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

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part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement submitted by Mr. MAHON are as follows:

CONFERENCE REPORT (H. REPT. NO. 873)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) "making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 34, 72, and 73.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 13, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 40, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 55, 56, 57, 58, 59, 60, 61, 62, 63, 66, 67, 68, and 70, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,697,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,735,710,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,889,535,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$187,300,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,486,740,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$171,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$199,600,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,532,602,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,680,888,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$852,012,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$264,600,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,199,614,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$514,500,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$401,604,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,744,784,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,100,932,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,203,200,000, to remain available until expended."; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $1,301,470,000, to remain available until expended."; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert:

"For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $2,403,260,000, to remain available until expended, of which $185,800,000 shall be available only for the Dyna-Soar program"; and the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment, as follows: In lieu of the number proposed, insert: "640"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 26, 41, 54, 64, 65, 69, 71, 74, and 75.

GEORGE MAHON,
HARRY R. SHEPPARD,
CLARENCE CANNON,
GERALD R. FORD, JR.,
JOHN TABER,
Managers on the Part of the House.

A. WILLIS ROBERTSON,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN C. STENNIS,
HARRY F. BYRD,
LEVERETT H. SALTONSTALL,
(except to (1))
STYLES BRIDGES,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF DEFENSE

Title I. Military personnel

Amendment No. 1: Military personnel, Army: Appropriates $3,697,000,000 instead of $3,202,000,000 as proposed by the House and $3,737,000,000 as proposed by the Senate.

Amendment No. 2: Military personnel, Army: Deletes language proposed by the Senate.

Amendment No. 3: Military personnel, Navy: Appropriates $2,692,000,000 as proposed by the Senate instead of $2,600,000,000 as proposed by the House.

Amendment No. 4: Military personnel, Air Force: Appropriates $4,197,000,000 as proposed by the Senate instead of $4,033,000,000 as proposed by the House.

Amendment No. 5: Reserve personnel, Air Force: Deletes language proposed by the Senate.

Amendment No. 6: Reserve personnel, Air Force: Appropriates $56,000,000 as proposed by the Senate instead of $52,000,000 as proposed by the House.

Title II. Operation and maintenance

Amendment No. 7: Operation and maintenance, Army: Appropriates $3,735,710,000 instead of $3,330,460,000 as proposed by the House and $3,747,710,000 as proposed by the Senate.

Amendment No. 8: Operation and maintenance, Navy: Appropriates $2,889,535,000 instead of $2,695,885,000 as proposed by the House and $2,896,900,000 as proposed by the Senate. The Committee of Conference is in agreement that the Navy should place its blue collar workers on a biweekly payroll basis as soon as practicable, but no later than January 1, 1962.

Amendment No. 9: Operation and maintenance, Marine Corps: Appropriates $187,300,000 instead of $186,700,000 as proposed by the House and $187,900,000 as proposed by the Senate.

Amendment No. 10: Operation and maintenance, Air Force: Appropriates $4,486,740,000 instead of $4,299,740,000 as proposed

by the House and $4,498,541,000 as proposed by the Senate. The Committee of Conference is in agreement that the study relating to ballistic missile site support aircraft should be expedited.

Amendment No. 11: Operation and maintenance, Army National Guard: Appropriates, $171,000,000 instead of $169,900,000 as proposed by the House and $173,300,000 as proposed by the Senate. The Committee of Conference favors a retirement system for National Guard technicians, but feels that appropriate legislation should precede appropriations.

Amendment No. 12: Operation and maintenance, Air National Guard: Appropriates $199,600,000 instead of $193,600,000 as proposed by the House and $206,400,000 as proposed by the Senate.

Amendment No. 13: Claims, Department of Defense: Makes technical correction as proposed by the Senate.

Title III. Procurement

Amendment No. 14: Procurement of equipment and missiles, Army: Appropriates $2,532,602,000 instead of $1,991,360,000 as proposed by the House and $2,543,642,000 as proposed by the Senate. The conferees have approved $282,000 for ammunition and rifles for the National Board for the Promotion of Rifle Practice as proposed by the Senate.

Amendment No. 15: Procurement of aircraft and missiles, Navy: Appropriates $2,680,888,000 instead of $2,148,160,000 as proposed by the House and $2,691,760,000 as proposed by the Senate.

Amendment No. 16: Other procurement, Navy: Appropriates $852,012,000 instead of $689,920,000 as proposed by the House and $855,320,000 as proposed by the Senate.

Amendment No. 17: Procurement, Marine Corps: Appropriates $264,600,000 instead of $198,940,000 as proposed by the House and $265,940,000 as proposed by the Senate.

Amendment No. 18: Aircraft procurement, Air Force: Appropriates $3,199,614,000 instead of $2,916,684,000 as proposed by the House and $3,223,444,000 as proposed by the Senate. The Committee on Conference has approved $10,000,000 of the $19,100,000 included in the budget estimates for the procurement of utility type aircraft, which can only be obligated when the Secretary of Defense has determined that such procurement is a part of a coordinated replacement program for such aircraft.

Amendment No. 19: Aircraft procurement, Air Force: Provides that $514,500,000 of the amount appropriated for Aircraft Procurement, Air Force shall be available only for the procurement of long-range bombers instead of $448,840,000 as proposed by the House and $525,000,000 as proposed by the Senate.

Amendment No. 20: Airlift modernization, Air Force: Appropriates $401,604,000 instead of $320,656,000 as proposed by the House and $403,256,000 as proposed by the Senate.

Amendment No. 21: Missile procurement, Air Force: Appropriates $2,744,784,000 instead of $2,736,160,000 as proposed by the House and $2,744,960,000 as proposed by the Senate.

Amendment No. 22: Other procurement, Air Force: Appropriates $1,100,932,000 instead of $981,274,000 as proposed by the House and $1,103,374,000 as proposed by the Senate.

Title IV. Research, development, test, and evaluation

Amendment No. 23: Research, development, test, and evaluation, Army: Appropriates $1,203,200,000 instead of $1,202,700,000 as proposed by the House and $1,203,700,000 as proposed by the Senate, and deletes language proposed by the House and approves language as proposed by the Senate. It is the intent of the Committee of Conference that the cost of operation and maintenance of Department of Defense installations and facilities be financed on an annual basis corresponding with the fiscal year. This intent also pertains to amendments numbered 24 and 25.

Amendment No. 24: Research, development, test, and evaluation, Navy: Appropriates $1,301,470,000 instead of $1,300,937,000 as proposed by the House and $1,302,000,000 as proposed by the Senate, and deletes language as proposed by the House and approves language as proposed by the Senate.

Amendment No. 25: Research, development, test, and evaluation, Air Force: Appropriates $2,403,260,000 instead of $2,002,-924,000 as proposed by the House and $2,-452,440,000 as proposed by the Senate. The Committee of Conference is in agreement that $400,000,000 of this appropriation shall be available for the B-70 program. The language of the House has been deleted and the language as proposed by the Senate approved except that the limitation of the House making $185,800,000 available only for the Dyna-Soar program has been restored.

Title V. Civil defense, Department of Defense

Amendment No. 26: Reported in disagreement.

Title VI. General provisions

Amendment No. 27: General provisions: Changes title number.

Amendments Nos. 28 through 33: General provisions: Change section numbers.

Amendment No. 34: General provision: Provides average payment of not to exceed $275 per student for primary and secondary schooling for minor dependents in overseas areas, as proposed by the House, instead of $285 as proposed by the Senate.

Amendments Nos. 35 through 40: General provisions: Change section numbers.

Amendment No. 41: General provisions: Reported in disagreement.

Amendments Nos. 42 through 53: General provisions: Change section numbers.

Amendment No. 54: General provisions: Reported in disagreement.

Amendments Nos. 55 through 63: General provisions: Change section numbers.

Amendment No. 64: General provisions: Reported in disagreement.

Amendment No. 65: General provisions: Reported in disagreement.

Amendment No. 66: General provisions: Strikes out language proposed by the House relating to flight pay.

Amendments Nos. 67 and 68: General provisions: Change section numbers.

Amendment No. 69: General provisions: Reported in disagreement.

Amendment No. 70: General provisions: Changes section number.

Amendment No. 71: General provisions: Reported in disagreement. The managers on the part of the House will move to recede and concur with an amendment adding the word "alteration" to the Senate language. The Committee of Conference is in agreement that the word "alteration" as proposed in this section is not synonymous with repair.

Amendment No. 72: General provisions: Strikes out language proposed by the Senate relating to retirement contributions for certain State civilian employees of the Army National Guard and the Air National Guard.

Amendment No. 73: General provisions: Strikes out language proposed by the Senate relating to representation allowances.

Amendment No. 74: General provisions: Reported in disagreement.

Amendment No. 75: General provisions: Reported in disagreement.

Amendment No. 76: General provisions: Changes section number.

GEORGE MAHON,
HARRY R. SHEPPARD,
CLARENCE CANNON,
GERALD R. FORD, JR.,
JOHN TABER,
Managers on the Part of the House.

Mr. MAHON. Mr. Speaker, this is the conference report on the defense appropriation bill. The comparable bill last year provided appropriations in the sum of $39,996,608,000. The bill this year provides appropriations for the Department of Defense in the sum of $46.5 billion, and if the House approves, $207 million for civil defense. So to the extent of more than $6 billion this is the largest peacetime defense bill in the history of our Government.

This bill is $3.7 billion over the bill which passed the House earlier in the year.

The President in his address to the Nation on the 25th day of July said that we would stand firm in the face of international tension, threat, and difficulty, and that this could mean war. We would express the hope, however, that war will not come.

The Commander in Chief has asked for this additional program to make our country stronger. It was already strong, but this will make the country stronger. We hope to diminish the likelihood of war, we hope to strengthen the hands of the President and our representatives in negotiations, and we hope this action will tend to open the door over the long pull toward more peace and tranquillity and stability in the world.

The House went to conference with the other body. The other body had adopted the increases asked by the President. Generally speaking the House conferees, Democrats and Republicans alike, took a position in favor of following the leadership of the President in this matter.

So, generally speaking, we agreed to the add on of about $3.5 billion.

The Chairman of the Joint Chiefs of Staff, the Secretary of Defense, and various civilian and military officials of the Department of Defense have urged approval of this program for a higher degree of readiness on the part of the Nation.

In the conference report I know of no specially controversial item of any great magnitude or significance. I shall place in the RECORD a general statement of what the final version of the defense appropriation bill contains.

Mr. Speaker, I have no desire to proceed at great length at this time. I will give abundant statistics—I hope they will be abundant—in the RECORD, which will be printed for today. I shall be glad to yield at this time to the gentleman from Michigan [Mr. FORD], the ranking minority member of our conference committee. May I say that he and I, the gentleman from California [Mr. SHEPPARD], and others, who worked on the conference, have worked together in a spirit of harmony, trying to carry out the will of the House and trying to do what is best for the country under the trying situation that confronts us today.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, the overall statement made by the gentleman from Texas, chairman of the subcommittee, and chairman of the House conferees, covers broadly the situation which we faced in conference. The material which I understand he will submit for the RECORD will lay out in detail the specifics

showing the facts from the beginning of this session up to this point. I hope that Members of the House will take time to read and analyze the various submissions, including the January budget, which called for approximately $41 billion, the March amendment submitted by President Kennedy which called for an additional $1.9 billion, the May add-on or amendment submitted by the President, which called for $225 million in addition; and, finally, the July amendment which called for an additional $3.4 billion.

I think it should be said here that despite the request in July by President Kennedy for an additional $3.4 billion, our committee in a hearing which was attended by the Secretary of Defense, Mr. McNAMARA, and General Lemnitzer, was assured that this new request for money and this new request for an additional 225,327 men did not mean any change basically in our overall military strategy.

Both Secretary of Defense McNamara and General Lemnitzer, Chairman of the Joint Chiefs of Staff, repeatedly said that this new request for money in the July budget add-on request, which involves more personnel, did not significantly revise our military strategy. This assurance was encouraging to us on the committee, because I believe we, as a nation, do have sound military plans and programs. We feel that our strategy is basically right and that it would be most disturbing if there would be a complete revision in our overall military strategy approach to our world problems.

Several Members have asked me in the last month what justified, in broad terms, the request for an additional $3.4 billion over and above what the House approved earlier this year. This question was also asked of Secretary McNamara and General Lemnitzer by members of our committee. Secretary McNamara stated to our committee, as he has stated to other committees in the last 3 weeks, that the changed Soviet attitude required this additional money for procurement and for personnel. He pointed out that the Soviet Union has recently canceled its previous decision to cut back military personnel. Secretary McNamara indicated that the Soviet Union had, in addition, programed greater expenditures for their military forces. He also conveyed to us that there were other indications that could not be discussed in public that would justify the additional money and more personnel.

On the basis of this overall situation, the House conferees substantially agreed with the Senate decision on the $3.4 billion. We did reduce the Senate bill approximately $185 million.

I should say that with reference to the $3.4 billion requested in July by President Kennedy, there is a substantial amount of money that may not be obligated and expended during this current fiscal year. This new money was requested in good faith. It may well be used; if necessary, it should be used. However, there are many contingencies in the plans which cannot be blueprinted specifically. There are many unforeseen difficulties down the road between now and the end of this fiscal year, and if these contingencies and unforeseen emergencies do not arise, it is quite likely that a rather substantial amount of this new money included in the July amendment will not be obligated.

Our committee has the assurance of the Secretary of Defense that if the need does not arise this additional money will not be expended. Naturally, it would be beneficial from the point of view of the country and the Treasury if this money were not obligated and spent. However, because of the difficulties we face, the crisis not only in Berlin but elsewhere, this money must be made available to the Department of Defense for the buildup in personnel and for additional procurement between now and June 30.

Mr. Speaker, I believe under the circumstances the conference report should be approved by the Members of the House.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I thank the gentleman.

I do want to get this matter in the RECORD and ask some questions, and I may need a little more time to do that. I have some specific points I want to try to pin down referring to certain items in the bill. Last year, when the conference report on the defense bill was before us I referred to page 43 of the House report where it spoke to the need for some positive integration of the long-line communications systems of all three services. I questioned the gentleman from Michigan [Mr. FORD] concerning this integration. The gentleman from Michigan [Mr. FORD] stated that, since the House action on the bill, the Secretary of Defense had signed the necessary documents to bring about this integration. I hoped that under the Secretary's directive creating a Defense Communications Agency there would be positive integration of the Department's long-haul, worldwide point-to-point communications system into a single Defense Communications System.

However, on May 9, 1961, the Chief of the Defense Communications Agency in testimony before the Senate Appropriations Committee stated the following:

> Fundamentally the Defense Communications Agency is a management or control agency erected over the existing, inbusiness, departmental systems. It does not replace the latter nor does it duplicate them. The respective military departments will continue to operate and fund for their specific components of the worldwide communicating systems which have been identified as elements of the Defense Communications System.

Therefore, I would like to ask the gentleman from Michigan [Mr. FORD] for the record now whether we have an integrated communications system or has there simply been added, in name only, a Defense Communications Agency without integration of the existing and duplicating military communications systems?

Mr. FORD. The Defense Communications Agency was activated this spring. They made a presentation for the first time this year before the committee. At the moment this is going through some growing pains. It is my feeling that a year from now we can give the gentleman a more authoritative answer on that point.

Mr. MAHON. Mr. Speaker, if the gentleman will yield, I think it might be said that the communications will still be operated by the services, but they will be supervised, controlled, and integrated by the Department of Defense itself. This operation is not proceeding as smoothly now as we believe it will in the future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman.

Mr. McCORMACK. Of course, authority in law exists as a result of which the Secretary of Defense has absolute authority to proceed without going to the Joint Chiefs of Staff and in case of any differences, they have to come to committees of the Congress. The gentleman is aware of that.

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

Mr. MAHON. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I cannot ask these questions in 2 additional minutes. It so happens that the Defense appropriations bill is not just the concern of the Defense Appropriations Subcommittee.

There are other committees that are concerned about the impact of defense expenditures. We are talking about a budget that has a terrific impact on our entire economy. I wish that the gentleman from Texas would yield me sufficient time so that I could ask these questions and put them on record, so that we can move forward in trying to spend the defense dollar as effectively as possible. I cannot go into it in 2 minutes.

Mr. MAHON. How much time does my friend need?

Mr. CURTIS of Missouri. If the gentleman would yield me 5 minutes, I think I could use less.

Mr. MAHON. Mr. Speaker, I yield 5 additional minutes to the gentleman from Missouri.

Mr. CURTIS of Missouri. I thank the gentleman. I believe this is important enough to take the time of the House.

The next point, and this is something I wish to congratulate our own Appropriations Committee on, is the 2-percent cut on the procurement funds, which amounts to about $300 million.

The House Appropriations Committee report states:

> To fail to meet the economic challenge presented by the procurement and supply management requirements of the Department of Defense is to fail to meet the military challenge. * * * For several years we have seen some progress in the procurement and supply management program. It would be difficult, however, to exaggerate the necessity for making further progress in this area because much remains to be done. Billions of dollars plus military effectiveness are at stake.

Going further in the report, the committee states:

> Congress reduced each procurement appropriation by 3 percent in the fiscal year

1961 Department of Defense Appropriations Act in an effort to compel prompt remedial action in the procurement field. The committee feels that although some improvements have been made that similar action is again necessary and therefore has reduced each procurement program by 2 percent, a total of $308,286,000.

In assisting the gentleman from Texas [Mr. MAHON] in presenting this bill to the House, the gentleman from Michigan [Mr. FORD] said, with regard to the 3-percent procurement reduction of last year:

In interrogating the witnesses this year before the committee, not one witness said that our committee action and subsequent congressional action interfered seriously with their programs.

In other words, it would appear that the 3-percent procurement reduction effectively carried the message that the Congress meant business in serving notice that the admitted waste must be stopped and that procurement and supply management costs must be reduced.

I am also pleased to see the following statement in the Senate Appropriations Committee report:

Last year this committee underscored its grave concern with the numerous and admitted examples of waste and duplication in the area of procurement and supply management, and called on the Department of Defense to take immediate and vigorous steps to integrate its procurement, supply, and service activities.

The committee reiterates that it cannot stress too strongly to the Secretary of Defense the urgency of continued immediate and vigorous steps actually to integrate its procurement, supply, and service activities in order to provide maximum utilization of the defense dollar.

I also wish to congratulate the Secretary of Defense and the Deputy Secretary of Defense for standing firm for this 2-percent cut of this year in their appearances before the Senate Appropriations Committee.

Secretary McNamara said:

I think that in the circumstances we are in today, when we are asking for $3 billion more, it makes even more important the saving of the 2 percent. We propose to try to live with it.

In this connection, I should like to ask the gentleman from Texas [Mr. MAHON] or the gentleman from Michigan [Mr. FORD] if it is their feeling that the rapid buildup in procurement expenditures might result in more waste in procurement? Does it not mean, therefore, that the Secretary of Defense, the Comptroller General, and the committees of Congress will have to be even more vigilant?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Texas.

Mr. MAHON. I think it is most important that the management of our defense effort proceed with the greatest caution and care in order that waste may be avoided and prevented. I am convinced from the statement that the gentleman has read as made by the Secretary of Defense that a genuine effort will be made in that direction. The committee will do all it can to encourage those who administer the program to make as much sense as possible out of all of these procurement programs and all the other programs. I hope the men at the top of the Pentagon can see to it that this program permeates throughout all the structure, including all the services.

Mr. CURTIS of Missouri. I thank the gentleman. I know the gentleman wants to cooperate, too.

Under existing law—namely, the O'Mahoney amendment of 1952 and the McCormack-Curtis amendment to the Department of Defense Reorganization Act of 1958—the Secretary of Defense has ample authority to integrate duplicative services and supply systems, merge overlapping depots and facilities, engage in more competitive and less negotiated bidding, and bring about other long-recommended reforms in procurement and supply management.

As a result of meetings and hearings of the Joint Economic Committee, Senator DOUGLAS, Congressman MCCORMACK, Congressman HÉBERT, and I have had meetings with Secretary McNamara, and I am convinced that he plans definite action to bring about these reforms. I, personally, would urge upon him that the best way to accomplish this is through the consolidation of the common supply and service activities of the military service into a common agency operating at his office level which is independent of the Congress.

Insofar as I have been critical of the piecemeal, slow approach to, and the study and restudy of these problems, I shall now continue to be critical in the future. However, I want to publicly assure the Secretary, he will have my support for what it is worth in his efforts to improve procurement and supply management, and I hope that he will have the strong support of the President. Without that strong Presidential support, his effort may well be in vain.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Speaker, it is a pleasure to associate myself with the remarks of our distinguished colleague from Missouri [Mr. CURTIS].

I have sat through many hours of hearings in my Military Operations Subcommittee and I know of the numerous stumbling blocks that litter the way toward genuine unification of procurement and other activities in our defense establishment. It is with profound gratitude that I rise to compliment our House conferees who stood gamely by their guns during the conference on the Department of Defense Appropriation. Their firmness will result in a sizable savings for our taxpayers, without impairing our defense posture in any way.

Although the Senate concurred with the 2-percent cut we in the House voted in the procurement fund in the original defense appropriation bill, the Senate did not also apply this cut to the additional $1.8 billion procurement appropriation carried in the supplementary request submitted in July.

I wish to personally congratulate the House conferees, Chairman CANNON of the full Appropriations Committee; Chairman MAHON of the Defense Subcommittee; Congressman TABER, ranking minority member of the committee; Congressman FORD, ranking minority member of the subcommittee, and Congressman SHEPPARD. These gentlemen saw to it that the 2-percent cut was applied across the board to both the original and supplemental defense procurement appropriation.

