, former Governor and Supreme Court Justice of Kansas, serving as general manager of the exposition, the topflight leadership driving the event is well toward significant accomplishment.

BENEFITS

It is my hope that southern California itself, Long Beach and environs will be substantially benefited as a result of hosting the Southern California International Exposition. Some of these benefits might include: First, the encouragement of international exhibitors to settle and open up branch offices; second, the reciprocal advantage of local firms developing contacts for expanding new domestic and oversea markets; and third, the generation of tourist revenues. Benefit to the community should have a lasting effect.

In addition, benefits from a successful program of this kind should inure to the benefit of the United States. On a national scale, for example, some of these benefits might include: First, promotion of international good will; second, furtherance of world trade and development of new international markets; third, familiarization, through an international showcase, of large groups of people with the latest technical advancement and industrial programs, with the concomitant of showing off our proud industrial might; fourth, stimulation toward improvement of domestic products by providing competition among national products. The international competition thus fostered, within reasonable tariff regulations, might tend to curb inflation by forcing industry to keep costs down.

EXPOSITIONS INCREASING

Today a rising ground swell of international expositions, world fairs, and other events are underway. With this newly introduced legislation my colleagues and I have sponsored, southern California is in early on that rising swell. It remains a question of policy to be decided by Congress whether the Southern California International Exposition will be favored financially.

PRECEDENT OF GOVERNMENT CONTRIBUTIONS

Since 1867 Congress has traditionally provided financial contribution to these events of international significance. To date about 60 such events have received Federal recognition by grants of money. To mention a few: The New York World's Fair, 1939–40—$3,275,000—out of a total of $27,829,500 in subscribed funds; the San Francisco Golden Gate International Exposition, 1939–40—$1,700,000; the Universal and International Exhibition at Brussels, 1958—$16,400,000.

TRADE FAIRS

In addition, the Commerce Department's Office of International Trade Fairs encourages U.S. participation in international trade fairs. It was not until 1954 that the U.S. Government gave official support to the participation of Americans in international trade fairs. At that point, the Soviet Union had already participated in 133 international

trade fairs since World War II. Since 1954, and through October 31, 1959, there have been 82 official exhibits in 28 countries, participated in by more than 5,000 American contributors, and viewed by more than 50 million people. This is another good way to sell America to peoples of foreign lands.

SEATTLE'S CENTURY 21 EXPOSITION

Our good friends to the north in Seattle have the privilege of hosting the first international exposition to be held in the United States for 23 years. Seattle's Century 21 Exposition will open April 21, 1962. It will be followed by a New York exhibition in 1964. Dallas, and other communities are also considering similar undertakings in various stages of planning and development.

Seattle's Century 21 Exposition was bolstered by receipt of $9 million in 1959 when the U.S. Congress appropriated that sum to become prime exhibitor. Authorization—dollar ceiling Congress OK's—for Century 21 was $12.5 million. No authorization or appropriation has yet been accorded to California. The bill I introduced August 7 would open that door.

INCREASING COMPETITION

One thing is certain. Because of the profusion of local interests pushing such events, some sort of standardized criteria of recognition by Congress will have to be established. Otherwise, conflicts of exposition dates, and an overabundance of these events will diminish their value and importance. Otherwise, objections regarding tariff regulations to international shipments of sample goods, and so forth, will rise to plague the Congress.

IDEA IS SOUND; PLANNING MUST BE SOUND

The basic idea of a Southern California International Exposition is sound. If the planning and support is likewise sound, the Southern California International Exposition will benefit the Nation and the State.

Testimony of Hon. Abraham J. Multer, of New York, Before the Committee on Banking and Currency, U.S. House of Representatives, on Small Business Investment Act Amendments of 1961

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 9, 1961

Mr. MULTER. Mr. Speaker, on August 3, 1961, I was privileged to testify before Subcommittee No. 2 of the Banking and Currency Committee on proposals for amending the Small Business Investment Act. I commend to the attention of our colleagues the transcript of my remarks upon that occasion:

STATEMENT OF HON. ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, AUGUST 3, 1961

Mr. PATMAN. We have as our next witness one of our colleagues, the Honorable ABRAHAM J. MULTER, a member of the Committee on Banking and Currency, who desires to testify. Mr. MULTER, we are glad to have you, sir.