As all of us who have served in the military know, there is, and always will be, a certain amount of waste involved. Some of it is unavoidable. But there is no reason for such waste in procurement practices and I am glad to see that the Congress has taken the initiative by stripping from the money bill some of the fat from the muscle and sinew of our defense efforts. I hope that the administration will follow suit by implementing Hoover Commission recommendations pertaining to the Defense Department.

Incidentally, I cannot think of a finer birthday present for our beloved former President Herbert Hoover, who is 87 today, than such action.

(Mr. MORSE asked and was given permission to revise and extend his remarks.)

Mr. ROUSH. Mr. Speaker, we have neglected our civil defense efforts for too long. Year after year, the budget for civil defense has been trimmed and cut to the point where we have only given lipservice to this important activity. I oppose this amendment which would appropriate less than half of the money which the administration has requested.

This is an expenditure which I know has the support of all Americans. Since the President outlined the seriousness of the times we face, and described the necessity for an accelerated civil defense program, the papers in my district have been filled with local response to his plea. Local civil defense efforts are moving forward. The plans which have collected dust on the shelves of budgetless civil defense directors in towns, cities, and counties across my district are being opened and being acted upon.

Our people realize the need for civil defense. My district is in north central Indiana. There is an important SAC airbase in the northern part of the district, but that is the only truly strategic target in the district. My constituents would not be among those directly hit by nuclear attack, if war should come. With adequate civil defense preparations, the people in my district can all be saved from fallout dangers. Refugees from target areas which lie all around us can gather and take shelter there and regroup to carry the battle forward after the danger period passes. All this is possible only if adequate civil defense measures are prepared.

This is the story across the country. The people know the facts of nuclear war. They know the importance of civil defense and they want the protection it can offer. If we could put a price on human life and judge our total defense budget, I believe this expenditure of $207 million would be our most efficient expenditure. It means the difference between fractional destruction of our pop-

ulation and total annihilation of our people.

It represents the cheapest insurance we can buy for our people. We cannot afford not to do less than exert maximum energies on this project. I say defeat this amendment and pass the full request for civil defense funds. We cannot conscientiously do less than this for our people.

Mr. SHRIVER. Mr. Speaker, I want to express my full support of H.R. 7851 as it has been reported back by the conferees of the House.

My mail, and a recent poll which I took in my district clearly indicate that Americans are willing to pay the necessary price to assure ourselves of the strongest possible defense system.

In many respects, I believe, American citizens are ahead of responsible leaders in Washington in regard to the commitments they are willing to make, and the steps they would like to see taken to halt Communist encroachment not only in Europe, Asia, and Africa but, indeed, in our own hemisphere as well.

Within this defense appropriations bill the Congress is providing the resources to substantially strengthen the capabilities of our Armed Forces in any emergency.

Significantly, one of the controversial items in this bill—that of continued emphasis on manned bomber production—not only has remained in the bill but the appropriation has been increased for continued production of our long-range B–52H bomber and accelerated development of the B–70 supersonic bomber.

On June 12 of this year I stated to the House that since the Secretary of Defense had indicated that he would recommend against using additional funds for continued bomber production, we should look to the respective Appropriations Committees of both Houses for an intensive examination of administration and Air Force views in this matter.

Such an examination has been held by the distinguished members of these committees in the light of heightened international tensions and a revealing Russian air show.

The committees have had the opportunity of hearing such able military leaders as Gen. Curtis LeMay, Gen. Thomas White, and Gen. Mark Bradley attest to the importance of maintaining the manned bomber in our present weapon mix.

On the other hand, the Secretary of Defense has said that 700 B–52's and B–58's will be in America's operational inventory by July 1, 1966, and he is willing, at the moment, to cut off our Nation's production of these two bombers in 1962.

The Secretary has stated:

> Should an eventuality develop requiring us to reinstitute the B–52 production lines, we can, for example, do so in mid-1963 and produce for delivery during the period of 1965–67.

He has reported that the total restart costs would amount to approximately $245 million, and he indicated that the expected Boeing-Wichita personnel strength of approximately 9,400 in mid-1963 would be adequate to reopen the production lines.

First, I would like to point out that we would have to spend, according to the Secretary's estimate, one-quarter billion dollars of nonproductive money for which we would get no B–52H bombers, but merely preparation to start up production again. This represents almost one-half of the amount which is included in this bill for more airplanes.

Second, the restart cost is not the only factor involved in stopping and then starting the production lines. There are people needed to do the job. At this moment 21,500 trained technicians are working in Wichita on the Boeing production lines turning out 8 jet bombers for the Strategic Air Command each month.

If the Defense Department permits present production to phase out as currently scheduled in August of next year, most of those 21,500 skilled men and women will be lost to other lines of endeavor.

The 9,400 Boeing employees referred to by the Secretary as being available in 1963 will be engaged in modification assignments and other endeavors not related to beginning anew the production of the B–52.

Another important consideration in restarting such production of B–52 bombers would be the availability of 4,800 subcontractors turning out the thousands of essential items going into this weapon. I have been told that many of these subcontractors are already completing their work on present orders. Many of these firms are small businesses which have been able to thrive and develop solely because of their important assignment in producing parts for this bomber. After they complete their present contracts, many will turn to new endeavors and unfortunately others may go out of business entirely.

I know that the Secretary of Defense has given most careful consideration to his views in this matter, and I know that he has had the benefit of the finest military counsel on all matters related to the defense of our Nation.

However, it is the responsibility of the Congress to provide for the common defense—and this we are doing in this bill.

It has been the best considered judgment of some of our most able Members, who have become expert in this subject through years of experience, that we should provide funds to keep production lines open for America's long-range manned bomber and speed up development of a supersonic bomber.

I believe all Americans will rest more securely if they know that the Congress and the administration have taken every possible action to keep all proven weapons coming off the production lines and at the same time speed the development and production of new weapons.

Mr. RIEHLMAN. Mr. Speaker, we are concerned with millions of dollars here today. Infinitely more important, there is a real chance that we are concerned with millions of lives. Effective civil defense can mean the difference between saving or losing millions of lives in the event of a nuclear attack. It is folly to assume that we cannot survive such an attack. We can survive and we can recover, and I believe it is our solemn obligation to our heritage and to our people to take every reasonable step to provide these capabilities.

The Military Operations Subcommittee, under the able direction of my colleague from California [Mr. HOLIFIELD], has just completed hearings on the administration's approach to civil defense. Although I must state frankly that I have some reservations about certain aspects of the President's program, I do feel that the essential first step toward successful operation was taken with the transfer of major civil defense responsibilities to the Secretary of Defense. This is a move I have advocated for many years.

This program is moving in the right direction. If these early days are used to build a solid foundation for effective action I am certain civil defense will eventually be lifted to the level of importance it deserves as an essential element of our deterrent posture.

It is too soon to expect miracles. And it is too soon to deflate this serious effort to increase our civil defense capability.

I urge that this program, which I deem so vital to our Nation's security, not be shunted into the closet as it has been in the past. Do not let it be undermined by past prejudices and apathies.

Later on when we have had time to carefully observe this administration's effort, then we will have a basis for a more objective appraisal. You may be certain that the Military Operations Subcommittee, the Armed Services Committee, and the Appropriations Committee will not let this program out of their collective sight.

I submit that this is no time to take to the civil defense program with a paring knife. I urge that the House vote for the addition of the full $207.6 million for civil defense purposes.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the adoption of the conference report.

Mr. MAHON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 383, nays 0, not voting 57, as follows:

[Roll No. 144]

YEAS—383

Abbitt	Bates	Bromwell
Abernethy	Battin	Brooks, La.
Addonizio	Becker	Brooks, Tex.
Albert	Beckworth	Broomfield
Alford	Beermann	Brown
Alger	Belcher	Broyhill
Andersen, Minn.	Bell	Bruce
Andrews	Bennett, Fla.	Burke, Ky.
Arends	Bennett, Mich.	Burke, Mass.
Ashbrook	Berry	Burleson
Ashmore	Betts	Byrne, Pa.
Aspinall	Blatnik	Byrnes, Wis.
Auchincloss	Blitch	Cahill
Avery	Boland	Cannon
Ayres	Bolling	Casey
Bailey	Bolton	Cederberg
Baker	Bonner	Chamberlain
Baldwin	Bow	Chelf
Baring	Boykin	Chenoweth
Barrett	Brademas	Chiperfield
Barry	Bray	Church
Bass, Tenn.	Breeding	Clancy
	Brewster	Clark

Cohelan
Collier
Colmer
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis Mass.
Curtis, Mo.
Daddario
Dague
Daniels
Davis, John W.
Delaney
Dent
Denton
Derounian
Derwinski
Devine
Diggs
Dingell
Dole
Dominick
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Everett
Fallon
Fascell
Feighan
Fenton
Findley
Finnegan
Fisher
Flood
Flynt
Fogarty
Ford
Forrester
Fountain
Frazier
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Glenn
Goodell
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halpern
Hansen
Harding
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Hays
Hébert
Hechler
Hemphill
Henderson
Herlong
Hiestand
Hoffman, Ill.
Holifield
Holland
Horan
Hull
Ichord, Mo.
Ikard, Tex.
Inouye
Jarman
Jennings
Jensen
Joelson
Johansen
Johnson, Calif.
Johnson, Md.
Johnson, Wis.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King Calif.
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
McSween
McVey
Macdonald
MacGregor
Machrowicz
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Nebr.
Mason
Mathias
Matthews
May
Meader
Merrow
Michel
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Monagan
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Moulder
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
Pillion
Pirnie
Poage
Poff
Price
Pucinski
Quie
Rains
Ray
Reece
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Roudebush
Roush
Rutherford
Ryan
St. George
St. Germain
Saund
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Shelley
Sheppard
Shipley
Short
Shriver
Sibal
Sikes
Siler
Sisk
Slack
Smith, Calif.
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taber
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Utt
Vanik
Van Pelt
Van Zandt
Wallhauser
Walter
Watts
Westland
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Wright
Young
Younger
Zablocki
Zelenko

NAYS—0

NOT VOTING—57

Adair
Addabbo
Alexander
Anderson, Ill.
Anfuso
Ashley
Bass, N.H.
Boggs
Buckley
Carey
Celler
Coad
Cook
Davis, James C.
Davis, Tenn.
Dawson
Dooley
Ellsworth
Evins
Farbstein
Fino
Gilbert
Griffiths
Hall
Halleck
Harrison, Va.
Healey
Hoeven
Hoffman, Mich.
Holtzman
Hosmer
Huddleston
Jones, Mo.
Kilburn
Landrum
Lesinski
McMillan
Martin, Mass.
Pilcher
Powell
Rabaut
Randall
Rivers, S.C.
Roberts
Rostenkowski
Rousselot
Santangelo
Thompson, La.
Vinson
Weaver
Weis
Winstead
Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Farbstein with Mr. Halleck.
Mr. Harrison of Virginia with Mr. Adair.
Mr. Ashley with Mr. Hosmer.
Mr. Addonizio with Mr. Hall.
Mr. McMillan with Mr. Martin of Massachusetts.
Mr. Anfuso with Mr. Rousselot.
Mr. Davis of Tennessee with Mrs. Weis.
Mr. Evins with Mr. Ellsworth.
Mr. Santangelo with Mr. Bass of New Hampshire.
Mr. Yates with Mr. Kilburn.
Mr. Holtzman with Mr. Hoeven.
Mr. Coad with Mr. Weaver.
Mr. Gilbert with Mr. Fino.
Mr. Carey with Mr. Anderson of Illinois.
Mr. Rostenkowski with Mr. Hoffman of Michigan.
Mr. Healey with Mr. Dooley.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 27, line 7, insert the following:

"TITLE V

"CIVIL DEFENSE, DEPARTMENT OF DEFENSE

"For expenses, not otherwise provided for, necessary for carrying out civil defense activities, including the hire of motor vehicles and the providing of fallout shelters in existing or new Government owned or leased buildings, as authorized by law, $207,600,000."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein.

Mr. TABER. Mr. Speaker, I ask for a division of the question.

The SPEAKER pro tempore. The question is, Will the House recede from its disagreement to the amendment of the Senate numbered 26?

The House receded from its disagreement to Senate amendment No. 26.

Mr. MAHON. Mr. Speaker, when St. Paul was on the road to Damascus he was suddenly struck with a great light and he changed his viewpoint and he reversed his position from that day following. There was a time in this country—since World War II and extending over a period of years—when there was a disinclination to take seriously the possibility that there might actually be an atomic war. To some extent in recent years many of us—and I speak of myself among others—have had the inclination to brush aside with a wave of the hand the question of civil defense. But the time has arrived, the hour has struck, when the people of this Nation, if they are wise, will take steps to try to save the lives of tens of millions of civilians in the event a nuclear war should come.

It would be tragic if the historians of the future, if any should survive, should look back upon our country and report that even in the face of all manner of threats against our security and all manner of military programs to destroy the enemy we failed at this time to provide a civil defense program which would have saved tens of millions of lives of American citizens.

So I think many of us will today more or less reverse some of the positions we have taken in the past and support a civil defense program which is meaningful.

We are aware of the fact that we have Strategic Air Command bases all over this land. We are in the process of rapidly establishing intercontinental ballistic missile bases all over this country. They would be prime targets of the enemy in the event of nuclear war. We estimate that the opponent has intercontinental ballistic missiles with considerable accuracy, and we know of his long-range bomber buildup. So it becomes imperative that we take steps to meet the situation from a strictly military standpoint and from a civil defense standpoint.

This whole program has been reoriented by the administration. I think it has been put where it belongs, in the Defense Department. Civil defense generally, as I understand it, is now in the Defense Department, under civilian control in the Defense Department. I do not know that the entire $207 million requested will all be spent with maximum effectiveness. I suspect that it will not. I do have a statement of the Secretary of Defense, who is responsible for this matter. He is decidedly one of the very ablest men I have encountered in Government in Washington. Here is the statement of Secretary McNamara:

I want to assure you that, before committing the funds which the President has requested of Congress in support of the program, I shall personally review the proposed expenditures in detail, and I shall satisfy myself as to the necessity of each program item to carry out the President's objectives.

On behalf of the committee I am calling on the Secretary to give us a periodic report on this program.

This Subcommitee on Defense Appropriations has previously not handled civil defense. We make no claim of being experts in this field. We have not had the opportunity to explore matters of civil defense as much as we should like, and I doubt that the subcommittee will continue to handle the funds for civil defense, but we are trying to do the best we can in the face of the situation which confronts us.

Further, the Secretary said this:

As I stated in my testimony * * * on July 26 in administering the civil defense

program I intend to be guided by the principle that whatever expenditures are undertaken for civil defense projects must be directed toward obtaining maximum protection for the lowest possible cost. The program that we have submitted is itself designed to produce many million shelter spaces at the lowest possible cost—a cost we estimate at $4 per person, including finding, marking, and stocking the shelter spaces with essentials for survival.

This $207 million does not provide for a tremendous shelter building program. If that comes it will come later, and Congress will have to approve.

This program would provide for the shelter program to which I have made reference, warning and detection, emergency operations, and research and development, at a total cost of $207,600,000. I firmly support this proposal as I think it is a matter of undertaking to save several million lives.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. This provides $207 million in addition to what was appropriated in, I believe, the independent offices appropriation bill?

Mr. MAHON. I believe that is correct.

Mr. GROSS. What is the total amount, if the gentleman is able to tell the House?

Mr. MAHON. I believe the previous appropriation by the Congress for civil defense was $82 million, and this would provide $207 million.

Mr. GROSS. That is about $300 million then?

Mr. MAHON. And it might save 10 million lives.

Mr. GROSS. Does the gentleman's committee have any information as to what the Russians are doing by way of accelerating civil defense measures in Russia and, particularly, in the cities of Russia? Are they doing anything?

Mr. MAHON. The information which has been in the press would indicate they have a very ambitious program, a compulsory training program, a program of considerable magnitude. One of the deterrents to war is the ability to absorb an attack, and one of the deterrents to war against this country will be our ability to absorb an attack, and if we are able to carry out a civil defense program which is effective—and, of course, it is going to be difficult to have one that is effective—it will be a deterrent to war.

Mr. GROSS. If the gentleman will yield further, we have people, as I understand it, in Moscow and in other cities of Russia and, obviously, they can find out at least to some extent what the Russians are doing in this regard.

Mr. MAHON. According to the press reports, an extensive hearing was held by the subcommittee headed by the gentleman from California [Mr. HOLIFIELD] on yesterday, I believe, and some of that has been reported in the press. I have before me also a page of the CONGRESSIONAL RECORD containing an extension of remarks by the gentleman from Illinois [Mr. PUCINSKI] as to what Russia is doing about civil defense. I have not had the opportunity to read the latter statement.

Mr. GROSS. The question is, How reliable is that information?

Mr. MAHON. I am not able to state.

Mr. GROSS. I am not questioning the gentleman from Illinois [Mr. PUCINSKI], of course, but I am wondering how reliable that information is. If it is just information from another correspondent from some foreign newspaper, I will tell the gentleman that I do not rely on that sort of information. But, in your committee you have appearing before you military experts connected with our military services. We have military attachés in Moscow. We have an ambassador in Moscow. Surely, these people can tell us whether the Russians are doing anything in this regard.

Mr. MAHON. We have been told throughout the years that they do have a program. I have listened to testimony from defense and intelligence witnesses on the subject but I cannot give a statement as to the exact nature of the Soviet program. We all know, however, I believe, that the nature of the construction of their homes is such that they have greater ability to withstand an atomic attack in some respects than we have.

But, regardless of what the Soviet Union is doing, I am interested in what the United States is doing. If the United States is seriously talking of going to war, if necessary, to maintain its position, it must—I say to my friend from Iowa—provide the best defense program reasonably possible—and included in that is the defense and preservation of the lives of our people generally.

Mr. GROSS. Did you have a witness from the Department of State or from the military before your subcommittee testifying in behalf of civil defense?

Mr. MAHON. We had Gen. Lyman L. Lemnitzer, the Chairman of the Joint Chiefs of Staff and Secretary of Defense McNamara.

Mr. GROSS. Did they testify on civil defense?

Mr. MAHON. They testified on the subject of civil defense.

Mr. GROSS. Did they testify on civil defense measures as related to what is happening in Russia and what is taking place there?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I point out that no one can differ with my chairman, if you will permit me to say so, so far as the end objective that we have in mind. We should give every attention under present conditions to make proper provision for protection of the civilian population. It is a must. However, from my years of service on the Defense Appropriation Subcommittee, dealing with all defense, so frequently we seem to think that when we appropriate a whole lot of money that we have done the job.

Through the years I have seen the Office of Civilian Defense come up with many unsound and wasteful proposals.

The facts are that on these particular items our subcommittee on the House side has not had any hearing worthy of the name because we thought this budget request would be handled by another subcommittee. Is that not correct?

Mr. MAHON. I believe my friend from Mississippi will recall the testimony of General Lemnitzer and Secretary McNamara before our committee in the hearings.

Mr. WHITTEN. Recently, but they did not go into the details. We thought that would be before another subcommittee and we assumed that the particular justification would not be presented to our subcommittee. I believe I am correct about it.

Mr. MAHON. His statement was presented and some indication was given. It was anticipated that this item would be handled by another subcommittee and we would have been delighted to have had it handled by some other subcommittee.

Mr. WHITTEN. I am not questioning the statement of my chairman or differing with what he means, but having had experience with the civil defense setup, I know that unless somebody rides close herd on these funds we will find that a lot of the money has been spent unwisely. Review the history of civil defense, its requests and its plans.

In 1952 I happened to serve on the subcommittee dealing with civil defense. The agency wanted a lot of money at that time. Their plan to divide the country into regions and to build big central warehouses and store them with firetrucks, firefighting equipment, drugs, and other things that might be needed in time of emergency. Their plan was to have civil service employees sitting around there waiting for something to happen.

At that time our committee insisted that it would be much more sensible to make a major catalog showing what was available, say, in Baltimore, that could be called on by Washington in the event of something happening here, and vice versa, so that instead of spending millions and millions of dollars for equipment which was in very short supply, held in a central location where the tires would probably be flat and the batteries dead, the drugs out of date, and the food spoiled. When the emergency arose, we caused them to set up a major catalog whereby you could tell what you could get in time of emergency that had been in moving stock. After all, the Government can requisition private property under such conditions and pay later.

I say again, with no detailed hearings before our subcommittee and with the present public feeling about wanting to be safe, it goes without saying, with $300 million being appropriated, unless somebody rides close herd on the handling of this program, a lot of this money will be wasted, and the public will get little real protection.

As I say, I do not say this in criticism of my friend from Texas, because I know the situation in which this item came up; but I say whatever subcommittee handles this should read the history of this whole civil defense agency, and take advantage of the record that has been made so that we will see that we get

civil defense for the money we appropriate. We are all for protection and we cannot very well vote against the money request, but in effect what we are doing is giving a blank check to a group which has been rather unsound in their planning in the past so far as getting maximum protection for the money spent is concerned.

Mr. MAHON. I thank the gentleman for his contribution. It is true that this matter must be watched very carefully. It is true that in days past there has been considerable ineffectiveness in this program, like the proposed evacuation of our major cities in the event of attack and impractical things of that kind.

But this program can be reoriented. It is being placed under the Defense Department, where I believe it belongs, in civilian hands in the Defense Department, and I have confidence that the mistakes of the past will not be repeated.

It will be up to us to ride herd and see that these funds are well spent, and that any additional funds are wisely expended in the interest of saving American lives.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield.