Mr. MULTER. Thank you, Mr. Chairman. It is always a privilege to take this seat and submit myself to questions of the members of the committee.

I take the time of the committee this morning to urge a word of caution. When we first enacted this bill in 1958, we had great hopes for the small business investment companies that would be established under it. In the first 20 months of operation under the new law, only 95 companies qualified and received licenses. In the last 12 months, an additional 230 companies have qualified and been licensed as small business investment companies—giving us a total, up to about 3 weeks ago, of 325. There may have been more issued since. But those are the latest figures published by the Small Business Administration.

Of that number, some 28 are publicly owned. Obviously there hasn't been too much experience by the Small Business Administration in connection with the operation of these new companies. We still have great hopes for them. We still hope that they will be able to do the job that has not been heretofore done for small business by way of long-term equity investments that are so necessary for the operation of a small business.

At the same time, I think before we make any very substantial changes in the basic statute, we ought to await the experience that can be reported to us by those most closely concerned with the administration and supervision of these companies. We must learn a great deal more before we allocate or promise any very substantial new moneys or increased moneys to these companies.

My own view is that those companies, like the 28 that have gone public, some for as much as $20 million—a single public issue of $20 million was oversubscribed when it was offered to the public—when they are able to raise that kind of money for these projects by public subscription, I think they are demonstrating that they don't need Government money for those projects.

I would go even further than the Small Business Administrator [Mr. Horne] has gone on that score. Where the bill calls for lending up to $1 million—and obviously it is only the big companies that could qualify for a $1 million loan from SBA for this purpose—while Mr. Horne suggests a lower limit and says, "Let's limit that only to $500,000," in my opinion it is only those big companies that qualify for that kind of money, and they don't need it.

If they can get as much as $10 million at a single underwriting or $20 million at a single underwriting, they ought not to come to the U.S. Government for any of this money at low interest rates.

In addition to that, I think we should have in mind that we limit any single loan by SBA to a small business firm of $350,000. How are we going to justify limiting to $350,000 as the maximum we loan to a single small business concern and at the same time lend as much as $500,000 to a private enterprise at a low interest to relend at high interest rates, plus equity positions, to the small businessman who needs our help?

I want to see this program, as I am sure every other member of this committee does, succeed. I hope that we don't do anything that will cause it to get into trouble. We all remember only too well that the RFC was a good operation. But just a few scandalous incidents destroyed it and caused the Congress to repeal the RFC Act.

It took us a long time to try to get something to take its place. SBA takes its place to a small extent. The SBIC Act does it along a different line. I do hope that as we make progress we will proceed cautiously.

Let us get a few—not a few, but a substantial number of—years of experience behind us. Certainly as to these 230 companies that are in business only a year or less, we have no real experience as to whether they are going to be profitable operations, whether they are going to do the job that is intended to be done by them or not.

As to the other 95, we have some fair experience over the last 3 years but certainly not enough. Before we give them additional powers and additional borrowing power, I think we ought to get a very detailed report on their operations.

I don't think it is necessary to remind the committee that when we said we would require a minimum capital of $150,000 for a small business investment company, we did that in order to give the companies in the smaller communities—where there wasn't the big money available which there is in the big municipalities and the big urban areas like New York, Philadelphia, Boston, Los Angeles, Chicago, even Dallas and Houston, where there are substantial sums of money available for this purpose—we put that minimum in so that the smaller community could build a small business or obtain a small business investment company that could do a job locally.

And bear in mind we wrote into the act that these companies were to indicate, as part of their license application, where they intended to operate—having in mind that we wanted them to operate locally to help the local people.

We never contemplated that most of these companies were going to organize by putting in merely the minimum of $150,000 capital and come down here and borrow another $150,000 and try to operate on $300,000.

During the course of the hearings and during the course of the debate, it was made perfectly clear that, for a big operation, for an operation that would have to service a large urban community, one would need a lot more than $300,000 because one couldn't earn enough on the $300,000 to pay the expense of a big operation.

But we also made it clear that that was to be the minimum; and in the larger communities we expected, as has happened, that some of them would organize for $1 million and some for much more.

That is what is needed in these larger communities. I don't think we ought to supplement what is required by way of capital investment for the small business investment companies in the big cities by letting them come down here and get from the Government, from SBA, the difference that they ought to be putting in in capital.