Mr. JONAS. I would like to say that I join the gentleman from Texas in his expression of concern for the survival of our civilian population in the event of attack. I happen to have a family of my own; I am interested in that family, and I am interested in the people I represent. I am willing to vote for any reasonable amount of money or whatever the experts decide is necessary to provide for the safety of the civilian population of our country. But the thing that concerns me is the fact that we have here a brandnew item of $207 million put in this bill by the other body without any hearings by any House committee, except what I understand was a rather casual hearing before the Defense Subcommittee.

The Independent Offices Subcommittee conducted extensive hearings on civil defense a month or so ago. We brought a bill to the House which contained $82 million for civil defense. I also have the privilege of serving on what is known as the Deficiencies Subcommittee, which committee is engaged in hearings right now. We had hearings yesterday, the day before, and today. Normally, this item would have been referred to the Deficiencies Subcommittee. However, I am not complaining because it was not. I am merely saying if it had been referred to our subcommittee, we would have conducted hearings; we would have had an opportunity to examine the people who made up these estimates. I know the estimates were hastily gotten together, because no mention of these new programs to be financed by this bill was made when we had the civil defense bill under consideration.

Mr. MAHON. This package was submitted not to the House Appropriations Committee but to the Senate Appropriations Committee.

Mr. JONAS. I understand that. It was submitted after the House had completed action on the defense appropriation bill, and after the Independent Offices Subcommittee had completed its work on the independent offices bill.

I think it is correct to say that there have been no hearings on the House side at which these items were undertaken to be justified. Am I correct?

Mr. MAHON. I would not say that is correct. There were hearings before a committee. We discussed these matters, and they were discussed before the Senate committee, as the gentleman knows. We discussed these matters with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff, but not extensively.

Mr. JONAS. Not in detail.

Mr. MAHON. If we had 4 weeks of hearings, I do not know substantially what more could be done. I listened to the proposal to find as many places as possible where people can be sheltered, to mark those places, and to provision them. It is proposed at the rate of $4 per person to try to save lives in the event of nuclear war.

We are faced with a crisis over Berlin. I do not think anybody can give the gentleman an exact blueprint of how this program will be handled. But the Secretary of Defense and his people have the responsibility. They will report to us on their progress. They have said that not any of the money will be expended without a thorough recheck of all requirements involved. I do not know of much more we can do about it. We can appropriate the money, but we do not have the authority to administer the program.

Mr. JONAS. How did they tell you the $93 million will be spent? Who is going to make the survey?

Mr. MAHON. It will be done under the auspices of the Navy Department, the Yards and Docks Bureau of the Navy Department, one of the most efficient in the Government; also the Corps of Engineers will have a part. This will not be a political boondoggle.

Mr. JONAS. I wonder whether there was any breakdown of the $93 million. That is a good round sum to bring out of the air. Will it be apportioned among the 50 States? Are they going to spend so much money in each State, in each naval district? Or how will the money be spent?

Mr. MAHON. I do not know whether they know specifically and in detail how it will be spent. This is one of the things they have to determine by a study of this program.

Mr. JONAS. If they are going to mark the available shelter spaces for the civilian population, they ought to do it in all sections of the country, because the people in my section are just as precious as those in other sections. I think that if these shelters are marked they should be marked on a nationwide basis.

Mr. MAHON. Oh, yes; I agree fully.

Mr. JONAS. And not individual cities.

Mr. MAHON. They will be marked on a nationwide basis. All of the shelters in the world would not protect lives under certain conditions.

Mr. JONAS. I just thought there ought to be some plan that has been evolved and decided upon and that we ought to know about it.

Mr. MAHON. This is the place to find out what we have and what we can best do.

Mr. JONAS. We are getting ready to appropriate $207 million in addition to the $82 million we have heretofore appropriated. But we do not know how the money is to be spent. I think a request for $207 million deserves a more detailed explanation or justification than has been given the House of Representatives.

I think it is encumbent on us to know how this money is going to be spent; to be sure that the plans are going to be adequate; and that these sums are clearly justifiable as being necessary; and that the money will be spent prudently.

Mr. MAHON. I agree with the gentleman that a more detailed justification would be desirable, we must keep in close contact with the situation. We know that we have the authority to be advised about it. We have investigators and staff people, as well as ourselves, and we can keep in close contact with this thing as it develops. But, we do not want to be too little and too late. We could defer it to the next session of the Congress and have better justification, but it would not make sense, it seems to me.

Mr. JONAS. Can the gentleman tell us whether it is contemplated that this survey will be completed before the end of the current fiscal year?

Mr. MAHON. I think it will be, but I do not know exactly what the time schedule is. I do not think anybody in the United States knows when it will be completed. But, I believe it will be in good hands under the supervision of the Army Engineers and the Bureau of Yards and Docks.

Mr. JONAS. I have no quarrel with the Corps of Engineers or the Bureau of Yards and Docks. I just thought it would have been better—and we have plenty of time—to have witnesses from the departments come before the appropriate committee of the House of Representatives and spell out what they mean to do with this money and give us some detailed justification so that we can decide whether they need $207 million or $307 million, because, after all, if we are going to just accept their figures without any study or investigation, we are not doing our duty as I see it.

Mr. MAHON. I will say to the gentleman that in addition to the hearings which we did have, some of the members of the subcommittee, including myself, conferred with the Secretary of Defense informally. I do not know what more information of a basic nature could be provided other than what is now available to us.

Mr. JONAS. The gentleman is chairman of one of the most important and powerful subcommittees of the House. I am sure that you require more justification in procurement hearings and in other defense hearings than you required in this matter; is that not true?

Mr. MAHON. That is correct.

Mr. JONAS. Maybe the emergency justifies giving them the money without any hearing, and I am not going to vote

to take this money out of the bill. I repeat that I am interested in civil defense and I am interested in providing protection for the civilian population. But I think the Defense Department should have given this Congress and the House of Representatives a more detailed program, a better breakdown on how they plan to spend this money, and a more complete justification, instead of asking us in effect for a $207 million blank check.

Mr. MAHON. I am sure the gentleman's subcommittee which has the authority to call witnesses before the committee for any further hearings in connection with this matter will fully explore it. I do not believe they can give a great deal more information at this time. This civil defense request went to the Senate. It was put in the Senate bill. It is part of the defense buildup of the country in the light of the threat to our security and survival, and I believe that it is in the best interests of the country to support this program at this time. I am in favor of marking these shelters, and I am in favor of research and development, to give the people better advice as to what they can do for themselves. I do not think this program is overambitious; it may not be as ambitious as it should be.

Mr. Speaker, I now yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, this situation in which we find ourselves is most unique. It has been precipitated by the emergency that the President has indicated. It must be said that the testimony before our subcommittee on defense appropriations on this request cited the $207.6 million as a minimum.

The basic difference between the kind of hearings we hold on the entire defense bill and this matter is that in the defense hearings we go into the matters in detail and we publish the hearings. On this item some minimal hearings were held. As I understand it, the likelihood is that the hearings that were held will not result in a publication of the testimony. I think the committee should publish the testimony. I think it should be made available for the House Members and the public, even after the fact.

Second, this $207,600,000, you might as well know right today, is the downpayment on a far bigger program, a substantially larger program.

Mr. Speaker, this $207,000,000 plus should be added to the $86,550,000 which was approved by the Congress within the last week or so. That additional money came from the Independent Offices Subcommittee of the Committee on Appropriations. The question has been raised that if we do not vote for this, are we not going to be a party to the potential loss of a substantial number of American lives, providing of course there is an attack. I want you to know that if we give the Defense Department or any agency in the Federal Government a free hand in this civil defense program, and our approval of this amount may lead them to that conclusion, we are going to be spending not $300 million a year in civil defense, but possibly a billion dollars, or $2 billion annually. If that comes to pass, without efficient management and intelligent handling of the funds we will figuratively kill or destroy a lot of taxpayers with the added expense of this program.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I will be glad to yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Speaker, I think the record ought to show that when the civil defense people were before our subcommittee they did not ask but for $4.5 million for research and development and they received from our subcommittee $1.5 million in that item; also $21.6 million for emergency supplies and equipment. That is in addition to the items contained in this bill.

Mr. FORD. Mr. Speaker, I have in my hand the justification sheets that were submitted to us by the Defense Department for this program. It is a request for $207.6 million. I have had one of the members of our committee staff check the number of pages of testimony that justified this request, and there are 20 pages here that include the alleged justification for this amount. That is about $10 million a page, which I think averages about 30 lines a page. We in all sincerity cannot justify recommending this amount of money based on the material I have in my hand, or on the testimony that has been submitted to our committee. I say that the emergency rather than the facts justify anybody—anybody—voting for this down payment on a much larger program that will inevitably come before the Congress. It seems to me that we ought to look apprehensively at what we are doing. Although I would have preferred a dollar reduction in the program, it is my view that we are in a box and we will probably have to approve it without revision.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Texas.

Mr. MAHON. Does not the gentleman feel that under the circumstances we should appropriate substantially the amount of money provided here, substantially the $207 million?

Mr. FORD. As the gentleman knows, in the conference I felt that we should not give all of the $207,600,000. I thought we should have made some token reduction. I still feel that way.

Mr. MAHON. What magnitude of appropriation would the gentleman desire?

Mr. FORD. I personally suggested then and I would support now the sum of $190 million.

Mr. MAHON. A reduction of $17 million?

Mr. FORD. Seventeen million eight hundred thousand dollars.

Mr. MAHON. I just wanted the House to know that this is not a partisan matter.

Mr. FORD. No, absolutely not.

Mr. MAHON. As far as I know, on both sides there is some reservation as to what should be done but, generally speaking, most of us feel this is a move in the right direction.

Mr. FORD. I believe that we could justify a $17 million-plus reduction because the evidence was not ample to justify $207 million. Our guess would be as good as their guess. I believe that the facts, if you will look at the evidence, will show that. So, if we have no alternative, I will accept the higher amount, but I would prefer the lesser figure.

Mr. MAHON. Mr. Speaker, I feel this $207 million is not a magic figure. On the other hand, I feel that this sum of money is more or less a symbol of America's determination to remain firm even though war comes and we are attacked. I believe the chance for peace will be greater under the circumstances if we stand firm. So in order not to becloud the issue, I personally would like to see no reduction made in this symbolic action on the part of Congress with respect to civil defense.

Certainly our Committee on Appropriations will have an opportunity to go more thoroughly into these various items. The sum requested is an understatement of our requirements, in my opinion, not an overstatement of the requirements. I would hope we could go along and present a united front at this time without any implication at all that for all time to come we will give the Secretary everything he wants for civil defense. That is not in the picture. It is not anticipated at all.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. BATES. I want to congratulate the gentleman from Texas. Certainly I support the position he takes. This is a good start in civil defense. We have discussed this matter for so many years and taken such little action that time is running out on us. One of the prime reasons is that there is no committee of the House that is studying and recommending a solution to the problem that exists.

Earlier in the year I presented to the Committee on Rules a resolution for the purpose of establishing a select committee to study civil defense. The gentleman from California [Mr. HOLIFIELD] has had extensive experience in the field, as has the gentleman from New York [Mr. RIEHLMAN]. We should have on this committee members of various committees, people who have responsibility in this particular field, so we can move ahead. These are dangerous days, and we should wake up and realize it. One bomb alone today contains more explosive power than a trainload of TNT extending from Boston to Mexico City. That is the kind of world we are living in. We have taken no real action in this field. We had better do it, and do it promptly. In 2 or 3 years we will be subjected to blackmail. I do not want to find my country in that position.

Mr. MAHON. Does the gentleman agree that there might be considerable absurdity in being so concerned about national defense and world conditions that we would provide in appropriations $46 billion on the one hand for the Department of Defense and refuse to provide the $207 million to protect the lives

of millions of American citizens in a civil defense program?

Mr. BATES. A study was conducted by the very able gentleman from California [Mr. HOLIFIELD]. If a shelter at an average price of $150—$50 less than the cost of a good television set—was put in each home, we would save approximately 45 million lives. By doing this we could reduce a potential loss of 2 million people, but it seems to me that if the Russians knew that 2 million, not 75 or 100 million Americans, would be killed, we would have no worry about war. Time is running out, and we should do something about this.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. RILEY].

Mr. RILEY. Mr. Speaker, I want to associate myself with the gentleman from Texas in urging the House to adopt this resolution for the defense of the people of this country. The primary object of the defense forces is to defend and protect the people of this Nation. In modern war, it is necessary to protect the civilian population just as it is necessary to keep the aggressor from coming into the country. The civilian population is in danger in modern war; and I think the President has made a wise decision in putting the civil defense program into the hands of the Department of Defense, because the Army, the Navy and the Air Force have organizations in being that can handle such problems. The gentleman from Massachusetts has just said that time is running out, and it is time to have an organization that is prepared to move and take care of this situation.

So I urge my colleagues, Mr. Speaker, to adopt this resolution. This $207 million is a mere pittance to take care of the civilian population of America. This action on our part will show the world we mean business, and that we mean to protect ourselves, including our own families here in America.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, in order to clarify the situation, I would like to ask my friend, the gentleman from New York [Mr. TABER] a question so that we may know just what the issue is.

As I understand it, the gentleman from New York intends to offer an amendment?

Mr. TABER. That is correct.

Mr. MCCORMACK. Will the gentleman advise what the amendment is?

Mr. TABER. The amendment is to knock out the $93 million for surveys.

Mr. MCCORMACK. Now we have the question clarified.

Mr. Speaker, I think the position taken by the distinguished chairman, the gentleman from Texas [Mr. MAHON], and the distinguished gentleman from Michigan [Mr. FORD] is one which seems to me to be sound. In the case of the gentleman from Michigan, he would like to see a $17 million reduction, but on the other hand he is going to vote, as I understand it, for the present $207 million plus, if that is the question before the House. In other words, with the question as it will be, he will support Chairman MAHON. Many years ago, I made a speech—and when I say many years—I mean 8 or 10 years ago, to a conference of mayors which was being held here in Washington. In that speech, I said I considered civil defense to be the fourth arm of our national defense. I have felt that way throughout the years. I was very glad when civil defense was transferred to the Defense Department. I think that is a step in the right direction and a sound step because it is a recognition of the fact that civil defense is a part of our national defense.

I picked up this morning's newspaper and I find where Mr. Khrushchev yesterday under the guise again of talking peace makes his threats of war. In the course of the remarks he made yesterday in Moscow, he is reported to have said that scientists in the Soviet Union could build a bomb with the explosive equivalent of 100 million tons of TNT. That is along the line of confirming what the gentleman from Massachusetts [Mr. BATES] has said. As a matter of fact, the United States, our country, and I assume the Soviet Union could build one bomb that could destroy everybody on earth—but who would be crazy enough to do that? The fact is—this appropriation is the starting point of real civil defense as one of our colleagues has said, the gentleman from Michigan [Mr. FORD]. I am voting for the $207 million plus with this part in mind. I do not think that $207 million and the other $82 million that was previously appropriated is going to anywhere near meet the problem of civil defense in connection with shelters or otherwise.

We have got to face the reality, but what we do today is going to be an important step in the right direction. This is the first real concrete step we have taken in connection with recognizing the importance of this problem.

I think it would be a great mistake if we were to adopt the amendment to be offered by my friend the gentleman from New York [Mr. TABER]. The Appropriations Committee can follow through. The big program is going to come later on. It will then receive careful committee consideration. We must fact the realities of the day. We are living in a world where not only our own way of life is involved, those of us who are pretty well along on the journey of life, but we are living in a world where the way of life of the youngsters you and I see walking through the corridors of this Capitol and on the streets of Washington, Boston, Chicago, the cities and towns of this country, is also involved and being decided now. As one of the Members said, he did not want to see his children subjected to conditions that would exist if America were attacked and we were unprepared from the angle of civil defense.

Is there anyone in this Chamber who is kidding himself that if the attack comes they are not going to attack America? If the Soviet Union is going to attack they will not attack Britain, West Germany, and France. They might attack offshore military installations, but simultaneously they will mount a concentrated attack upon the United States. That attack everybody knows will be for the purpose of murdering us, destroying us, not only in loss of life, but from a productive and military angle, as well as from a psychological angle. They will also try to destroy our ability to fight back, and our will to fight back. If anyone is deceiving himself in that respect he had better do a little serious reconsidering. This, as Chairman MAHON said, "Is a symbol, but an important one." I agree with the gentleman from Michigan [Mr. FORD] we have got to follow up with more appropriations if our people are to be given adequate protection.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have consent to extend their remarks at this point in the RECORD in regard to civil defense or on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, our majority leader has made a great and compelling argument for a real start toward an adequate civil defense program in the United States.

In my judgment, this could be the most important and decisive vote to be cast in the 1st session of the 87th Congress.

Unless we provide the funds needed for an effective beginning on needed fallout shelters, we certainly have an incomplete civil defense program.

Unless we make this beginning we certainly justify by our inaction some uncertainty in the Kremlin regarding the real seriousness of our firm stand at Berlin.

Unless we make this beginning, Mr. Speaker, I firmly believe that we will be letting down our people in the discharge of our duty and responsibility to them.

Let us get our civil defense program underway with the funds needed to do the job. I hope the amendment will be defeated.

Mr. DERWINSKI. Mr. Speaker, it is obvious that the mood of the House is such that the appropriation requested will be approved, but the point that is most disturbing to the Members is the blank-check circumstance which is apparent here. If this were the only item in the budget appropriated in such a rapid fashion without substantiating detail, there would be less concern. However, those of us who are willing to support the President in providing the Nation with the strongest possible Defense Establishment—and obviously, civilian defense is a practical part of our defense structure—realize that a blank check, whether it be to the military leaders of the country, or to a civilian agency operating in the domestic field—does not represent sound legislative policies.

The legislative branch of Government is rapidly becoming a mere sounding

board and rubberstamp for the overzealous administrators in the executive department, who are determined to achieve maximum centralization of government without incurring resistance from the public.

It is my hope that the debate this afternoon will present sufficient evidence of legislative intent that the House is determined to exercise, through appropriate committee activity, a close check on civil defense planning and expenditures.

We wish to provide maximum protection to the American people, but we certainly owe them value for the dollar spent.

I commend President Kennedy for the practical suggestion that the civilian defense activities be assigned to the Defense Department. I agree with the decision of the administration that this represents a logical control by the military department over this vital defense program.

It would be my hope, however, that the President and his advisers show as much imagination and propriety in other activities of the New Frontier, since we find ourselves at the present time with the most confused and inept administration the country has ever known.

It is especially appropriate at this time to ask that the firmness in building the defense forces of the country be matched by equal firmness in foreign relations. Vacillation in foreign affairs is hardly compatible to the sacrifices we are asking the American public to make in developing our defense buildup.

Mr. ROOSEVELT. Mr. Speaker, the distinguished majority leader has clearly, eloquently drawn the issue. The threatened crisis has grown, the danger is right upon us. Even if our plans are not as complete as they should be, at least the present administration has made a new start, one of promise that practical action will follow. It better had. True this money is only a beginning. May we have time to work out complete really adequate plans to protect the lives of the men, women, and children who being helpless to protect themselves, will otherwise lose them. If we fail we give any enemy the best weapon he could ask for and probably assurance of winning by threat or blackmail, without giving Americans a chance to defend themselves. Let us support Mr. MAHON'S motion.

Mr. SIKES. Mr. Speaker, there is one feature of special significance in this bill. Its provisions add materially to our capability for conventional war. For years some members of this committee have sought to do that very thing—unfortunately with not much support and with very limited results.

There is a hole in our defense system as big as a barn door. It is the weakness which exists for engaging in limited or conventional war. For years the buildup has been in unclear weapons and their delivery systems. Conventional forces suffered in comparison. However important these weapons are, to depend on nuclear weapons alone is like depending on the Maginot line.

Now, under the Kennedy administration, a realistic start is being made to correct this situation. Conventional forces are being increased; airlift and sealift are to be enlarged, and existing forces are being beefed up and relieved of training responsibilities.

All of this is important. It means that we can fight with both hands if need be. It means that we are preparing to be able to fight in more than one part of the world if need be. It means that we soon can move much more sizable military units by air or by sea to trouble spots within a short time.

Now we are closing the hole in our defense system.

Mr. MAHON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TABER moves that the House concur in Senate amendment No. 26 with an amendment as follows: In lieu of the sum named in said amendment insert "$114,600,000."

Mr. TABER. Mr. Speaker, I think as we approach this problem we should do it knowing the whole situation and having it in front of us, and not with the idea that we are on the run and have no consideration for what we are doing. Let me say to you that this proposition in the way it is put before us and in its approach to the problem is enough to defeat it. This proposition was sent up to us here in the budget estimate, dated July 26, 1961. At that time the independent offices appropriation bill was before the Senate. The bill was sent to the Senate on the 25th day of July, and it did not pass the Senate until the 31st day of July. There was $82 million in that bill for civil defense. Instead of putting the whole thing together in that bill where it had been placed, it was kept back and included in the defense bill at the last minute.

What does it do? This $207 million would be a setup simply for a proposition to mark and survey these places which might be used as shelters. Those things can be done better and more efficiently and intelligently by the local communities in which the people live. You may say all you want to about civil defense, but if you do not do it in the proper way, if you do not do it in such a way that you can get results, you will have nothing to show for an attempt to meet their responsibilities, if they have any.

Mr. Speaker, I have been up against this civil defense business for 8 or 10 years now. We have had offered to us one scheme after another that was of peculiar character. For my own part, I listened to one outfit that wanted about $50 million to put in duplicating telephone circuits between the main cities on the east coast. I asked them if the A.T. & T. did not have those things already, and they said "No." I asked them how they knew that. They said their engineer had investigated the matter. I wrote to the A.T. & T. to find out if what they said was true, and I was told the next day it was not so, that they already had at least three duplicating lines. That is a sample of the kind of stuff we are up against.

If they had offered something that was progressive and forward looking, that could be used to help protect the people of the United States in a raid, I would be for it. But when it comes to putting up $207 million, the main feature being to have a survey and marking which could be done so much better by the local people and at almost no expense at all anywhere in the United States.

I do not know whether we are going to be run off our feet or not. You know, if we are really going to fight and win this battle of words, or any kind of battle, we have to do it in such a way that we use these things we have to fight with to protect ourselves in a most intelligent way, and we cannot do that by taking up every whim and spending a great lot of money on things that we do not need or that cannot be done in the way it is put up to us in an effective and efficient way.

Now, I do not know; maybe it is true that we should say that we are on the run all the time, and that we are not going to think about what we are going to spend our money for.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that the Independent Offices Appropriations Subcommittee held hearings and then cut the bill when it was before the House Independent Offices Subcommittee?

Mr. TABER. Yes, but there was no such thing as survey and marking in the items that were sent to the Independent Offices Subcommittee.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from North Carolina.

Mr. JONAS. I would like to confirm that. There were no justifications. We were not even asked for this program. This is a program that was evolved after we completed our hearings.

Mr. TABER. At that time the budget estimate went up to the Senate before the Senate had disposed of the independent offices bill, as I can demonstrate here, and I have the documents here to prove it.

Now, here is another thing I wanted to call attention to. The budget estimate contained provisos which would permit the transfer of this $207 million to any agency of the Defense Department. Now, that was practically an open statement to the effect that they did not have an intelligent proposal to work out and they were trying to get hold of $207 million to play with. Now, I cannot go along with that way of doing business, nor can I call that contributing to national defense.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. TABER. I yield.

Mr. GROSS. I am surprised that aside from the gentleman from North Carolina [Mr. JONAS], no one has taken the floor this afternoon of the independent offices appropriation subcommittee

to tell us why, only as recently as that bill went through the House—the conference, of course, accompanying it—this enormous increase had to be put on through the defense appropriation committee. And, I wonder what is going to be the story next year. Is the independent offices appropriation subcommittee going to hold hearings and appropriate one amount and then go again to the defense subcommittee with no hearings or no hearings worthy of note being held and triple the amount? I support the gentleman's amendment.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. JENSEN. I think every Member of this House should be grateful to the gentleman from New York [Mr. TABER], for his explanation of this matter in a most intelligent way. I am sure that a lot of Members of this House, when the vote comes, will feel that they dare not vote for the saving of $93 million. But, let me remind the Members of this House that Mr. Hoy, who was the director of civil defense for a number of years, was belittled and insulted no end by Members of this House when he asked for a reasonable amount of money for civilian defense. They said, "Oh, you will put on a bunch of political hacks," and they had every excuse in the world for reducing his request.

Now, all at once, we find that they have had a change of heart and we are in a much different position than we were even 2 months ago. Why, please tell me why, all at once so many Members of Congress have changed their thinking on this civil defense program.

Mr. Speaker, I certainly will vote with Mr. TABER, whose amendment should be adopted.

Mr. TABER. Mr. Speaker, I hope the amendment will be adopted.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I wish to say that in raising the point I raised a while ago, I repeat again that the circumstances under which this request comes before us leads me to point out that merely appropriating the money does not get the job done. The history of the civil defense requests is that many, many unsound proposals have been made where much money has been spent with little real protection provided or planned.

Mr. Speaker, I am opposed to the Taber amendment because I think surveys are one of the major things that we need. I regret that up until now we have not had a chance to make the civil defense agency pinpoint the basis for this request. However, some several years ago, as a member of the Defense Appropriations Subcommittee, I went to Russia. We made a survey in Finland and in Sweden and in other countries around the periphery of Russia in connection with their provision for protecting their civilian population. In every case we found that they had given some attention to plan, to design, planning underground garages which were actually good in time of emergency, but which would pay for themselves from an economic standpoint during peacetime. I think here, if we make a proper survey as to those places which now exist such as are under some of our major apartment buildings in our major cities, underground garages, and so forth. So far as the future we should have proper planning so future construction can serve a dual purpose. With proper planning we could give a whole lot more protection for a whole lot less money and prevent such expenditures from being a complete drain on our economy.

Mr. Speaker, I again say that we must not say, that simply because we appropriate these millions of dollars that we have got the job done. Actually by giving them the money with no more concrete planning than they have given us, we had better be doubly careful or we will not get the protection that we want and for which we pay. So I will say here that it is my understanding that this matter will hereafter be handled by the Subcommittee on Appropriations headed by the gentleman from Texas [Mr. THOMAS], and with all due deference to my own service and other Members, I do not know of any man to whom I had rather risk that job. I do say that when we provide this amount of money, because of the seriousness of the situation and because our country is faced with standing up to Russia, it behooves us to see that the supervising committee rides herd on these funds and sees that we get what we are going to pay for.

Mr. MAHON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, this item of $207 million in my opinion should be approved. Let the House understand that this money would be spent by the Defense Department and not by the Office of Civil and Defense Mobilization. Also, the money that has already been appropriated to the Office of Civil and Defense Mobilization will be susceptible to transfer to the Department of Defense, or any other agency. We are cutting down on the personnel of the Office of Civil Defense, and we are making a planning agency out of it. The implementation and operation of a further civil defense program will be in the hands of the Office of the Department of Defense. So, we have a chance for the first time to control this program and really see that it is handled in an efficient manner.

Mr. Speaker, my Subcommittee on Military Operations—I see the gentleman from New York [Mr. RIEHLMAN], who is the ranking Republican member, in the room; also the gentleman from Ohio [Mr. MINSHALL], and the gentleman from California [Mr. LIPSCOMB], and others that have served on this committee, and we have been holding hearings since 1955 on the problems of civil defense. We have heard many expert scientists, engineers and military experts. We have printed several thousand pages of testimony and have made about 10 separate reports on the subject of civil defense.

There is wealth of hearings, there is a wealth of reports, most of which were reported unanimously by the Joint Committee on Atomic Energy and the House Committee on Government Operations. I believe the gentleman from Massachusetts [Mr. BATES] brought that out on the floor. The members of the Atomic Energy Committee, of which he is a member, held extensive hearings on the subject. Those hearings show that there could be 50 to 80 million casualties. The same hearings showed that if the proper kind of civil defense is established the casualties could be cut by 90 or 95 percent.

Somebody brought up a question as to what they are doing in Russia. Yesterday Mr. Leon Gouré, from the Rand Corp., testified before the Subcommittee on Military Operations, and this is the gist of his testimony: He said that in the Soviet Union there are 22 million people trained for civil defense. He said there is an extensive system of underground shelters in the Soviet Union, and that in Moscow alone the subway would save 2 million people against an air attack using nuclear weapons.

I think the motion offered by the gentleman from New York should be defeated and the $207 million retained.

I wish to assure the Members of the House that the forthcoming program will be scrutinized in detail before it is initiated and concurrently with its implementation. The Subcommittee on Military Operations of which I am chairman will continue its interest in civil defense. We will scrutinize closely its program. I am sure that other committees such as the Defense Committee and the Committee on Appropriations will also watch this program closely.

It is long past the time when an ineffective boondoggling civil defense program is tolerable. This is a serious business; it can mean survival for millions who are now doomed to a horrible death if war comes in our present unprepared state. If we had an effective civil defense program today, we could take a much firmer stand at the diplomatic table in regard to Berlin, Laos, and other hot spots throughout the world.

Mr. MAHON. Mr. Speaker, I earnestly hope that this amendment will be defeated and that we will present a united front on this question of standing up as we should stand at this moment when we need to stand together in all important matters affecting our defense. We must not do too little too late. We have much information. The time has come for effective action.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 54: Page 40, line 16, insert the following:

": *Provided further*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 64: Page 43, line 17, insert the following:

": *Provided*, That the Secretary of Defense, under circumstances where the immediate movement of persons is imperative, may, if he deems it to be in the national interest, hire motor vehicles for such purpose without regard to this limitation."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 65: Page 43, beginning on line 22, strike out all of section 533 and insert section 633 as follows:

"SEC. 633. Not less than $7,500,000 of the funds made available in this Act for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense shall be available only for the procurement of commercial passenger sea transportation service on American-flag vessels."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69. Page 45, beginning on line 18, strike out all of section 537 and insert a new section 636 as follows:

"SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract, (4) the procurement of subcontractors required for the performance by the contractor of his obligations under a defense contract, or (5) costs of participation in exhibits upon invitation of the Government."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert: "SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 71. Page 46, line 17, strike out "repair and alteration projects" and insert: "acquisition of new facilities or expansion, extension or addition of existing facilities".

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following: "acquisition of new facilities, or alteration, expansion, extension or addition of existing facilities,".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 74. On page 47, line 9, insert the following:

"SEC. 640. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest, transfer, with approval of the Bureau of the Budget, not to exceed 3 per centum of any appropriation available for military functions of the Department of Defense for the current fiscal year, to any other such appropriation, but no appropriation may be so increased by more than 6 per centum, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation to which transferred: *Provided*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 74 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"SEC. 638. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the Reserve components, transfer under the authority and terms of the Emergency Fund an additional $200,000,000: *Provided*, That the transfer authority made available under the terms of the Emergency Fund Appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75. Page 47, line 22, insert the following:

"SEC. 641. (a) All payments of additional pay for foreign duty made prior to the date of enactment of this Act to enlisted members of the United States Air Force who served on any of the artificial islands (known as Texas towers) located off the coast of the United States on the outer continental shelf are hereby validated. Any such member or former member who has made repayment to the United States of any amount so paid to him as additional pay for foreign duty is entitled to have refunded to him the amount repaid.

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first section of this Act, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this Act."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows: Change the section number to "639"; agree to subsection "a"; concur in subsections (b) and (c), amended to read as follows:

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first paragraph of this section, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this section."

The motion was agreed to.

Mr. Speaker, as I had previously indicated, I am at this point offering a brief statement of the contents of the bill.

The bill as now completed by the House provides for new appropriations totalling $46,662,556,000. In addition, funds are made available by transfer from stock and industrial funds in the amount of $470 million and from old appropriations in the amount of $225 million, for a total availability in new obligational authority

of $47,357,556,000. This compares with $40,297,657,000 appropriated and $365,500,000 transferred on a comparable basis for fiscal year 1961. The fiscal year 1962 bill as it passed the House, passed the Senate and as agreed to in conference and now in the House, compared with the budget estimates, is shown in the following tabulation:

Department of Defense Appropriation Act, 1962

Title	Budget estimates (revised)	Passed House	Passed Senate	Conference	Conference action compared with—		
					Estimates	House	Senate
Title I—Military personnel	$12,746,000,000	$12,050,000,000	$12,845,000,000	$12,805,000,000	+$59,000,000	+$755,000,000	−$40,000,000
Title II—Operation and maintenance	11,792,945,000	10,937,530,000	11,771,996,000	11,731,130,000	−61,815,000	+793,600,000	−40,866,000
Title III—Procurement	16,860,000,000	14,881,014,000	16,729,556,000	16,674,896,000	−185,104,000	+1,793,882,000	−54,660,000
Title IV—Research, development, test and evaluation	4,790,400,000	4,842,561,000	5,294,140,000	5,243,930,000	+453,530,000	+401,369,000	−50,210,000
Subtotal, titles I, II, III, and IV	46,189,345,000	42,711,105,000	46,640,692,000	46,454,956,000	+265,611,000	+3,743,851,000	−185,736,000
Title V—Civil defense	207,600,000		207,600,000	207,600,000		207,600,000	
Grand total	46,396,945,000	42,711,105,000	46,848,292,000	46,662,556,000	+265,611,000	+3,951,451,000	−185,736,000
SUMMARY BY SERVICE							
Army	11,761,500,000	10,359,220,000	11,868,152,000	11,802,312,000	+40,812,000	+1,443,092,000	−65,840,000
Navy	14,621,000,000	13,458,402,000	14,529,680,000	14,505,665,000	−115,335,000	+1,047,263,000	−24,015,000
Air Force	18,480,400,000	17,583,038,000	18,932,415,000	18,836,534,000	+356,134,000	+1,253,496,000	−95,881,000
Office, Secretary of Defense	1,326,445,000	1,310,445,000	1,310,445,000	1,310,445,000	−16,000,000		
Civil defense	207,600,000						
Total, DOD	46,396,945,000	42,711,105,000	46,848,292,000	46,662,556,000	+265,611,000	+3,951,451,000	−185,736,000

TITLE I—MILITARY PERSONNEL

This bill provides $12,805 million for the pay and allowances of 2,743,227 active duty military personnel, approximately 1,072,000 paid status members of the Reserve components, and the pay of an average of nearly 330,000 retired military personnel.

For the Army, $3,697 million is provided by direct appropriation and $340 million is provided by transfer from stock and industrial funds. Thus a total of $4,007 million is made available to provide for the pay, allowances, individual clothing, subsistence, and permanent change of station travel for an active duty Army of 1,008,000 persons. In addition, the bill provides $221 million for an Army Reserve paid status strength of 300,000 and $235 million for an Army National Guard strength of 400,000.

For the Navy, $2,747 million is provided in the bill, $2,692 million by appropriation and $55 million by transfer from stock and industrial funds. These amounts provide the pay, allowances, and related costs for an active duty strength of 657,000. In addition, $84,600,000 is provided for a pay status strength of 125,000 in the Naval Reserve.

The bill provides $640 million, $629 million by appropriation and $11 million by transfer, for the pay and allowances, and so forth, for an active Marine Corps strength of 190,000, including manpower necessary to establish a headquarters for a fourth Marine division. An appropriation of $26,400,000 is provided for the pay and related expenses of 45,500 Marine reservists in Organized Reserves.

For the Air Force, $4,197 million is provided by appropriation and $64 million by transfer from stock and industrial funds for a total of $4,261 million to support an active duty strength of 888,227. In addition, $56 million is provided for a pay status Air Force Reserve strength of 63,000, and $47 million is provided for an Air National Guard strength of 72,000.

A summary of the forces, by service, proposed in the President's budget in January and in each of the subsequent amendments, and as provided in the bill follows:

Active duty military personnel strengths (excluding reimbursables)

[Numbers in thousands]

	January estimate	March amendment	May amendment	July amendment and bill
Army	870.0	875.0	875.0	1,008.0
Navy	625.0	628.0	628.0	657.0
Marine Corps	175.0	178.0	190.0	190.0
Air Force	822.9	824.9	824.9	888.2
Total	2,492.9	2,505.9	2,517.9	2,743.2

TITLE II—OPERATION AND MAINTENANCE

The bill provides $11,731,130,000 for operation and maintenance of our armed services. This amount includes the pay of most of the civilian employees of the Department, the operation and upkeep of military installations including community facilities, the operation of communications systems, fuel and petroleum products, repair and overhaul of equipment and supplies of all types, medical care, military training activities, and departmental administration.

For the Army, $3,735,710,000 is provided for the operation of 14 divisions, numerous less-than-division-size units, 5,621 aircraft, and approximately 200 major installations. In addition, $171 million is provided for the operation and maintenance of an Army National Guard strength of 400,000 in approximately 4,500 company-sized units. Amounts of $500,000 and $6,300,000, respectively, are provided for the National Board for the Promotion of Rifle Practice and the Alaska Communications System to continue the work of those organizations at approximately the current rate.

Provision is made for an active fleet of 899 ships in the Navy, 7,362 operating aircraft, and 48 Naval Reserve training ships by the appropriation of $2,889,535,000 for the expenses of operation and maintenance in the Navy. In addition these funds will provide for approximately 290 major installations including 11 naval shipyards, 37 supply outlets, and 66 naval air stations.

The bill provides $187,300,000 for the operation and maintenance of the Marine Corps three divisions and three air wings, including their four major combat unit support bases, two recruit training depots, two supply centers, and a fourth division headquarters organization.

For the Air Force $4,486,740,000 is provided in support of a force of 16,203 active aircraft organized in 97 combat wings and 128 combat support forces. Approximately 230 major installations will be operated, together with major warning, control, and communications networks, with the funds provided in this bill. In addition, $199,600,000 is made available for the support of a 72,000-man Air National Guard.

A total of $54,445,000 is provided for offices and purposes within the Department of Defense itself, as follows: First, for salaries and expenses, Office of the Secretary, $20 million; second, for payment of claims, Department of Defense, $19 million; third, for contingencies of the Department, $15 million; and fourth, for the salaries and expenses of the Court of Military Appeals, $445,000.

TITLE III—PROCUREMENT

The bill includes $16,674,896,000 for the procurement appropriations of the several services, allocated as follows: Army, $2,532,602,000; Navy, $6,695,360,000; and Air Force, $7,446,934,000.

The funds approved for the Army provide needed acceleration of the Army modernization program, including additional quantities of the new M–60 battle tank, the M–113 armored personnel carrier, essential aircraft and helicopters and modern battlefield communication equipment.

Production of the new 7.62-millimeter family of small arms, including the M–14 rifle and the M–60 machinegun, is expanded. In brief, the funds approved provide the additional modern equipment needed to continue to meet the demands of full strength combat and logistical support units.

Funds approved for the Navy include approximately $2.8 billion for shipbuilding and conversion. This provides construction of 36 new ships including 10 fleet ballistic missile submarines, 7 guided missile frigates, of which 1 is nuclear powered, and other craft in support of the ASW program of the Navy and the amphibious assault program of the Marines.

The amount of $2.6 billion is approved for Navy aircraft and missiles, including over 780 new aircraft, guided missiles and directly related supporting equipment for the Navy and Marine Corps. Procurement of the F-4H jet all-weather fighter, referred to by the Navy as the "finest fighter in the world" and the A-2F Intruder, the Navy and Marine Corps all-weather, low-level bomber and support aircraft are continued.

Funds are provided for further procurement of Polaris ballistic missiles and continued procurement of the surface-to-air Terrier, Tartar, and Talos missiles, the air-to-air Sparrow and Sidewinder, and the air-to-surface Bullpup missiles.

The entire Navy procurement program reflects increased emphasis on antisubmarine warfare to combat the growing Soviet submarine threat.

The amount of approximately $3.5 billion is approved for the aircraft procurement programs of the Air Force, including $514,500,000 for the procurement of long-range strategic bombers and approximately $400 million for continued modernization and expansion of our airlift capability. Procurement of KC-135 tankers is continued to support the bomber forces and to extend the tanker support to the tactical forces. Expanded procurement of the F-105 all-weather fighter now coming into the inventory of Air Force tactical squadrons is continued.

The appropriation for Air Force missile procurement totals approximately $2.7 billion. The program for fiscal year 1962 includes essential completion of the 13-squadron Atlas ICBM program; continued procurement in support of the 12-squadron Titan program, and initiation of the first major procurement of the solid propellant Minuteman intercontinental ballistic missile.

Funds are also included for procurement of the Hound Dog air-launched strategic missile which greatly increases the effectiveness of the B-52 heavy bomber and airborne alert capability.

Further procurement of the Bullpup missile provides for equipping additional operational squadrons with this air-to-surface tactical missile.

Additional funds have been made available for procurement of modern ground communication and electronic equipment including the last major increments for the ballistic missile early warning system—BMEWS, and the continental aircraft control and warning system—SAGE.

TITLE IV—RESEARCH DEVELOPMENT, TEST, AND EVALUATION

As we accelerate our preparations to increase our military strength in the months just ahead of us, we must not forgo our research and development programs which will determine to a considerable extent the effectiveness of our arms in the years to come. The bill before us provides $5,243,930,000 for the research, development, test, and evaluation programs of the Department of Defense. This includes $1,203,200,000 for the Army, $1,301,470,000 for the Navy, $2,403,260,000 for the Air Force, $186 million for the Advanced Research Projects Agency and $150 million for the emergency fund administered by the Office of the Secretary of Defense. These funds will provide for high levels of effort in basic research and applied research. In some fields these levels of efforts will be above those of last year. Support of the research and development efforts of the laboratories and test installations of the Defense Department is included in the sums provided as well as the funds for implementation of contracts with large and small companies, colleges, and universities, and nonprofit organizations throughout the United States.

A truly significant part of the total scientific effort of the country is provided for in the bill. Most, if not all, branches of science are included. Biomedical sciences, oceanography, solid state physics, the chemistry of propellants, nuclear propulsion, meteorology, and materials research are just a few of the areas included.

The $1,203,700,000 provided for the Army will finance more than 400 projects involving the 7 technical services of the Army, 52 Army installations, 550 universities, nonprofit institutions and prime contractors and approximately 40,000 civilian and military personnel. In general, the funding of Army missiles programs decreases as compared to fiscal year 1961 and funding of military sciences, aircraft, military astronautics and space, ordnance and combat vehicles, and other equipment increases. The Nike-Zeus anti-missile-missile system continues to be financed at a high level, although below the level of fiscal year 1961. The chemical and biological weapons and defenses program will receive a significant funding increase. The Army will support the Advent global communication satellite program. The Mauler and Pershing missile system programs will continue as will the Iroquois, Chinook, and Mohawk aircraft development programs.

The $1,301,470,000 provided for the Navy provides support for the operation and maintenance of such installations as the Pacific Missile Range, the Naval Research Laboratory, the Naval Ordnance Test Station, the Naval Electronics Laboratory and 21 other major installations in addition to financing that portion of the research, development, test, and evaluation program performed by contractors.