After some years of successful experience, after we see that they are doing a good job and that we can afford to risk lending them more money, perhaps we can amend the statute to give them a greater leverage.

But I think in the first instance we are doing enough for them now. I certainly would not like to see extended the maximum amount that may be lent to any of these small business investment companies beyond the amount that we now lend to a small business investment company directly.

We never intended these two operations should be competitive with one another. A small business investment company was to supplement the lending program of SBA by equity investment and long-term loans that SBA ought not to make directly. Having in mind that these people would then be investing their own money, we sought to give them some help.

But let's not now give them so much Government help that they will be doing the job with Government money. Let them make the maximum investment and the Government the minimum investment in these projects until such time as they really prove themselves as good, profitable, safe operations.

There is one thing that has not been touched upon in the bill that I would like to suggest again to the committee, which should require the most serious consideration. When we wrote the act originally, we put a provision into the act, section 301(d), setting forth 11 different items with reference to the organization of these corporations, their powers, what they could do, and the like.

Among other things, we said there that we required the incorporators of these companies in 301(a) to be not less than 10 persons, having in mind 10 individuals. I think the history of the legislation indicated that we wanted diversity of interest in the organization of these small business investment companies and we wanted individuals in them.

What we have seen happen is just as we did with some of the banks, where the statute specifically requires the incorporators to be individuals and that the directors be individuals who own stock as individuals in the banks. All sorts of strategems have been devised so as to evade that and avoid it. So, too, in the organization of many of these small business investment companies.

Instead of getting 10 individuals who were going to be interested in the company and operate the company and have their money in it, time after time we found that there were 10 dummies named. The applications were perfectly frank. They said, "This small business investment company is being formed by a bank or by an investment company"—or whoever it was who was doing the underwriting—and they indicated the 10 people or the 10 incorporators were representatives or dummies and they avoided and evaded that requirement of the law.

The way the act is written, section 301(d) is a dead letter. It applies only to federally chartered corporations. It expired by lapse of time and apparently there is no intention of extending it. In 1960, we repealed subdivision 9 of the section as unnecessary. We should now repeal the entire section, even though it is the only section in the act which sets forth any standards, powers, or restrictions.

That is not to say, however, that we should not set forth such standards and the like. The Federal Reserve Act, the National Bank Act, and every similar statute sets up minimum standards, powers, and restrictions.

We must write into this bill minimum standards, authorizations, and limitations which SBA must require of every licensee. They may be the same as in section 301(d) or they may be more or less stringent.

I think this committee should forthrightly and frankly meet the issue. If these criteria are to be used by the SBA in determining whether or not a State-chartered company qualifies for a license, we should say so—and let's make it clear that that is what we want them to do, as to all of the criteria set forth.

Let's indicate what these standards should be, then SBA, in taking applications from small business investment companies, will apply each of these criteria to the extent that we want them applied.

There are one or two other matters that I would like to review briefly with the committee with reference to the bill.

If section 2 is to remain in the bill by way of an amendment to 302(a), then I suggest that the language should be changed so that, instead of providing for the lesser of $1 million or whatever amount we agree upon—whether it be $350,000 or $500,000 as suggested by Mr. Horne—whatever that amount is, the section should not read "the lesser of" that amount, or "the amount of capital and surplus of a small business investment company from other sources."

I suggest that that language should be changed to read "or the amount of the paid-in cash capital and accumulated surplus of sound value of the small investment company."

Otherwise you are going to get a paper capital and surplus which is set up as a matter of bookkeeping and good accounting practice on the basis of which they will then be able to borrow the equivalent amount or 50 percent of that amount and easily get around what we intended there.

I think what we intend is that the Government should lend a certain percentage or a certain amount equal to what they have actually invested in cash or good securities, and not permit them to put in paper which may be stock in another company that has a book value of a lot less than the par value. The book value may actually be nil because the investment—while originally there may have been a cash investment of $500,000 or more, when they actually get to taking that paper into the small business investment company as part of its capital—it may actually have little or no value.

I am sure this committee doesn't want paper values to be taken as against sound values in determining how much of U.S. Government money should go into these organizations.