The Polaris fleet ballistic missile program continues to be the most heavily funded research and development program of the Navy. The development of the A-3 long-range Polaris missile is a significant part of this program. Other Navy missile development programs are the Typhon surface-to-air missile, the Subroc submarine-launched antisubmarine missile, and the Army air-to-surface antiradiation missile. A major problem area on which great emphasis is being placed is antisubmarine warfare. Projects aimed at increasing intelligence gathering capabilities, increasing the ranges of our detection devices and the development of mobile and fixed active and passive surveillance systems and development of new antisubmarine weapon systems are funded. Other important Navy research and development programs are nuclear propulsion for ships and submarines and the development of improved conventional weapons and equipment for the Marine Corps.

The $2,403,260,000 provided for research, development, test, and evaluation for the Air Force includes $400 million for the B-70 supersonic long-range bomber program. The amount provided is $180 million above the budget request for this program. Heretofore this program was funded under "Aircraft procurement, Air Force," and was transferred to this appropriation by action of the Senate on which the conferees have agreed. A total of $185,800,000 is provided for the Dyna-Soar program. This is $85,800,000 more than the amount requested in the President's budget.

Air Force research, development, test, and evaluation installations provided for include the Atlantic Missile Range, the Missile Development Center, the Arnold Engineering Development Center, the Air Proving Ground Center, the Rome Development Center, and the Flight Test Center.

Major space programs funded include the Midas early warning satellite, the Samos reconnaissance satellite and the Discoverer space research vehicle. The advanced manned flight vehicle program includes the X-15 as well as the Dyna-Soar. The Skybolt ballistic missile which is designed to be carried by a B-52 bomber and which would significantly improve the operational capability of this aircraft is funded in this account. Other important Air Force research and development programs are the short takeoff and landing fighter aircraft and the Saint satellite inspection system.

ADVANCED RESEARCH PROJECTS AGENCY

The budget estimate of $186 million is provided for the Advanced Research Projects Agency. This Agency is an integral part of the Office of the Director of Research and Engineering and undertakes development projects either outside the specific missions or interests of the military services or of interest to all of them.

EMERGENCY FUND

The budget estimate of $150 million plus $150 million in transfer authority is provided for the emergency fund of the Secretary of Defense. This fund provides the Department of Defense with the capability to promptly fund programs resulting from unexpected technological breakthroughs or to handle late developments.

TITLE V—CIVIL DEFENSE

The bill now provides the amount of the budget estimates, $207,600,000, for civil defense activities assigned to the

Department of Defense. This amount provides $93 million for a shelter identification and marking program; $58.8 million for supplying minimum essential survival needs in such shelters; $17.5 million for the improvement of shelters in, and the inclusion of shelters in, Federal buildings; $19.8 million for improving alert, warning, and detection systems, including a new national emergency alarm system; $13.5 million for a research and development program designed to raise the effectiveness and lower the cost of shelter protection; and $5 million for emergency operations.

Mr. SIKES. Mr. Speaker, if the gentleman will yield, it appears to me the most significant thing is that we cannot afford at this time when the danger clouds are gathering to make a survey and stop. We have to move. We have to make as much preparation as we can as quickly as we can. In a few months we can be in war, if Khrushchev so decides. This is not a time to bargain with lives. We have to move along.

Despite the efforts of many dedicated persons we have not had an effective civil defense program. The American people just have not been interested. Now they are apprehensive. They want something done. This is a new effort and a more realistic program. It gets down to the core of the problem. It treats realistically with fallout. However terrible the bombs may be, they will not reach nearly as many people as fallout will reach. For the average American fallout is the greater danger. Then let us move now to provide protection as quickly as we can for as many of our people as we can against this greater danger.

Mr. MAHON. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. TABER] to concur in the Senate amendment with an amendment.

The motion was rejected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas to concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 41: Page 34, line 8, insert the following:

"(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of Revised Statutes 3732 (41 U.S.C. 11)."

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 41 and concur therein.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members speaking on this conference report and amendments thereto may have permission to revise and extend their remarks, and that all Members may have 5 legislative days in which to extend their remarks on the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROGRAM FOR TODAY AND NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the majority leader to advise us as to the program for today and the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCORMACK. If we dispose of the two bills that are coming up today we will go over to Monday.

Mr. ARENDS. May I ask the gentleman with reference to the further program if he expects to adopt the two rules together?

Mr. McCORMACK. Yes, that is what we hope to do.

As to the program for next week: Monday is District Day and there will be seven bills:

H.R. 7622, permits certain gift enterprises, trading stamps.

H.R. 8074, amend Business Corporation Act.

H.R. 8444, amend Election Act of 1955.

H.R. 6836, amend Policemen and Firemen's Retirement and Disability Act.

H.R. 8344, restoration of the John Philip Sousa home.

H.R. 8032, amend the Healing Arts Practice Act.

H.R. 256, amend Alcoholic Beverage Control Act.

These bills will not necessarily be called up in the order I have announced.

After the disposition of those bills, if a rule is reported out by the Rules Committee on the mutual security bill, debate on that bill will start on Monday and continue throughout the week until disposed of.

I make the usual reservation, of course, that conference reports may be called up at any time and that any further program will be announced later.

ACCRUAL FLIGHT PAY

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 411 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. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least ten years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security, 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 Armed Services, 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. SISK. Mr. Speaker, House Resolution 411 provides for the consideration of H.R. 7651, a bill to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security. The resolution provides for an open rule, waiving points of order, with 1 hour of general debate.

The purpose of the proposed legislation is to provide an equitable means whereby a substantial reduction in the costs of military flying-hour programs, particularly the proficiency flying program, may be achieved without adversely affecting the ability of the military services to retain and procure the number of officers of the caliber required for a permanent career in military aviation. The objectives of the proposed legislation would be accomplished by establishing a system of sustaining compensation, called accrual pay. In many ways, the proposed pay could be called deferred hazard pay.

If the proposed legislation does not become law, the military departments during fiscal 1962 will expend $42,600,000 for proficiency flying hours and flying pay costs for officers who are affected by this proposed legislation.

If the proposed legislation does become law, there will be a savings during fiscal 1962 of $24,200,000. A substantially higher savings will be effected during subsequent fiscal years.

Mr. Speaker, I urge the adoption of House Resolution 411.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell me why points of order are waived on this bill?

Mr. SISK. Yes. I may say a request was made that the rule provide for waiving of points of order due to the fact

the Ramseyer rule was not entirely adhered to in the report.

Mr. GROSS. That is what I thought. May I say to the gentleman that I think too many bills are coming out of the Rules Committee waiving points of order to protect something of this nature, and I hope the Rules Committee will not waive points of order on so many bills in the future.

Mr. SISK. I appreciate the remarks of the gentleman. We try to be certain there is need for such action before we take that action.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution makes in order that the bill come out under an open rule, waiving points of order, as has already been stated, general debate confined to 1 hour.

The bill came out of the Committee on Armed Services with a unanimous report.

It seems to me from what we have heard of it in the Rules Committee that there can be no possible objection to such a bill. For one thing, it does something that is remarkable in this day and age. It is going to affect a small economy. The economy is so small you will not notice it very much, in view of the conference report we have just voted on. The economy consists of $24,200,000. Still it is a step in the right direction.

Another thing about the bill is it cuts down on the flight pay of many officers who are no longer required. In other words, they are of no great use to the service. On the other hand, it is not going to curtail any flight pay of those who are actually active in the service. The Committee on Armed Services, the Joint Chiefs of Staff, and all those experts in this matter, have informed us that this is desirable, and I am very sure it is.

When it comes to the matter of rated officers, in the fiscal year 1958–59, there were 1,515 grounded. The losses during that period amounted to 269, making a total loss of 18 percent. Similar officers not grounded were the same number and the normal losses 109, making a percentage loss of only 7 percent.

Of 728 rated officers, suspended on December 31, 1960, 57 have left the service. This is 8 percent of the total. Of the 57 who left, 10 retired, and the other 47 separated short of retirement eligibility.

The total eligible for retirement was 50, of whom 10 have retired. This is 20 percent of the eligibles.

I was a little disturbed at the thought we might be scrapping some of our equipment and some of our planes at a time in our history when they might be needed. I am reliably informed that this is not the case, that the planes that will be scrapped for lack of use are probably planes that should not be kept anyway; they are expensive to maintain. The chief economy in this bill will consist in not keeping up a lot of equipment, most of which is obsolete.

So, Mr. Speaker, it seems to me that this bill is a good bill and the rule should certainly be granted.

Mr. BAILEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from West Virginia.

Mr. BAILEY. If there is not anything wrong with this legislation, why is it necessary to have a rule waiving points of order?

Mrs. ST. GEORGE. I think that has already been explained by the gentleman from California. It seems that there are some facets in the report that do not entirely conform with the Ramseyer rule, and for that reason they asked the Committee on Rules to waive points of order.

Mr. BAILEY. It has been my observation that when a rule of this kind comes up, somebody is going to get hurt.

Mrs. ST. GEORGE. Well, I trust nobody will get hurt in this particular instance, may I say to the gentleman.

Mr. KILDAY. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Texas.

Mr. KILDAY. In reporting this bill, the Committee on Armed Services did not include the Ramseyer provision in the committee report. It was not an oversight; it was a question in the minds of the committee and the committee staff as to whether this bill actually required Ramseyer action, and the opinion, according to the parliamentarian, was that it would require the Ramseyer provision.

Mr. BAILEY. That it would?

Mr. KILDAY. It would. It amends title II of the Career Compensation Act of 1949. Title II consists of some 32 printed pages. To have complied with the Ramseyer rule would have cost a tremendous amount of money, and that is the only reason that the request was made that points of order be waived. The report did not include the Ramseyer rule, and to have complied with it would have required some 60 pages of printed matter at an excessive cost.

Mrs. ST. GEORGE. I thank the gentleman for his contribution.

Mr. SISK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MONETARY ALLOWANCE FOR TRANSPORTATION OF HOUSE TRAILERS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 410 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. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, 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. BOLLING. Mr. Speaker, I yield myself such time as I may require, after which I yield 30 minutes to the gentleman from California [Mr. SMITH].

Mr. Speaker, I know of no controversy either on this rule or on the bill itself.

The bill came from the House Committee on Armed Services. It was unanimously reported. It is designed to correct an inequity which exists in the treatment of military personnel subject to change-of-station orders. It affects particularly those who live in house trailers or home trailers who now do not receive treatment as favorable as people who live in ordinary houses.

Mr. Speaker, the estimated cost, as I understand it, is $1,405,000.

I, therefore, reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the rule was correctly explained by the gentleman from Missouri [Mr. BOLLING]. It provides for 1 hour of general debate under an open rule. Simply to add just a few remarks to the statement by the gentleman from Missouri [Mr. BOLLING], it is my understanding that there will be about 9,115 of these mobile trailer moves of uniformed service personnel in the next year, and due to certain administrative rulings, instead of getting 20 cents per mile, or even the necessary cost, it seems they get about 11 cents per mile.

Mr. Speaker, the thought behind this legislation is to correct that inequity. But by the same token, it is my understanding that there will be a limit on it so that the Government will not pay to the individual a greater amount than it would cost to move them by public carrier.

Mr. Speaker, I know of no objection to the rule nor to the bill. I have no requests for time. I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ACCRUAL FLIGHT PAY

Mr. KILDAY. 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. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security.

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. 7651, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KILDAY. Mr. Chairman, I yield myself 10 minutes. Mr. Chairman, this is a very important bill for the Air Force, and the flying personnel of the other services. It is quite technical and involved, and I hope that I can retain the attention of the membership while I attempt to explain what is involved.

Mr. Chairman, from the beginning of the use of airplanes in our military services, there has been a system of incentive or hazard-duty pay for the benefit of those who are under orders requiring regular and frequent participation in aerial flights. It started shortly after the first airplanes were purchased, in 1908 or 1910. Of course, it had its big impetus in 1917, incident to the expansion of the Air Force service in World War I. It existed for many years as 50 percent of the base pay of the individual officer. That continued until 1949, when we placed it on the basis of a stated number of dollars by grade or rank of the officer involved. It begins at about $100 for a second lieutenant and progresses upward until it reaches $245 in the rank of colonel, and then it takes a very material reduction to $160 for the general.

Mr. Chairman, at the present time the Air Force is in a period of transition. The question is how many manned combat aircraft are going to be needed in the Air Force. No one knows at this time just where we are going to land in the transition of manned aircraft to missiles.

We will not know for some time to what extent the missile will replace the manned aircraft. But we do know this: The Air Force weapon system has caused a reduction from 137 manned aircraft wings in 1958 to 79 manned aircraft and 5 missile wings programed for the fiscal year 1962. As a result we have approximately 7,460 rated career officers in excess of our requirements for cockpit spaces during 1962. These men are thoroughly qualified as air crew members.

Because of the difficulty presented by this situation, the Committee on Appropriations, for the past 7 years, has attempted to provide for it in appropriation language. At the present time the appropriation language is that a person who has been rated as a flying officer for a period of 20 years may be permitted to draw his full flight pay without participating in regular and frequent airplane flights.

The bill upon which we just voted, the Defense Department appropriation bill that was just approved here in the conference report, at page 36, contains a provision reducing this 20-year period of required flight service to qualify for flying pay without complying with the regulations, to 15 years, so that the bill that you have just adopted here will permit an officer who has been on flight duty for a period of 15 years to draw his total flying pay.

What do we propose here? We propose here a sliding scale, to the effect that if a man has been on flight status for a minimum of 10 years he may continue to receive flight pay but not at the full flight pay, as is the present law, because of the existing appropriation language. He would get 5 percent a year, so that if he happens to have been on flight status for 10 years he would draw 50 percent; if for 15 years he would draw 75 percent; and if for 20 years he would draw 100 percent, or any percentage in between for the varying years. So that without this legislation the bill that you just passed here would permit the man with 15 years to draw 100 percent of flight pay. With this legislation he will draw 75 percent of flight pay.

But the flight pay is a minimum part of the savings here involved. The law provides that he shall receive his flight pay if he is under orders to engage in regular and frequent airplane flight. That requires facilities to be maintained in order that he may qualify for his proficiency flight or his administrative flight, whichever you want to call it. If we do not pass this bill we will expend in fiscal year 1962, $42,600,000 for proficiency flying to permit these people to qualify for their flight pay.

If this legislation is passed and does become law, there will be a saving during fiscal year 1962 of $24,200,000.

In the savings, $13 million in gasoline and other operating costs will be saved, $2,875,000 for spare parts, about $6 million in labor costs for base-level maintenance, and $2,223,000 in flight pay. So that the smallest part of it actually is in flight pay, because you must maintain the planes, you must service the planes, you must maintain the bases, you must provide for fuel in order to operate the planes.

I believe that that adequately explains the purpose of the bill. I might say that today, with all of our hindsight, maybe we could have established a better system of flight pay or hazardous duty pay.

But we are not back in 1908, 1910, or 1917. We have a situation which now exists. We have 7,460 rated officers in excess of requirements. They are all well-qualified fliers. The program still contemplates removing entirely from flight status those who are not proficient in flying and those who are not physically able to fly. This bill provides that in order to draw any portion of his flight pay, he shall continue to be qualified physically to fly or he draws nothing. The point is—we have an excess of 7,460 qualified flying officers today. But, we do not know what the situation will be in 2 years.

It may be that in this transition, we will be assured 7,460 qualified flying officers depending upon what your mix is going to be between men, combat aircraft and missiles. So that these people will still be available and still qualified and still ready to be used. They are excess only in their flying skill. There are ample duties for each and every one of the men who will be continued on duty. During the course of time, they have acquired experience and skills in management and in executive capacities and in many other capacities, and they are all urgently needed in the Air Force.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Let us just go back to World War II. During the war a person well understood when he went into the flying service that in the months that he did not fly or put in the required hours, he received no hazard pay. Evidently, we have gotten away from that concept somewhere. Even if it were not one's fault, suppose he had a leg shot off and he were in a hospital, he did not get any hazard pay.

Mr. KILDAY. I do not believe the gentleman is correct on that.

Mr. SMITH of Iowa. I know I am correct because that was well understood when I went into the flying service.

Mr. KILDAY. I am saying to the gentleman that I am afraid there is a confusion there between the pay status—such as submarine pay and hazard flight pay. With reference to submarine pay status, even if a man is on leave, he does not get that pay, but on flight pay so long as he is in that status and capable of discharging his duties, he is entitled to flight pay.

Mr. SMITH of Iowa. A man must put in the required hours that month, that is the way it was during World War II.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. I have no quarrel with what the gentleman is trying to do, but I do want to point out that there are other types of hazardous service. There is the submarine service,

for example, which to my mind is just as hazardous as the flying service, and I wonder if the committee intends to take a parallel course with respect to that type of service.

Mr. KILDAY. The situation has not arisen as to this. Those things are not in transition. They are actually being built up with time to recruit people to man our nuclear and Polaris submarines. That is on the upgrade. We are in transition in the air arms only.

Mr. GEORGE P. MILLER. I was just trying to anticipate the mistakes that might be made, if we go along on this to the point where we have to start using hindsight instead of using a little foresight now. I think that the question of hazard pay for submarine officers and people going down in the bathyscopes ought to be looked at now.

Mr. KILDAY. The gentleman from California is probably correct with reference to that. I hope the committee will look into these various things. The point is this, we have a system which has been in existence for a long period of time. It has been understood and accepted that a person who entered upon a flying career had a right to expect that he could continue in that flying career so long as he maintained his proficiency in flying and so long as he was physically capable of flying. There is now a period of transition. This bill applies to those who qualify during a period of the next 2 years. We have a system which has grown up over the years, and this is our first effort to get out from under that system because this bill is for 2 years. It is made perfectly clear—there is a caveat given to everybody entering the flying branch now that he cannot expect similar treatment hereafter, that is, 2 years from now. In other words, if he is entering now, it will be about 2 years before he is fully qualified, and so on. But this is a caveat to him that this same treatment is not going to be hereafter given and that he should anticipate remaining on flight status only so long as he is needed in that status.

For the first time we have an orderly method by which we hope to get from under a system which has grown up gradually since about 1910.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Michigan.

Mr. O'HARA of Michigan. Am I to understand from the gentleman's remarks that if we have a flying officer assigned to a desk in the Pentagon and taken off his duty flying that he will continue to receive flight pay under the system that has existed as long as he maintains his proficiency? Is that correct?

Mr. KILDAY. His capability, let us say.

Mr. O'HARA of Michigan. That differs, I gather, from the treatment of submariners and paratroopers and other specialists?

Mr. KILDAY. This is in the category of incentive duty pay.

Mr. O'HARA of Michigan. I wish to say to the gentleman from Texas that I think this bill is a step in the right direction, but I hope that eventually the committee will bring about uniform treatment in the matter of all hazard duty pay.

Mr. KILDAY. The gentleman from Michigan has raised an excellent point, but I would like to put it in the reverse order. He said officers assigned to desk duty at the Pentagon are not required to do flying, or so he was assigned just to desk duty. He has put in all this flying time. For him to put in qualifying flying times means that a plane must be ready for him with a crew to service it and be fueled. That has been a year-to-year law for 7 years. The Appropriations Committee has provided that if he has been flying for as much as 20 years he can draw his flight pay if he is qualified and capable of flying and not have to do the extra flying.

This bill would say that with 15 years' experience he could get 75 percent rather than 100 percent, and extends it down to 50 percent at 10 years, 55 percent with 11 years, and 60 percent with 12 years. So it is on an orderly basis.

Mr. O'HARA of Michigan. If the gentleman will yield further, I gather that he intends that in the future an air officer shall receive flight pay only when assigned; that is, for the new officers coming in.

Mr. KILDAY. That is right.

Mr. O'HARA of Michigan. Only when assigned to flight duty.

Mr. KILDAY. That is right. This is intended to be a caveat to those now entering the service that they cannot expect similar treatment to what has been done in the past, and that they will receive flight pay only so long as they are assigned to flight duty, and only so long as the weapons system and the strengths, and so forth, require his service in that category; otherwise he will draw only his base pay.

Mr. O'HARA of Michigan. I am glad to see we are going back to the rule that was established during the war. I do not know where we got off it in the meantime.

My other question is this: Is retirement pay computed on the basis of flight pay?

Mr. KILDAY. No; retirement pay has never been based on flight pay; it has been figured on base pay only. Flight pay has never been recognized as a base for computing retirement pay.

Mr. BATES. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. BATES. Mr. Chairman, I rise in support of the bill H.R. 7651, which has been commonly hailed as the economy flight bill of 1961. I support this proposal because it is fair, it is equitable, and it is the beginning of a solution to a serious problem.

The committee at this late hour in the session has not gone as far, perhaps, as some may desire, but it seems to me we have gone as far as we can at this time. The problem is that we have more qualified rated officers in the Air Force today than we need under present circumstances. To be sure, the projected changes in respect to the B-47, by extending the period in which they will be in service may have some impact upon the situation, but as far as I can determine today we will have, as the gentleman from Texas has indicated, some 7,460 pilots in the Air Force beyond our needs. The basic problem is whether we are going to take these officers completely off flight pay or whether we should give some consideration to the moral understanding which they had when they undertook their career. It seems to me that justice suggests we should give them some remuneration as the Appropriations Committee itself has recommended for 7 years in respect to those who have completed some 20 years of flying. Those who are presently in the Air Force and who are no longer flying but are accredited pilots of over 20 years' experience today come under the provisions of the Defense Appropriation Act. All we are doing here is saying if you have 10 years or more you shall come under the same provision as those who have completed 20 years of flying, but at reduced rates. It seems to me this is a sensible approach to the problem. It does not make sense to have experienced pilots who are in excess of our needs flying these planes, consuming some $13 million worth of gasoline, requiring that a plane be available, hangar maintenance, and all these accessories and ancillary parts they have. So our proposition is to put these people aside as far as proficiency flying is concerned, and if later on circumstances should require it, we can bring them back and give them refresher training.

In the meantime we will save over $24 million a year. With the tremendous expense the country and taxpayers are under at this hour, it seems to me we ought to enact this particular legislation.

So, Mr. Chairman, I sincerely trust the House will support the bill. It is in the direction of economy, and it received the unanimous approval of the Committee on Armed Services.

Mr. SCRANTON. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Pennsylvania.

Mr. SCRANTON. As the gentleman from Texas said, there were two main reasons for instituting flight pay; one was incentive, and the other was hazardous duty. Is the committee still of the opinion this is necessary for incentive reasons?

Mr. BATES. Obviously, we are reducing some 7,460 pilots from the Air Force. We do not need at this moment the incentive, because we have more than we actually need. But I do not think the same argument would obtain to those who might be in Navy aviation, or who might be in Marine aviation, or who might be in Army aviation.

Mr. SCRANTON. Then the main reason for maintaining flight pay is for a hazardous occupation?

Mr. BATES. Yes. In respect to the Air Force today I would say that is true.

Mr. SCRANTON. We are having no trouble obtaining people for the Air Force for the purpose of flying?

Mr. BATES. At the moment we have an excess in rated pilots and that has

given rise to the problem we have. However, we also have a problem in obtaining qualified aviation cadets.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

Mr. BATES. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like to pursue this a little further. Is it incentive or hazardous pay? Will the gentleman from Texas tell me?

Mr. KILDAY. The statute calls it incentive pay for hazardous duty. So I guess it is both.

Mr. GROSS. Incentive pay for hazardous duty. How hazardous is it for some desk jockey over in the Pentagon, who has outlived his day of usefulness as a pilot or is permanently grounded because he is not needed? You say this involves a saving of $24 million. Why not get these desk jockeys off hazardous pay altogether? Why not save $42 million?

Mr. KILDAY. I will have to ask the gentleman for some more time to answer that question.

Mr. GROSS. I yield to the gentleman to answer the question.

Mr. KILDAY. The point is that existing law gives him the legal right to receive the pay upon compliance with those conditions. There is no proposition here to repeal that law, so it will continue in effect. You are not going to effect any savings unless we pass this bill.

Mr. GROSS. The question is: Why is not that proposal here today? What are we doing, something a little less worse than something that is wrong?

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Massachusetts.

Mr. BATES. He is not taking issue with our committee.

Mr. GROSS. Who is not?

Mr. BATES. The action to which the gentleman refers is action on the part of the Committee on Appropriations and has been approved by this House for the past 7 years. I never heard the gentleman rise on the floor and challenge what the Committee on Appropriations is doing. Ours does not have reference to that particular subject.

Mr. GROSS. I am asking why you did not provide in this bill that all those not actually flying be cut off from hazardous pay.

Mr. BATES. Ours merely supplements what has been the fact for many, many years.

Mr. GROSS. I do not question that.

Mr. BATES. Ours is for the people who might have a career still ahead of them. The gentleman addresses himself to those people who have been included in the appropriation bill every year, not upon what we are doing here.

Mr. GROSS. Why did you not come out of your legislative committee with a bill to chop off these people who are no longer entitled, on the basis of either incentive or hazard, to flight pay? Why did you not come out with that kind of legislation?

Mr. BATES. I do not know whether the gentleman listened to my remarks, but I did address myself to that particular point. I said this is a beginning. It is late in the session. We are saving $24 million.

Mr. GROSS. Why do you not go further and save $42 million?

Mr. BATES. If the gentleman will go as far as we have gone and save this amount of money, we will do pretty good for an afternoon's work.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Of course I yield.

Mr. HOFFMAN of Michigan. I think the gentleman should be commended on the fact that they are trying to hit the sawdust trail. We should not find fault because they have only gone part way.

Mr. GROSS. I would like to see them go all the way to the altar of economy.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield.

Mr. YOUNGER. You understand that this is paying for not flying.

Mr. GROSS. That is right; at least, that is my understanding of it. If there is any argument to the contrary, I would like to hear it from the gentleman from Massachusetts or the gentleman from Texas.

Mr. YOUNGER. Well, the gentleman should consider this. Is not this legislation brought about to bring it in line with paying the farmer for not producing?

Mr. GROSS. For what?

Mr. YOUNGER. Paying the farmer for not producing.

Mr. GROSS. Or cost-plus contracts for the airplane industry in California where the gentleman comes from.

Mr. YOUNGER. I think we ought to bring all of these bills in shape and pay everybody for not doing something.

Mr. BATES. Mr. Chairman, if the gentleman will yield, the thing I am trying to establish in my mind is this: Does the gentleman support the legislation, or is he against it?

Mr. GROSS. I suppose under the circumstances and the opportunity to save some money, I may support it. I still have not made up my mind.

Mr. BATES. I will be glad to have the gentleman's support.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. SMITH of Iowa. I just wonder to what extent we are legalizing action that has been taken by the Committee on Appropriations and regulations that have been adopted; are we really legalizing those actions or are we amending substantive law?

Mr. BATES. This is a question of substantive law.

Mr. SMITH of Iowa. Then it is not just a matter of what the Committee on Appropriations does. This is a subject that came out of the gentleman's committee, then?

Mr. BATES. Yes. We have had a practice which has been developed by the Committee on Appropriations on a temporary basis from year to year, but sanctioned by the Congress. Now we are affirming that in substantive law.

Mr. SMITH of Iowa. But we are amending substantive law, too; is that right?

Mr. GROSS. Does not the gentleman from Iowa [Mr. SMITH] agree with me, if I may ask him a question, that we ought to have legislation to stop this business of providing incentive, hazardous, or whatever it is, flight pay to people who are no longer manning airplanes?

Mr. SMITH of Iowa. I know that during World War II it was well understood that if you did not fly you did not get flight pay. Somewhere along the line we got off that track. Now it seems we are coming back. But I cannot find out for sure if this is the result of appropriations action or regulations or actually substantive law.

Mr. BATES. The gentleman does understand that eventually, after a 2-year period, we will undertake the program which he is suggesting?

Mr. SMITH of Iowa. That is, to get back where we were in World War II?

Mr. BATES. That is correct.

Mr. GROSS. But that is 2 years away. For 24 months we are going to go right on paying out millions of dollars to people for hazardous duty which they do not perform.

Mr. Chairman, I have never opposed premium pay for hazardous duty, but I am opposed to extra pay for those who are meeting only the ordinary hazards of life, and certainly there is no need for incentive pay to acquire fliers when there is an admitted surplus of several thousand.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I do not want the RECORD to reflect that we are talking here about people who cannot fly or who are physically disqualified, or anything of that kind.

The people who cannot or should not fly, "who are no longer physically able to fly," go off flight pay. They have already gone off. They will continue to go off without any pay. This has to do with the persons with more than 10 years of service who are thoroughly competent pilots or whatever their category is in the aircrew. This has nothing to do with that individual who is qualitatively or physically disqualified.

The situation is a very practical one. For many years in the United States we have had this system existing. We all know that people on a fixed income are quite likely to live up to whatever their fixed income may be. These people have been entitled to this pay throughout their period of service. You know and I know that they have probably laid their plans and have been living in accordance with a total income. You cannot possibly retain these men who are thoroughly competent, doing fine, excellent jobs in their administrative capacity, and at the same time cut their pay by anywhere from 10, 15, 20, to 25 percent. That situation no longer exists in the United States, where you can treat faithful employees that way, and it is not going to happen, we know that.

The law provides that if he is under orders for regular and frequent participation in airplane flights he shall receive this money. We know that they are not going to be cut off administratively. We know that if we pass this bill we are going to save this amount of money. That is the purpose of bringing the bill in.

The gentleman from Iowa inquired of me why we did not bring in a bill to cut the whole thing off. I told him I would reply in my own time. The reason I, as one member of the committee, did not bring in such a bill is that I do not support it. I believe it to be unjust and unfair and not for the best interests of the Air Force or the men involved.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has stated the purpose of this bill is to continue the pay of officers who are no longer flying, to continue the premium pay they have been provided. This bill then is in the nature of a subterfuge.

Mr. KILDAY. No, there is no subterfuge at all.

Mr. GROSS. Oh, yes.

Mr. KILDAY. I do not yield further at this point. I will later if necessary.

The situation is the opposite. These men already are on duty, doing the duties for which they are required and which are needed of them. In addition, they are required to participate in airplane flights, and we are going to relieve them of that portion of them.

Let me say to the gentleman, personnel problems in the Military Establishment are always highly complicated. For almost 23 consecutive years I have worked on these problems. Most of our effort has been devoted to attempting to keep on a career basis the type of people we want to keep in the military service. We have had a very, very difficult time constantly throughout the years attempting to do that. We have spent in many years millions and millions of dollars trying to bring their income, benefits, medical care, retirement, and all these things in line with the tremendous steps taken by industry.

We have here a bill now that is of primary importance to the Air Force. General LeMay came personally to testify and said it is one of the most important things he requires at this time. General White, as his last act before retiring as Chief of Staff of the Air Force, came to testify on this bill. General Power, commanding general of the Strategic Air Command, said in a written statement placed in the hearings that this is one of the most important things he needs in connection with SAC. General Schriever also appears in the record in behalf of this bill.

If you think you can treat military personnel or any civilian personnel of the Government establishment in a cavalier manner and still maintain efficiency and morale you are totally mistaken.

Mr. BATES. Mr. Chairman, I have no further requests for time.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. 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 title II of the Career Compensation Act of 1949, as amended (37 U.S.C. 232 et seq.), is amended by adding the following new section at the end thereof:

"ACCRUED PORTION OF INCENTIVE PAY UNDER SECTION 204(a)(1)

"SEC. 211. (a) The purpose of this section is to provide an orderly system for the adjustment of inventories of aeronautically rated or designated officers with the requirement for officers in this capacity in the interest of national security, as determined by the Secretary of Defense. This section will provide a means whereby a reexamination may be made of the entire requirement for aeronautically rated or designated officers in a period of changing technology and weapons systems for the purpose of bringing the number of such officers in correspondence with the requirement.

"(b) The Secretary of Defense shall, for the purpose of subsection (a), review at least once each fiscal year the needs of the Armed Forces for aeronautically rated or designated officers and determine the number of those officers needed.

"(c) Based upon the determination made by the Secretary of Defense under subsection (b), and upon a determination by the Secretary concerned that an officer of an armed force under his jurisdiction who—

"(1) after the day before the date of enactment of this section and before the second anniversary of the date of enactment is eligible to receive incentive pay under section 204(a)(1) of this Act, and

"(2) has, following receipt of his aeronautical rating or designation, served on active duty (excluding active duty for training) at any time under competent orders to duty involving flying as a crew member for a total of at least ten years;

is no longer required in the interest of national security to perform frequent and regular aerial flight that officer is, after the effective date of such a determination, entitled to an accrued portion of the incentive pay for that hazardous duty computed under subsection (d) of this section, whenever he is thereafter entitled to basic pay.

"(d) The monthly rate of pay to which an officer is entitled under this section is computed by multiplying the number of years (but not more than twenty), on a cumulative basis, that he served, as determined by the Secretary concerned, under competent orders to duty involving flying as a crew member, by 5 per centum of the monthly rate of pay prescribed under section 204(b) of this Act to which he would be entitled on the effective date of the determination under subsection (c) of this section if he actually performed frequent and regular participation in aerial flight. After attaining a total of ten years' active rated service for initial qualification, in determining the total number of years to be used as a multiplier, a part of a year that is six months or more is counted as a whole year and a part of a year that is less than six months is disregarded.

"(e) The rate of pay authorized by subsection (d) may not be increased as a result of an officer's advancement in pay grade or accumulating additional years of service, unless he again becomes entitled to incentive pay under section 204(a)(1) of this Act and receives such incentive pay for a continuous period of at least two years. However, the pay under this section of an officer who became entitled to that pay while serving in a pay grade below O-7 shall, if he is later advanced to a pay grade above O-6, be computed on the basis of the pay grade in which he is serving with the number of years credited to him under subsection (d).

"(f) Subject to the approval of the Secretary of Defense, the Secretary concerned shall prescribe the criteria and circumstances under which officers of the armed forces under his jurisdiction are eligible for pay under this section. Such criteria and circumstances shall be as uniform as practicable.

"(g) This section is suspended whenever the President, pursuant to section 204(d) of this Act, suspends the payment of incentive pay under section 204(a)(1) of this Act.

"(h) Except for an officer who is ineligible for that pay because of nonpermanent physical disqualification on the day before the date of enactment of this section and who subsequently is returned to such eligibility and meets the requirements of subsection (c) (1) and (2), of this section does not apply to an officer who was eligible to receive incentive pay under section 204(a)(1) of this Act before the date of enactment of this section, but who is not so eligible on the day before the date it is enacted.

"(i) No officer of an armed force is entitled to the pay authorized by this section in addition to incentive pay authorized under section 204 of this Act."

Committee amendment: On page 3, line 11, after the word "pay" insert: "and otherwise remains qualified under such regulations as may be prescribed by the Secretary concerned".

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: On page 3, line 16, after the word "years" insert: "as determined under paragraph (2)".

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas has just told us the purpose of this bill. It is to continue the flight pay of military personnel who no longer fly regularly. Instead of coming to the House with a bill to pay these people the salaries that he says are necessary to keep them in the service, there is resort to a continuance of flight pay to nonfliers in order to keep them in the service. I say it is a subterfuge. I challenge anybody to deny it. Why do you not come to the Congress with the kind of bill that you ought to come in with and pay them what you say they ought to be paid? Why do you not come to the House with the kind of pay schedules that will keep them in the service, if that is necessary instead of resorting to this kind of device that lends itself to all kinds of abuse.

Mr. Chairman, I said this bill is a subterfuge and I say it again.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. NATCHER, 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. 7651) to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years, and who subsequently are removed from

the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security, pursuant to House Resolution 411, he reported the bill back to the House with sundry amendments, adopted in 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 question is on the amendments.

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 a third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MONETARY ALLOWANCE FOR TRANSPORTATION OF HOUSE TRAILERS

Mr. KILDAY. 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. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services.

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. 2732, with Mr. MACK in the chair.

The Clerk read the title of the bill.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Seventy-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 145]

Adair	Evins	Kilburn
Alexander	Farbstein	Kluczynski
Anderson, Ill.	Fino	Landrum
Ashley	Glenn	Lesinski
Bass, Tenn.	Goodling	Macdonald
Blitch	Griffin	Machrowicz
Brooks, La.	Griffiths	Martin, Mass.
Buckley	Hall	Miller, N.Y.
Celler	Halleck	Monagan
Coad	Harrison, Va.	Pilcher
Cook	Healey	Powell
Davis,	Hoeven	Rabaut
James C.	Hosmer	Randall
Davis, Tenn.	Huddleston	Rivers, S.C.
Dawson	Inouye	Roberts
Diggs	Jones, Ala.	Rostenkowski
Dooley	Jones, Mo.	Rousselot
Ellsworth	Kearns	Santangelo
Spence	Vinson	Winstead
Thompson, N.J.	Weaver	Yates
Tupper	Westland	Zelenko

Accordingly, the Committee rose and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MACK, 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. 2732, and finding itself without a quorum, he had directed the roll to be called when 370 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. KILDAY] will be recognized for 30 minutes, and the gentleman from Illinois [Mr. ARENDS] will be recognized for 30 minutes.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this is the last bill scheduled for consideration this week, and I will do everything I can to expedite it. I did not ask for the quorum call and I was quite surprised when it was asked for. I shall attempt to expedite the consideration of the bill.

Mr. HOFFMAN of Michigan. I could make a point of order that you have mentioned me by name, which is contrary to the rule, but I did ask for the quorum call because the statement you made previously was so enlightening and so helpful that I wanted every Member of this House to be here when you made your statement on this bill.

Mr. KILDAY. I always appreciate the gentleman's compliments but I did not mention the gentleman by name, I just said that I did not ask for the quorum call.

Mr. HOFFMAN of Michigan. I wish you would mention my name more often.

Mr. KILDAY. I will do that if you will not make a point of order against it.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. KILDAY. Mr. Chairman, for many, many years, perhaps, since the beginning of our military forces as we know them today, members from the equivalent rank of corporal and above have had the right by law to have their baggage and household effects packed, crated and shipped and delivered at Government expense within certain weight limits for each grade.

In 1955 because of the number of house trailers that had come into use in the military service, the Senate added a provision to permit the moving of trailers at a cost of not to exceed 20 cents a mile in lieu of the movement of baggage and household effects. Of course, in the house trailer those things are included. Since that time that has been the law and the 20 cents has not been paid to the man who moved his trailer himself—he has never been allowed more than 11 cents. With the passage of time, these house trailers have become much larger and more difficult to move and, as a matter of fact, they cannot be moved behind the personal car of an individual. They must be moved commercially, and the average cost of moving a house trailer is 35 cents rather than 20 cents a mile, which is the limit provided by law at this time.

Mr. Chairman, what this bill would do is to continue the maximum of 20 cents a mile when the individual member of the armed services moves the trailer himself. It then authorizes the Government to contract for the movement of his trailer or mobile home as it now contracts for the movement of his baggage and household effects. It also provides that he may be paid directly for the cost of moving it commercially. However, we have in the report a long letter from the Department of Defense, addressed to me as the chairman of the subcommittee, setting out the regulations which will be used if and when this becomes law.

It is proposed to continue the 11-cent-per-mile allowance for the movement of the trailer by the individual himself, that the Government will contract for the movement of these trailers as it now does for the movement of other things, and the Government will pay the bill.

It does not propose to pay the individual except in certain cases, for instance, if he is stationed at a small installation where there is no transportation officer or where there may be some other reason making it advisable to pay the individual.

The point is that in no instance will an individual be paid more than, nor will he get more for moving a mobile home or house trailer than he would have been paid for moving his household effects.

So, as it now exists, the individual by reason of his grade is entitled to a certain number of pounds of baggage and household effects. The Government will move them to his new quarters at Government expense, but if he puts them in a trailer it cannot be done except at a cost not to exceed 20 cents a mile, this payment for the movement of baggage and household effects in his trailer being exactly the same as he would be paid if the baggage and household effects had not been in the trailer. That is the sum and substance of the bill. Of course, it has become quite an injustice to the man who has to pay a portion of the cost of moving his mobile home, whereas the Government would have moved his household equipment and baggage for him.

The bill should be adopted.

Mr. BATES. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I wish to commend Subcommittee No. 2 of the House Committee on the Armed Services for reporting this bill out. There has been a great injustice done to some 9,000 servicemen in the handling and movement of trailers and mobile homes during the past 4 or 5 years. This bill corrects this injustice. It is good legislation and I hope it will be passed by the House unanimously.

Mr. BATES. Mr. Chairman, I yield to the gentleman from California [Mr. TEAGUE] such time as he may require.

Mr. TEAGUE of California. Mr. Chairman, I, too, want to commend the committee. I am acutely aware of the necessity for this legislation because the Vandenberg Air Base out in California is in my district and I know this bill is equitable legislation as far as the military is concerned. Certainly it is meritorious legislation.

I thank the committee.

Mr. KILDAY. Mr. Chairman, I yield myself 1 minute out of fear that I did not make clear that the movement of this trailer is in lieu of baggage and household effects. He cannot get both; it is in lieu of the cost of moving his baggage and household effects. He gets one or the other, not both.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Ohio.

Mr. BROWN. To go further with the gentleman's statement, as I understood the gentleman when he was before the Rules Committee, no person in the armed services can receive more compensation for moving a trailer or mobile home than he would be allowed for moving his household effects.

Mr. KILDAY. That is correct.

Mr. BROWN. In other words, there is no additional cost to the Government.

Mr. KILDAY. There is no additional cost to the Government.

Mr. Chairman, I yield to the gentleman from Illinois [Mr. PRICE], such time as he may require.

Mr. PRICE. Mr. Chairman, I urge the House to approve H.R. 2732. I introduced this bill on January 16. It seeks to amend section 303 of the Career Compensation Act of 1949 to provide that the secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services. I have sponsored this measure as a matter of equity.

The gentleman from Texas [Mr. KILDAY], has ably presented the need for this legislation and discussed the provisions of the bill. I shall address my remarks to equity provided by the bill and the manner in which the Department of Defense plans to implement it if enacted.

The shortage of onbase quarters requires the services to depend to a large extent—in excess of 50 percent—on the local community for their total housing requirement. Practical considerations—costs and the susceptibility of military installations to closing—make substantial reduction of this shortage unlikely. Thus, most military families must continue to rely for housing on their allowance for quarters, which ranges from a minimum of $77.10 for an E-4 with one dependent to a maximum of $96.90 for the top enlisted grade with over two dependents.

The law of supply and demand operates in the cost of rentals or the price of homes as it does in all other areas. Many letters to the Secretary of Defense state that either the concentration of Armed Forces personnel in communities near military installations results in rentals too high for the serviceman or that suitable housing simply is not available. In either case, many members have found an answer to mobile homes.

The existing maximum allowance of 20 cents has resulted in considerable out-of-pocket expense for the mobile homeowner who used commercial means of transportation. On the other hand, the member whose furniture is transported does not undergo any expense for the actual transportation of his authorized weight allowance since the Government contracts for its packing and movement. He, of course, is required to pay any costs in excess of that allowance authorized for his grade under the authority of the Career Compensation Act.