In each of these other provisions, if they should remain in the bill—for instance, in section 4—Mr. Horne has made some very good suggestions as to amending that language in each of those sections. I would go further and suggest that we give the Small Business Administration the right to approve in each of these subdivisions so that they can have complete control of the situation and we don't get into some of the situations that Mr. Horne indicated we might get into, which would be bad and give a black eye to the whole program and in some instances cause a loss of Government money as well as the original investors' money in the SBIC.

In other words, if we are going to bring in other than financial institutions, if we are going to let individuals participate in these investments that are made by the small business investment company to the small business concern, then go one step further than Mr. Horne has suggested and require that in each of those instances the SBA should review and approve or disapprove—as the case may be—such outside participation by individuals in order to avoid the possibility of self-dealing and even doubledealing.

In none of these things that I am saying to the committee am I trying to impugn the motives or good faith of any of the people who are in this program up to the present time or who may get into the program.

But I remember very well what happened in the 1920's and the 1930's. I think many of the members of this committee do, too. Most of the trouble that our financial institutions got into in those days, when the depression struck and people were demanding their money and the bottom fell out of the market, was caused by self-dealing.

We then found that banks and financial institutions, instead of making good loans in the institution at fair rates and at fair charges, were sending these people upstairs or across the street or around the corner to a finance company that was owned and controlled by officers of the financial institution. There they made the loans. At first they were sound loans, but they were sent in there to make them because—instead of at a fair interest rate and a fair service charge—they were able to charge bonuses and survey charges and appraisal fees and lawyers' fees and other exorbitant charges and high interest rates, too.

Then as business piled up, they began to get all the bad loans and the bad investments, borrowing from the bank and the financial institution at low interest rates and making the unsound loans at high interest rates.

Then when the crash came, the financial institutions and the banks went looking for their money from the finance company. The finance company couldn't pay back because it had a lot of bad loans and bad investments. Those things that couldn't be done by a regulated institution were done by the unregulated institution.

We want to be sure that the same kind of a situation doesn't happen here. Therefore I think we must lean over backward to make sure that we prohibit that kind of situation occurring again—and it can occur.

We have already given an incentive to that being done when we permit the bank to charge a fee to the small business investment company and we permit the small business investment company to charge a fee to the bank. That is already in the act. Now there is an attempt to enlarge that and go even further. Bear in mind that while banks are regulated and supervised carefully, SBA has not got that same power and authority to go in and supervise and regulate the complete operation of the SBIC. If the time comes when we give them the authority to send their examiners in regularly and look at what is being done from day to day, as the bank examiners do, maybe we can go a little further.

I don't think the time has yet come to do that.

I am in agreement, as I indicated yesterday, with the objections of the Securities and Exchange Commission to the amendments proposed here that would seek to amend the Securities and Exchange Commission Act. I think Mr. Horne also agrees that that should not be done. To the extent these companies are entitled to or will be entitled to exemptions, they can get it by regulation. They can get it by application to SEC.

Until we have more experience under our belt in the operation of these small business investment companies, let's not change the supervision that SEC now has and will have by vitrue of the applications for exemptions under this act. Let's not change that yet. The time may come when we may want to do it, but I doubt whether that time has arrived as yet.

Mr. Chairman, that is my presentation.

Mr. PATMAN. We appreciate your testimony, Mr. MULTER. We value your opinions, and they will certainly be considered.

I want to ask you two or three questions. One is, do you recommend $350,000 instead of $500,000 as the proper limit of SBA's capital investment in an SBIC?

Mr. MULTER. Yes. I think we would be safer not to go beyond $350,000 at this time.

Mr. PATMAN. In view of the fact that the SBA doesn't have the examining force to supervise these small business investment companies and cannot accomplish supervision at this time? That is your reasoning?

Mr. MULTER. Yes, sir.

Mr. PATMAN. Did you make a comment on permitting the banks to increase the amount of their participation above the 1 percent that is now allowed by law?

Mr. MULTER. No; I did not, sir. I am glad you bring it to my attention, because I think we ought not to make that change either. I have received communications—as other Members have—urging that we increase it.

Originally I think this committee had in mind that the banks which up to that time wouldn't get into this kind of an operation—it is true in many States they didn't have the authority and the power under State law to do it—but they never sought a change in the State law so as to permit them to do it.

They didn't begin to get into this program until after the Federal Reserve Board and other agencies of Government had reported to the Congress that there was no facility for this kind of money.