The Department of Defense has assured the chairman of the House Committee on Armed Services that the cost to the Government for the movement of a member's mobile home will not exceed the cost to the Government for shipment of his authorized weight allowance of household goods. A table of maximum limits for the movement of mobile homes will be published which is equivalent to the cost of moving the household effects of a member of the same pay grade over a like number of miles. Within this ceiling, the Government will pay the actual charges for movement of a mobile home in accordance with the Interstate Commerce Commission approved tariffs.

Specifically, the Department has stated that in implementation of this bill, it plans to:

First. Limit generally the options to self-haul or to transportation contracted for by the Government. The allowance to the member for self-haul will continue to be 11 cents per mile until such time as factors may warrant its revision. In contracting for movement by commercial carrier, the use of both motor carrier and transportation by railroad flat car would be considered to insure the most advantageous rates to the Government.

Second. For Government contracted moves of mobile homes by commercial carrier, the Government would pay the entire bill presented by the carrier and check back against the member the amounts, if any, which exceed the costs of handling household goods on a similar move for a member of his pay grade reflected in the published table, as well as any unauthorized charges appearing on the carrier's bill not related to pickup, transportation, and delivery of the mobile home.

Third. Only in exceptional cases, such as those of a member's being stationed at a post where there is no transportation officer, would an allowance be authorized to a member for a commercial haul. In such cases, the reimbursement would be limited to the cost to the member not to exceed the cost of handling household goods on a similar move for a member of his pay grade reflected on the table discussed above and excluding any unauthorized charges appearing on the carrier's bill not related to the pickup, transportation, and delivery of the mobile home.

Fourth. The Department will periodically review the table of maximum allowances and the mileage rate for self-haul with a view toward keeping current and reflecting appropriate ceilings.

In summary, the bill protects the interest of the Government since under the proposed legislation, as well as the proposed implementing regulations, a member of the uniformed services will not be authorized an allowance which will permit him to receive a larger allowance from the Government because of his ownership of a mobile home than he would receive if he moved his household effects, as authorized, at Government expense.

In other words, the implementing regulations will be written in such a manner that the owner of a mobile home may not be reimbursed in kind or in cash so as to give him a greater allowance than he would otherwise be entitled if he were occupying a home and was transfered to a new station and his household effects were shipped at Government expense.

With reference to the service member, the bill would relieve him of the considerable financial burden to which he has been subjected for a number of years due to the inadequate allowance authorized for the movement of mobile homes by commercial means.

I recommend enactment of H.R. 2732 as reported.

Mr. BATES. Mr. Chairman, I agree with the comments made by the gentleman from Texas [Mr. KILDAY]; this merely affords to one who has a trailer the same moving allowance as is presently accorded to one who has household effects. It is simple justice. It received the unanimous approval of our subcommittee and of the full committee. I believe it should be adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. This is the second bill that has been before the House today and as to both, as I recall, the gentleman speaking has made the statement that they would save the Government money. Is that accurate?

Mr. BATES. The other bill will save the Government $24 million a year. This will cost $1 million a year.

Mr. HOFFMAN of Michigan. Additional cost?

Mr. BATES. The net effect this afternoon of the two bills is a saving of $23 million.

Mr. HOFFMAN of Michigan. This cuts a million dollars off the other savings?

Mr. BATES. That is right.

Mr. HOFFMAN of Michigan. I thank the gentleman. I could not believe that we could pass two bills in one day which would save the Government something.

Mr. BATES. Mr. Chairman, I have no further requests for time.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, with reference to the question raised by my colleague from Michigan [Mr. HOFFMAN], may I say that this bill, in my opinion, will, in the long run, save the Government money. Existing regulations discriminate against the ownership of mobile homes by military personnel. The difficulty of providing adequate and suitable housing for our service personnel has been intensified by this discrimination. Another point that should be made is that where Capehart and Wherry housing exists there are substantial problems when it is in the interest of the Government to reduce the manpower at a particular base or when such a base is found to be surplus to defense needs.

This bill is, I think, a step in the right direction. The design and construction of mobile homes have been improved greatly in recent years. This type of housing can satisfy the housing needs of many of our service people. I hope the Congress will, in the near future, take steps to encourage the ownership of this type of housing by our military personnel. I am certain in the long run it will prove a sound and economic arrangement both for the military and for the taxpayers.

I commend the subcommittee chairman, the gentleman from Texas [Mr. KILDAY] and the full committee for their foresight in bringing this legislation before the House at this time.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. My purpose is to inquire as to what would constitute a serviceman's personal belongings. His property in the trailer, it was said, would not cost any more to move than at present. What has he in the trailer that he could move? There is the refrigerator, the heating plant. It looks to me like there would be only personal effects in the trailer that could be moved.

Mr. KILDAY. It is whatever he has in the house.

Mr. WILSON of Indiana. The trailer itself is included?

Mr. KILDAY. That is true.

Mr. WILSON of Indiana. I thank the gentleman.

Mr. KILDAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, the gentleman from Ohio, [Mr. BROWN], the ranking minority member of the Rules Committee, is here, and may I have his attention for a moment? I understand him to ask the gentleman from Texas [Mr. KILDAY], whether this bill costs us any money and I understood him to say that he understood it did not.

Mr. BROWN. I cannot be responsible for the gentleman's understanding.

Mr. HOFFMAN of Michigan. Tell me yours, please. I always accept superior knowledge and intelligence.

Mr. BROWN. If the gentleman will ask me a question I will answer it. If the gentleman had been listening he would know that what I asked the gentleman from Texas was: If it was not a fact that there could be no payment made for moving the trailer more than it would cost to move the furniture.

Mr. HOFFMAN of Michigan. Under existing law?

Mr. BROWN. I recommend the gentleman read the RECORD in the morning.

Mr. HOFFMAN of Michigan. Old as I am my memory is fairly good and we were advised that this bill did not call for money. That there would be a saving of $24 million on the previous bill if adopted. That is what we were told. He said, did he not, it would not?

Mr. BROWN. That is correct.

Mr. HOFFMAN of Michigan. How do you reach the conclusion that under this bill——

Mr. BROWN. Because he has a right to have his furniture moved or his trailer.

Mr. HOFFMAN of Michigan. Wait a minute now. You are not in a Rules Committee hearing. We were told this bill would cost a million dollars more, and cut down the saving of $24 million we made on the other bill to $23 million. That is what the record will show.

Mr. BROWN. If the gentleman had been listening, I never mentioned millions or anything like that. The gentleman should pay attention to what goes on. I regret and am very sorry if he did not do so.

Mr. HOFFMAN of Michigan. I do, and I did, but I remember what Justice Black said a few days ago. On the 19th of June last he said he did not know what the Court decided in that case and apparently you do not know what has been said here. That statement would not have been made had you not said that I was not paying attention. The gentleman's intelligence and experience is far superior to mine, he is just a boy if our years are counted, but in this particular case his memory is at fault as the record will show.

Mr. KILDAY. Mr. Chairman, we 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 the twelfth sentence of section 303(c) of the Career Compensation Act of 1949 (37 U.S.C. 253(c)), is amended by striking out the words ", not to exceed 20 cents per mile,".

SEC. 2. Section 303(f) of the Career Compensation Act of 1949 (37 U.S.C. 253(f) is amended by striking out the word "and" at the end of clause (2) and by inserting the following before the period at the end thereof: ", and (4) monetary allowance for transportation of house trailer or mobile dwelling—current average costs for commercial transportation, or current average costs for transportation by the member".

With the following committee amendment:

Page 1, line 5, strike out "by striking out the words, 'not to exceed 20 cents per mile,'" and insert:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the twelfth sentence of section 303(c) of the Career Compensation Act of 1949 (37 U.S.C. 253(c)), is amended to read as follows:

"Under regulations prescribed by the Secretaries concerned and in lieu of transportation of baggage and household effects or payment of a dislocation allowance, a member of the uniformed services, or in the case of his death his dependents, may transport a house trailer or mobile dwelling within the continental United States for use as a residence by one of the following means—

"(1) transport the trailer or dwelling and receive a monetary allowance in lieu of transportation at a rate to be prescribed by the Secretaries concerned (but not to exceed 20 cents per mile);

"(2) turn the trailer or dwelling over to the Government for transportation by commercial means; or

"(3) transport the trailer or dwelling by commercial means and be reimbursed by the Government subject to such rates as may be prescribed by the Secretaries concerned:

Provided, however, That a member or his dependents, is, or are, not entitled to an allowance, transportation, or reimbursement under this sentence unless he is, or they are, otherwise entitled to transportation of baggage and household goods under this section: And *provided further,* That any payment authorized by this section may be made in advance of the transportation concerned."

SEC. 2. Section 303(f) of the Career Compensation Act of 1949 (37 U.S.C. 253(f)) is amended by striking out the word "and" at the end of clause (2) and by inserting the following before the period at the end thereof: ", and (4) monetary allowance for transportation of house trailer or mobile dwelling—current average costs for commercial transportation, or current average costs for transportation by the member".

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MACK, 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. 2732) to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services, pursuant to House Resolution 401, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was 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 bill was passed.

A motion to reconsider was laid on the table.

PURCHASE OF FEDERAL SURPLUS PROPERTY BY STATE AND LOCAL GOVERNMENTS

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. ZABLOCKI] may revise and 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 Pennsylvania?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, today I have introduced a bill to facilitate the purchase, by local and State governments, of Federal surplus property which is not donated for purposes of education, public health, or civil defense.

A companion bill is simultaneously being introduced in the other body of Congress by Senator HUBERT HUMPHREY, of Minnesota.

The objective of this proposed legislation is to allow State and local government units to purchase property which has been declared surplus by the Federal Government and thereby acquire a clear title to such property. An outright purchase under the terms of the Zablocki-Humphrey bill would eliminate the artificial restrictions that now hamper local governments in this field.

I would like to make it clear that the bill which I have introduced would in no way infringe upon, or interfere with our present programs of donating Federal surplus property for purposes of education, public health, or civil defense. These programs will continue to enjoy their current preferences. They will have the first choice of surplus property which is not needed by any Federal department or agency.

My bill pertains to surplus property which is left over after the requirements of the above-mentioned programs are satisfied. It would authorize the General Services Administrator to offer such property for sale to local and State governments at 5 percent of its original acquisition cost.

The suggested purchase price of 5 percent of the cost to the United States of acquiring such property is somewhat arbitrary. It does, however, realistically approach the actual percentage which the Government is presently recovering on such property. The 1960 annual report of the General Services Administrator stated that the sales return on surplus property, exclusive of scrap sales, was 5.1 percent.

The bill which I have introduced, when approved by Congress, would not delay the final disposal of Federal surplus property. It would not require the establishment of new administrative machinery since the surplus property would be offered for sale through State agencies which are presently involved in carrying out the donation program. It would assure, however, that at least a part of this surplus property, acquired with public funds, would be put to public use. And it would benefit the taxpayers.

Mr. Speaker, the proposal embodied in my bill grew out of many months of consultation between representatives of local governments and the Federal agencies involved in the disposal of surplus property. It has been endorsed by the National Association of County Officials, American Municipal Association, U.S. Conference of Mayors, and the Council of State Governments. I would like to read into the RECORD the letters which I received from these organizations:

NATIONAL ASSOCIATION OF COUNTY OFFICIALS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ZABLOCKI: The National Association of County Officials strongly supports your proposed legislation which would authorize States, counties, cities, and other State instrumentalities to purchase Federal surplus property at 5 percent of its original acquisition cost.

We much prefer outright purchase of these items, rather than a donation, because we can then avoid the artificial restrictions on use that now hamstring both our counties and the Federal Government.

Our support of this type of legislation was editorially expressed in the March 1961 issue of the County Officer. A copy of this editorial is enclosed.

We commend you for your interest in the problems of local government and we offer our complete support for this proposed legislation.

Sincerely yours,
BERNARD F. HILLENBRAND,
Executive Director.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: On behalf of the U.S. Conference of Mayors, may I express our support for the legislation you propose to introduce to permit State and local governmental units to purchase personal property surplus to the Federal Government before it is offered for sale to the general public.

We have reviewed this proposal and believe that it offers a step toward improved intergovernmental relations. While in many instances the present donor program has proven satisfactory, there is good reason why States and cities would prefer to purchase surplus property. Once the property were purchased outright and title passed, the State or city could use this property in a manner consistent with other property that it owns and would be relieved of the burden of keeping separate, and often cumbersome, maintenance and care records for the Federal agency. Under the terms of the proposed legislation, outright purchase could be had and, at the same time, regulations could be drawn which would guard against abuses of this program.

We sincerely hope the appropriate committees of the Congress will give this matter early consideration.

Sincerely yours,
HARRY R. BETTERS,
Executive Director.

AMERICAN MUNICIPAL ASSOCIATION,
WASHINGTON, D.C., *August 8, 1961.*

Hon. CLEMENT J. ZABLOCKI,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ZABLOCKI: We are pleased to learn that you are considering the introduction of legislation pertaining to the amendment of the Federal Property and Administrative Services Act of 1949. This proposed amendment would permit certain surplus property not needed for the purposes of education, public health, or civil defense to be offered for sale to local and State governments at a price not to exceed five percent of the cost of acquisition of said property.

The American Municipal Association would support such legislation since it would be consistent with its national municipal policy on surplus Federal property.

Personal property, once purchased from taxpayers' money by the Federal Government, and subsequently declared to be surplus and no longer needed for Federal, local health, educational or civil defense purposes, should continue to be made available for taxpayers' benefit so long as a usable and needed Government purpose remains. In accordance with the provisions of the proposed bill which you are considering introducing, the Administrator would be given the authority to determine whether or not such equipment is usable and necessary for State or local government purposes and what regulations should govern its use.

With the burdensome cost of government continuing to mount and with the continued straining of local government resources, maximum use needs to be made of all facilities and resources under whatever intergovernmental cooperative mechanisms can be found. We believe the proposed legislation under consideration by you to be fair and equitable and with due regard for intergovernmental cooperation.

The American Municipal Association supports the proposed legislation which you are now considering, for it feels that State and local governments should be given the opportunity of purchasing such surplus properties at a negotiated sale before these properties are disposed of at public auction.

Sincerely yours,
PATRICK HEALY, Jr.,
Executive Director.

THE COUNCIL OF STATE GOVERNMENTS,
Washington, D.C., August 8, 1961.

Hon. CLEMENT J. ZABLOCKI,
Member, U.S. House of Representatives,
House Office Building, Washington, D.C.

DEAR MR. ZABLOCKI: We are pleased to know that you are considering the introduction of a bill to permit State and local governments to purchase Federal surplus personal property at a price not to exceed 5 percent of the cost to the United States of acquiring such property.

This is a project in which the Council of State Governments, as secretariat to the Governors' conference and the National Association of State Purchasing Officials, has been interested for many years. Repeated efforts have been made to devise a program satisfactory to all concerned whereby clear title to Federal surplus personal property could be obtained through purchase of such property by State and local governments. We are delighted that such now appears to be the case.

If we can be of assistance to you in any way in this matter, please call on us.

Yours very truly,
CHARLES F. SCHWAN, Jr.,
Washington Representative.

Mr. Speaker, I would also like to include in the RECORD the text of my bill, and to express the hope that this measure will receive early and favorable consideration.

A BILL TO AMEND SECTION 203(j) OF THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949 SO AS TO PROVIDE THAT CERTAIN SURPLUS PROPERTY OF THE UNITED STATES SHALL BE OFFERED FOR SALE TO THE STATES

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That subsection (j) of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)) is amended by redesignating paragraph (6) as paragraph (7) and by inserting immediately after paragraph (5) the following new paragraph:

"(6) Under such regulations as the Administrator may prescribe, any surplus property referred to in paragraph (1) of this subsection which—

"(A) is not donated for purposes of education, public health, or civil defense, or for research for any such purpose, and

"(B) is included within a Federal Supply Classification Code category that has been determined by the Administrator to be usable and necessary for any State or local governmental purposes,

shall be offered for sale by the Administrator to the States, including political subdivisions and instrumentalities thereof, at a price not to exceed five per centum of the cost to the United States of acquiring such property. Any offer to sell property under this paragraph shall be made by the Administrator to the State agency referred to in paragraph (1) of this subsection, or such other agency as may be designated by the State, for distribution by such agency to the political subdivisions and instrumentalities of the State concerned."

COMMUNICATIONS ACT OF 1934

Mr. MACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, insist on the House amendments and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and, without objection, appoints the following conferees: Messrs. HARRIS, ROGERS of Texas, FLYNT, MOSS, ROGERS of Florida, BENNETT of Michigan, SPRINGER, YOUNGER, and THOMSON of Wisconsin.

AUTHORIZING EXPENSES OF INVESTIGATION INCURRED BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 392 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of the investigation and study authorized by H. Res. 49 of the Eighthy-seventh Congress incurred by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $100,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistance, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on House Administration.

SEC. 2. The official stenographers to committees may be used at all meetings held in the District of Columbia unless otherwise officially engaged.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield.

Mr. SCHENCK. Mr. Speaker, this resolution was unanimously approved by the Committee on House Administration. It has been cleared with the leadership on this side and there is no objection to it.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE LATE HONORABLE FRANK N. D. BUCHMAN

Mr. DOYLE. 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 California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I wish to say to you, and the other distinguished Members of this great legislative body, that the reason I asked time is to announce to you that Mr. George Eastman, of Los Angeles, Calif., a very beloved and longtime associate of our beloved friend, Dr. Frank N. D. Buchman, phoned me from Los Angeles yesterday and asked that announcement be made to the Members of this Congress that Dr. Frank N. D. Buchman became deceased on August 7, 1961, at the age of 83 years, at Freudenstadt, Germany, with a sudden heart attack.

As you know, he was the founder and great, inspiring spiritual force of the worldwide known Moral Re-Armament group with which many of us in this great legislative body have been pleased to have frequent contact and privilege of cooperating.

I shall speak very briefly on this occasion, Mr. Speaker, but I now ask unanimous consent to extend and revise my own brief remarks and also ask unanimous consent that all Members of this body desiring so to do shall have the privilege of extending in the body of today's CONGRESSIONAL RECORD their remarks on the life and character and services of Dr. Buchman. I know many of the Members will desire so to do and it is noted that some Members on yesterday took the occasion to promptly extend their remarks in memory of this illustrious American citizen who was raised in the State of Pennsylvania and whose body will be returned to that great State for burial after it has lain in state in Germany before it is returned to the United States for final memorial services and burial.

I bespeak for myself and I know I do for all other Members of this body who have had the inspiration and pleasure also of either knowing Dr. Buchman personally or some of his dedicated and unselfish associates in their emphasis of world peace through Moral Re-Armament; and also triumph over communism by and through application of the principles of Moral Re-Armament. Our very best hopes and prayers are for a continued vigorous and vigilant emphasis of the present and imperishable effect of spiritual forces in the regeneration of the individual and mankind.

Here is one of the signed pronouncements by our friend, Dr. Buchman, at the World Assembly for Moral Re-Armament at Caux-Sur-Montreux, Switzerland, in 1954, wherein he said:

What is the answer for a divided world in which men have developed points of view they cannot overcome and forces of destruction they cannot control? We have reached the moment when, unless we find an answer and bring it quickly to the world, not just one nation, but all nations will be overwhelmed.

For too long we have breathed the atmosphere of problems. We move from conference to conference and give up hope of a fundamental solution.

Let us be honest and face the facts. A new conference is no answer to a false philosophy. A new theory is no answer to a militant ideology. Plans fail for lack of inspired people to work them. Yet we multiply plans. Caux produces the inspired people who will make plans work.

Moral Re-Armament offers the world and the statesmen of the world a force, trained and on the march, that has the answer to individual and national selfishness. It is the chance for everyone everywhere to step today into the fresh dimension of a new age. It is not a theory but a way of life, tested and tried in every circumstance. It is a force that has the power to save and recreate a society on the brink of collapse.

And here are just a few of the testimonials by recognized leaders throughout the world which I know we are all so thankful Dr. Buchman himself had the privilege in his distinguished lifetime of at least reading:

Helmuth Burckhardt, chairman, 1953, advisory council of the Schuman Plan High Authority: "Caux shows us how to deal with the problems that are raised by the need to bring unity in Europe."

Ole Björn Kraft, until recently Danish Foreign Minister and Chairman of NATO: "Today the unity of Europe is a question of life and death. Moral Re-Armament is a force capable of uniting all people and first of all the peoples of Western Europe."

Messaggero Veneto of Trieste reporting the work of Moral Re-Armament in the industrial north of Italy: "The world is bound to be shaken and apathy and delusion swept away by this force which is capable of saving and remaking society. It is also a cry of faith for us."

Claudius Petit, Minister of Reconstruction in France, 1948–52, mayor of Firminy, speaking during the visit of the Moral Re-Armament force to his city: "Moral Re-Armament gives to all men the means of uniting and rebuilding the world in peace."

Dr. William Nicol, Administrator of Transvaal. A Moral Re-Armament force from 17 countries has spent the last 7 months in central, south, east and west Africa: "There is no hope for South Africa apart from the truths which Moral Re-Armament so powerfully represents."

In an invitation to Nigeria signed by representatives of the Central Cabinet, the Western Region Cabinet, and the House of Chiefs: "Moral Re-Armament can give to our people and the country the moral revolution which is the only basis of survival in a world of conflict and chaos."

Field Marshal P. Pibulsonggram, Prime Minister of Thailand: "We shall find through Moral Re-Armament the basis for unity in southeast Asia."

Ghulam Mohammed, Governor-General of Pakistan: "India and Pakistan, having had a taste of what strife and hatred are, need much more effectively the weapon that is given to humanity by Moral Re-Armament."

His Eminence Abdul Rahman Tag Sheikh Al-Azhar, the rector of Al-Azhar University, Cairo: "Moral Re-Armament is working to spread the principles of peace, love, and sound morals without individual and national differences. We ourselves will cooperate to establish this sound, God-inspired ideology."