We set up this program. We set it up with tax advantages to get people to come

into it. We wanted the banks to get into it, too. We thought when we put in these—at least I did, and I think many of the other members did—when we put in a provision permitting the banks to invest up to 1 percent in these small business investment companies that they would be taking participations, not organizing and setting up these companies as subsidiaries and affiliates.

That may be a good thing. Maybe they have now found a way of doing this job that is necessary to be done. But before we let them go beyond the present 1 percent, let's find out whether they are going to be good operations. Let's find out if they are going to be used for self-dealing or for doubledealing in doing some of the things that we had to condemn in the twenties and the thirties.

Let's make sure they are good operations before we let them get into it to any greater extent.

Mr. PATMAN. Thank you very kindly, sir.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 10, 1961

The House met at 12 o'clock noon.

Rev. Samuel Rice, Main Street Presbyterian Church, Honey Grove, Tex., offered the following prayer:

Almighty and most gracious God, Father of mankind, Maker of all good things, Sustainer and Preserver of all which Thou hast made; we pause in this place at this time to acknowledge Thee as our sovereign Lord.

We thank Thee for this Nation, for the principles on which it was founded and through which it has endured; for the rights insured us and for the freedoms we are privileged to enjoy.

Bless this day this body of Congress. Be with the Speaker and each Member. May Thy blessing fall upon our President and all who are in positions of authority over us, into whose hands falls the responsibility for reaching the decisions so important for our time. In these serious days, guide them in Thy way that their decisions may be in accord with Thy will for the common good of all mankind.

We pray for the nations of the world that all may come to know Thee and respond to Thy blessing.

And, O Lord, we pray for world peace. Cause us to realize that such peace may be won and preserved when we bring glory to Thee and exhibit a deep sense of brotherhood toward all men everywhere. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1085. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes; and

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936.

COMMITTEE ON RULES

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday night to file certain privileged reports.

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

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Saturday to file a report on the bill H.R. 84, the small producers bill on lead and zinc.

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

There was no objection.

CERTAIN AUTHORITY GRANTED THE SPEAKER AND CLERK OF THE HOUSE DURING BALANCE OF THE PRESENT SESSION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House during the present session of the 87th Congress, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

Mr. GROSS. Mr. Speaker, reserving the right to object, are we going to enter into some recesses or adjournments of the House?

Mr. McCORMACK. For example, such as adjourning from Friday to Monday.

Mr. GROSS. That is all the gentleman has in mind?

Mr. McCORMACK. That is all.

Mr. GROSS. While I have the floor under a reservation of objection, can the gentleman tell us when we may expect to get out of Washington on a sine die adjournment?

Mr. McCORMACK. I have hopes, but not ideas.

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

There was no objection.

PERSONAL EXPLANATION

Mr. COHELAN. Mr. Speaker, I was absent on official business during rollcall No. 142 on yesterday. I would like the RECORD to show that had I been present I would have voted "aye."

THE LATE GENERAL BEDELL SMITH

Mr. HARVEY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, last night marked the passing of a great military man and a great Hoosier. Gen. Bedell Smith passed away and I know the whole Nation will mourn the loss.

I know I speak for all my Indiana colleagues in mourning his passing and extending our sympathy to his family.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. HARVEY of Indiana. I yield.

Mr. BRAY. Gen. Bedell Smith is well known in Indiana. He lived in Indianapolis and went to the Manual Training High School. He was one of America's really great soldiers and statesmen. We all mourn the passing of a truly great American.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 143]

Adair	Fino	Martin, Mass.
Alexander	Griffiths	May
Anderson, Ill.	Hall	O'Konski
Blitch	Halleck	Powell
Buckley	Hardy	Rabaut
Carey	Harrison, Va.	Randall
Celler	Harsha	Rivers, S.C.
Coad	Healey	Roberts
Cook	Hoeven	Rostenkowski
Davis, James C.	Hosmer	Rousselot
	Huddleston	Santangelo
Davis, Tenn.	Jones, Mo.	Steed
Dawson	Kearns	Teague, Tex.
Derwinski	Kilburn	Thompson, La.
Diggs	Landrum	Vinson
Dooley	Lesinski	Weaver
Ellsworth	Lindsay	Weis
Evins	McMillan	Winstead
Farbstein	McVey	Yates

The SPEAKER pro tempore (Mr. ALBERT). On this roll 378 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1962

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the