The Honorable G. V. Mavalankar, the Speaker of the Indian Parliament: "With Moral Re-Armament we can bind the world together and bring peace."

Signed by 17 Members of the Japanese Parliament (9 Members of leftwing Social Democratic Party; 8 Members of rightwing Social Democratic Party): "As Socialists we welcome Moral Re-Armament as the unifying influence which all nations and our own movement urgently need."

Six Labor Members of the British House of Commons in a statement to the press on October 26, 1953: "Moral Re-Armament points the road that the great movements of the common man everywhere must take if they are to fulfill their role of uniting a disintegrating humanity."

Senator ALEXANDER WILEY, chairman of the Foreign Relations Committee of the U.S. Senate: "We consider Moral Re-Armament a unique ideological force bridging barriers of race, class, and bigotry and making for world understanding and unity."

It will be a continuing inspiration to me to have been in fairly close contact and experience with Moral Re-Armament since about 1935.

In closing may I humbly state that I express my hopes and prayers that this great spiritual force, dedicated to fight and win against the threat of world communism, will continue to deserve and generously receive the material, as well as spiritual blessings and benefactions and cooperation of all those who in the lifetime of Dr. Buchman have helped implant the precepts of Moral Re-Armament in the hearts and lives of millions of citizens throughout the world. This great spiritual leader was truly a spiritual statesman.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, Frank Buchman is no longer among us in person but he will surely be forever among us in spirit. There have been many great religious leaders through the ages; but very few of these have left a legacy of specific rules of living which will for generations henceforth assist men to more God-like lives. Dr. Buchman was one of the few. I am humbly grateful that I knew him personally, as well as many of his dedicated companions.

It was his belief that individuals in prayer could receive divine guidance and that a person should live by standards of absolute honesty, purity, unselfishness, and love. The practice of these concepts changed many individual lives for the better, settled many an industrial strife, unified different opposing nations, bridged gaps of racial and religious misunderstanding. History has been written, and better written, because of this man.

Frank Buchman and his ideas will inspire men and women for ages to come. If we all would live by these concepts of Frank Buchman we would in fact find real answers to our present problems.

The free world worships God; and is in a desperate struggle against atheistic communism. The Moral Re-Armament movement, founded by Dr. Buchman, has presented a method by which God-fearing men of all religions can unite without diminishing their specific faiths. Certainly this is important in 1961 as it probably always will be.

The Moral Re-Armament movement now has a substantial task in carrying on its activities in the absence of their great leader. I am confident that the task will not be impossible. It needs to be done.

Mr. BRAY. Mr. Speaker, it was my privilege to have known and talked with Dr. Frank Buchman, founder and leader of the Moral Re-Armament movement. Few men in our age have had greater love of his fellowmen and a greater compassion for his fellowbeings without consciousness of nationality, or race, or color, or class. To him every man was a priceless child of God. While in this day there is much talk and discussion about world brotherhood, yet there are too few who do anything about it. Dr. Buchman was one who concretely furthered international understanding and brotherly love among men all around the world. The great ideals for which Dr. Buchman lived, fought, and died, will live on. His death leaves a great void, which will be most difficult for his diciples to fill. The greatest tribute to be paid a man can sincerely be said of Dr. Frank Buchman—this world is a better place for his having lived here.

Mr. SHEPPARD. Mr. Speaker, all those who knew Dr. Buchman deeply regret his passing.

Dr. Frank N. D. Buchman's life was dedicated to raising a world force to answer the materialist ideologies of our age.

He was described on his 80th birthday in an editorial in Germany's leading paper, Frankfurter Allgemeine Zeitung, as "becoming more and more the conscience of the world." Another leading European paper wrote of him:

In this age of painful division, Frank Buchman is the one white man whom the statesmen of Asia and Africa trust.

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 to turn the tide of materialism. "What you have done through Moral Re-Armament," he said, "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.

Dr. Bernardus Kaelin, 12 years abbot primate of the Benedictine Order, said:

We have every reason to thank God that He has chosen a man, Dr. Frank Buchman, to formulate such an ideology as Moral Re-Armament and inspire others with it. He is an instrument of God. We of the Catholic Church are grateful that there is such an ideology. It is bringing back to their faith many men who stand aloof or who are going another way—men whom we priests and pastors find it impossible to reach.

May Moral Re-Armament win the whole world. The greatest gratitude we can show to Frank Buchman is to stand up for its ideas.

The central point of the ideology of Moral Re-Armament is change.

Buchman declared:

What is needed 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. Catholic, Moslem, and Hindu leaders went to Caux, seeking an answer. They included Mannath Padmanabhan, 83-year-old leader of the liberation struggle. Archbishop Gregorious of Trivandrum said later:

History will record our permanent gratitude to Mannath Padmanabhan, not only for having ousted the Communist regime, but for creating the unity of all communities following his return from Caux.

Padmanabhan himself said:

Kerala can never be grateful enough to the ideology of Moral Re-Armament.

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 Cyrus.

Vice President Dr. Kutchuk said:

MRA will save the world from communism, dictatorship, and war.

In a press interview 2 months ago, Buchman described his vision for humanity:

It is that the whole world will learn to live like sons of God, where no man demands too much for himself while any other man goes hungry, where character not color becomes the yardstick of human values, where it is normal to live as one honest, pure, unselfish, loving, united family throughout the earth.

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.

Frank Buchman had a fundamental faith in the availability of the guidance of God for every man. The decisive point in his career came in 1921 when, in obedience to such guidance, he resigned from a college position offering security and comfort, to create a world force of men and women in every walk of life who would live the answer to a divided world.

Frank Buchman had been prepared for this work by his studies and graduation from Mühlenberg College in Allentown, Pa., by his foundation of the first hospice for destitute boys in Philadelphia, by his experience on the staff at Penn State College, as it was then called, and by travel in Europe, Asia, and Africa, which had given him a wide understanding of men and affairs.

During these years of preparation his genius for friendship became apparent.

In 1915 he first met Gandhi who remained his friend for life. He visited Dr. Sun Yat-sen in Canton where they had long talks. "Buchman is the only man who tells me the truth about myself," said the founder of modern China.

Friends of those early days constantly welcomed him back to their countries. Baron Shibusawa, the founder of modern industrial Japan, entertained him in 1915, and his great-grandson is now one of the leaders of Moral Re-Armament in Asia. One person in Britain who responded to his call was Lady Antrim, lady-in-waiting to two Queens of England. Two of her great-grandchildren give their full time for Moral Re-Armament. It is typical of Buchman's relationship with people—once a friend, always a friend.

During the twenties and thirties this network of friendships developed into an effective force in the life of nations. In South Africa a group of students from Oxford, whose lives had been changed by meeting him, were instrumental in bringing understanding between Briton and Boer. The name "Oxford Group" was given to their work.

Thirteen years later the Honorable J. H. Hofmeyr, Deputy Premier under Field Marshal Smuts, cabled to the British House of Commons:

Buchman's visit to South Africa started a major and continuing influence for racial reconciliation throughout the whole country, between white and black, Dutch and British, on which the future of democratic institutions in South Africa may largely depend.

Men from this rapidly growing world force around Frank Buchman were invited by the last president of the League of Nations, Hon. Carl J. Hambro, President of the Norwegian Parliament, to a special meeting of league delegates. He introduced them with the words:

These people have succeeded in fundamental things where we have failed. They have created that constructive peace which we have been seeking in vain for years. Where we have failed in changing policies, they have succeeded in changing lives and giving men and women a new way of living.

Buchman recognized early that the basic problem of our age was ideological. He believed that only a passion can cure a passion, only an idea can defeat an idea—that unless the democratic nations demonstrate compellingly a better idea that totalitarianism, they are sooner or later doomed to destruction. Neither anticommunism nor antifascism cures the basic problem.

MRA LAUNCHED

Accordingly in 1938 he launched Moral Re-Armament—a uniting moral ideology, based upon the absolute standards of honesty, purity, unselfishness, and love under the guidance of God, which, if lived out in the policy of nations, would change the course of history.

Frank Buchman had the deep conviction that "labor led by God can lead the world." He said:

Before a God-led unity every last problem will be solved. Empty hands will be filled with work, empty stomachs with food and empty hearts with an idea that really satisfies.

This drew a worldwide response from the workers and their leaders. Ben Tillett, leader of the London dockers, on his deathbed sent this message to Buchman:

You have a great international movement. Use it. It is the hope of tomorrow. Your movement will bring sanity back to the world.

John Riffe, executive vice president of the CIO, said:

Tell America that when Frank Buchman changed John Riffe he saved this country $500 million.

THE WAR YEARS

In mass meetings in Britain and across America, he led a force that, during the war years, gave to thousands the secret of high morale and a basis of hope for lasting peace.

Gen. John J. Pershing broke a lifetime rule and wrote the foreword to Buchman's handbook, "You Can Defend America," which was distributed in hundreds of thousands in war industries, schools, and homes throughout America. It was described by the U.S. War Department as "the most challenging statement of this country's philosophy of national defense that has yet been written."

During this period Frank Buchman was attacked by both Fascist and Communist. Gestapo documents, discovered and published after the war, denounced him and condemned his activity for "substituting the Cross of Christ for the swastika, and uncompromisingly taking up a frontal position against national socialism."

During the war many of his men served with gallantry and distinction on all fronts, winning decorations for bravery. Buchman worked ceaselessly to keep intact a force that would be able, immediately on the cessation of hostilities, to take up the work for which they were trained, that of bringing the answer to hate and fear, and making lasting peace possible.

CAUX

In 1946 the MRA world headquarters in Caux, Switzerland, was opened. In the last 15 years 125,000 representatives of 120 countries have come for training. Among these have been prime ministers, cabinet ministers, and Members of Parliament, and a broad section of industrial, trade union, and student leadership from all over the world.

Similar assemblies were held on Mackinac Island, Mich., where new buildings to house 1,200 people have recently been put to use. Last year one of the most modern and best equipped television film production studios in American was opened there.

A group of European political leaders, among them Prof. Hans Koch, head of the East Europe Institute and adviser

to the German Government on Russian Affairs, summed up the achievements of Frank Buchman's life in five spheres of contemporary history.

FIVE HISTORIC ACHIEVEMENTS

First. The laying of the foundations for a new trust between Germany and France and for a common destiny for the peoples of Europe.

Basic to this was the restoring of Germany to her place in the family of nations which found its first decisive expression at the Caux assemblies. For this service Frank Buchman was honored by the German Government with the Grand Cross of the Order of Merit, while at the same time the French Government made him a Chevalier of the Legion of Honor. King Paul of Greece also conferred on him the Knighthood of the Order of King George of Greece.

Second. The unity brought between Japan and her neighbors in southeast Asia.

The first representative group of Japanese leaders to visit Europe and America after the war was invited by Frank Buchman. Their apology in the U.S. Senate marked a turning point in the relations between Japan and her former enemies. In 1956 the Japanese Government awarded him in person the Order of the Rising Sun. In the same year the Chinese Government on Formosa conferred on him the Grand Cordon of the Brilliant Star, the Philippine Government their Legion of Honor, and the King of Thailand made him a Knight Grand Cross of the Order of the Crown of Thailand.

Following the 1960 Tokyo riots, Prime Minister Kishi informed Dr. Buchman:

> But for Moral Re-Armament Japan would be under Communist control today.

Third. The creation in Africa of interracial unity, the saving of nations from bloodshed, and the building of a moral force to undergird self-government.

Former Mau Mau leaders and Kenya settlers trained by Buchman have been credited with preventing bloodshed in crisis points in east and central Africa. Jean Bolikango, as Vice Premier of the Congo, stated:

> Were it not for the work of MRA in the Congo we would have known a far worse catastrophe.

Buchman also played a part in the peaceful attainment of independence by both Morocco and Tunisia, and his influence saved bloodshed in Nigeria and hastened the day of peaceful self-government. In South Africa, Afrikaners and revolutionary leaders of the African National Congress found common ground in a change of heart. Manilal Gandhi described this development in his Natal newspaper, Indian Opinion, as "A new dimension of racial unity." A prominent African Moslem leader summed up Buchman's work:

> You are doing for Africa what Abraham Lincoln did for America—binding up the nation's wounds and setting the people free.

Fourth. The building of an ideological bridge where the world of Islam unites East and West to answer communism and war.

Buchman was convinced that the lands of Islam were meant to be a bulwark against materialism and "a girder of unity for the whole world." Muslim leaders responded. Mohammed Ali Jinnah said to Buchman:

> You have the answer to the hates of the world. Honest apology is the golden key.

The Shah of Iran personally welcomed Buchman to his country and is regularly represented at Moral Re-Armament assemblies. He recently conferred the Imperial Order of the Crown on Dr. Buchman, and Prime Minister Amini last week wrote Buchman:

> We have noted with great satisfaction and confidence the work accomplished by Moral Re-Armament task forces in different parts of the world, and look forward to the coming of such a force to Iran in the near future.

The secretary-general of the Arab League, Abdel Khalek Hassouna, said:

> The Arab world regards the emergence of MRA as the most significant factor on the world stage today.

Fifth. The demonstration of an answer to the issue of race in America which has riveted the attention of leaders of Asia and Africa.

It was Buchman's conception to invite African leaders who had responded to MRA, men of courage and integrity, to come to America to bring a constructive note into the racial problems. The film "Freedom," made by Africans in Nigeria, brought an answering message to the Southern States. Its performances in Little Rock paved the way for the historic reconciliation between Governor Faubus and Daisy Bates, leader of the Negro people of Arkansas. Dr. G. Lake Imes, secretary to the late Booker T. Washington, said of Buchman's initiative:

> It is the boldest and most audacious approach to the fundamental problems of human relations in our age.

THE CROWNING EXPERIENCE

During the spring of 1958 a force of 300 drawn from 30 countries brought the play "The Crowning Experience" to Atlanta, Ga., where for 4 months it played to multiracial audiences. The National Association of the Colored Women's Clubs of America presented Buchman with their annual award as "the greatest humanitarian of them all."

After breaking the 123-year-old attendance record of Washington's National Theater, "The Crowning Experience" was made into a full-length technicolor film. Today it is being acclaimed in Asia, Africa, Europe, and Latin America. Hollywood actor Joel McCrea said:

> It is the kind of picture the world is waiting to see, portraying the true America to which the world will respond.

Arturo Lanocita, Italy's most influential film critic, wrote in Corriere Della Sera:

> "The Crowning Experience" is right out of the class of the everyday film. It transcends the cinema.

The bold use of the stage, music, and every form of dramatization marked Buchman's arresting approach in reaching large groups of people of different types and backgrounds. Japanese, Africans, Chinese, Tunisians, Indians, each in their own languages, have written plays depicting the ideology of Moral Re-Armament applied to their situations, while other casts have performed plays in all the major European languages. The all-African film "Freedom" has gone to 65 countries in 13 languages. Frank Buchman had the art of inspiring great creative powers in those among whom he worked. Elisabeth Bergner described the Moral Re-Armament theater as "the most intelligent plays being produced in our time."

One of these plays, "The Tiger," written by Japanese students who participated in the Tokyo anti-American riots, has been performed on three continents in the last year. After presenting the play in the United States, where they apologized to Gen. Dwight Eisenhower for their part in the Tokyo riots, the cast is now moving through South America. They are part of what El Pais of Montevideo described as "the greatest ideological offensive ever launched in Latin America."

In the past 12 weeks in Brazil, 500,000 people have seen "The Tiger" and attended MRA mass demonstrations—fruit of a strategy planned with Frank Buchman earlier this summer; 90,000 crowded the football stadium in Manaus. In the city regarded as the stronghold of communism, the Diario de Pernambuco reported:

> Recife is being completely carried away by Moral Re-Armament.

An American news correspondent said:

> I have seen a more effective strategy to answer communism in 24 hours here than in 20 years in Washington.

The archbishop of Natal, Dom Marculino Esmeraldo de Souza Dantas, commenting on the work of Frank Buchman, said:

> MRA is fire from Heaven to purify the earth. It is a great universal movement with God in control.

With all the wide expansion of his work and influence, Buchman always remained the same human, approachable, friendly person. He simply said of his life work, "I have been wonderfully led."

He is remembered by thousands of ordinary folk who met him in hotels, on trains, in homes where he was an honored guest, as the man who always understood them and considered them his friends. People were his great interest and study, the kindling of their faith and character his greatest joy.

His own faith was that of a child, full of the practical presence of God. It was an ideology, valid for men and nations in this confused age.

BRAVE MEN CHOOSE

In his last birthday speech, "Brave Men Choose," which reached by press

and radio an estimated thousand million people, Buchman declared:

We are facing world revolution. There are only three possibilities open to us. We can give in, and some are ready to do just that. Or we can fight it out, and that means the risk of global suicide. Or we can find a superior ideology that shows the next step ahead for the Communist and the non-Communist world alike.

There is no neutrality in the battle between good and evil. No nation can be saved on the cheap. It will take the best of our lives and the flower of our nations to save humanity. If we go all out for God we will win.

The words he most frequently quoted, and with great emphasis, were those of his fellow Pennsylvanian William Penn:

Men must choose to be governed by God or they condemn themselves to be ruled by tyrants.

Mr. CURTIN. Mr. Speaker, I wish to join with my colleagues in remembering the late Dr. Frank Buchman, who was born at Pennsburg, Pa., on June 4, 1878. The family soon moved to Allentown, in the congressional district which I have the privilege to represent, where Dr. Buchman attended Allentown High School and later enrolled at Muhlenberg College in the said city. For a time he did pastoral work and church extension work in eastern Pennsylvania, but he always felt a deep sense of calling to the mission field. Very early in his career, he developed an interest in international affairs, and as a young man made a number of trips to oversea countries.

Dr. Buchman came from a devout Christian family of Pennsylvania German stock. Dr. Buchman always retained his home in Allentown and returned to it frequently. He kept it furnished in the style of the turn of the century, and for many years it was a shrine for Moral Re-Armament followers, with hundreds of foreign visitors yearly.

Dr. Buchman will long be remembered affectionately by the people of Allentown and of the 8th district and the free world in general as a gentle but very forceful man who believed ardently in the principle that the key to world understanding was the building of a bridge of trust and unity based on racial understanding and tolerance and the establishment of a moral force to undergird self-government.

Dr. Buchman's beliefs soon attracted thousands in a movement known as Moral Re-Armament and the influence of the movement has become felt in all the countries of the free world.

I am informed that final interment of Dr. Buchman will be in the family plot in Allentown, in line with his often repeated desires.

Mr. ROUSSELOT. Mr. Speaker, though I never had the opportunity to meet Dr. Frank Buchman, I certainly had tremendous respect for the high ideals and fine objectives for which he vigorously fought during his lifetime. Though I am not a member of Moral Re-Armament, I have had a deep respect for the many fine things that it has accomplished in uplifting peoples' lives so that they not only talk about but practice Christian principles in their daily living.

Mr. Buchman, from all evidences and from the obvious results of the movement which sprang from his efforts, reached the highest moral plane that one can expect of humankind. Mr. Buchman established a movement that is vigorously attacked by the Communists because it stands for principles of life, which, if put into practice, destroy Communist ideologies—absolute honesty, love, purity, and unselfishness.

Another fine contribution that Dr. Buchman made was to encourage all churches to rise to the challenge of their highest ideals and not be satisfied to live at a level below those ideals. Once a person becomes interested in Moral Re-Armament the demand on his abilities and willingness to carry out its objectives is entirely individual. This makes accomplishment seem more difficult, but the results in the long run are much more lasting.

The principles and high ideals which Dr. Buchman left as a legacy can never be undone, because they are of a spiritual quality that no human force can destroy. Dr. Buchman's contributions to humankind will forever live.

Mr. TOLLEFSON. Mr. Speaker, on last Monday the world lost one of its finest citizens when death claimed Dr. Frank Buchman, the initiator of Moral Re-Armament. During his lifetime he did more, perhaps, than anyone else in our generation to bring about peaceful settlements to international problems and disagreements. Furthermore, his positive ideology to combat the threat of international communism accomplished more in that direction than the contributions of any other individual. The world has lost a most valuable citizen. It is to be hoped that his work will be continued by his faithful and dedicated supporters and followers. The threat of communism still exists, as does the threat of world war. The continuance of his work will do much to combat both, and to help create a happier world in which to live.

Mr. McDONOUGH. Mr. Speaker, in joining my colleague, the gentleman from California [Mr. DOYLE], in memorializing the passing of Dr. Frank Buchman, I would like to say that I have known Doctor Buchman for the past 20 years. He was devoted and dedicated to the higher spiritual life in governments throughout the world.

He was an outstanding opponent of atheistic communism and the materialistic theory that man is a creature of the state. His accomplishments in converting thousands who were inclined to believe in the Communist theory and practice is an immortal monument to his life's work.

In 1938 he launched Moral Re-Armament—a uniting moral ideology, based upon the absolute standards of honesty, purity, unselfishness, and love under the guidance of God, which, if lived out in the policy of nations, would change the course of history.

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BRAVE MEN CHOOSE

In his last birthday speech, "Brave Men Choose," which reached by press and radio an estimated thousand million people, Buchman declared:

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There is no neutrality in the battle between good and evil. No nation can be saved on the cheap. It will take the best of our lives and the flower of our nations to save humanity. If we go all-out for God we will win.

The words he most frequently quoted, and with great emphasis, were those of his fellow Pennsylvanian William Penn:

Men must choose to be governed by God or they condemn themselves to be ruled by tyrants.

I am also including in my remarks the following editorial from the Los Angeles Examiner:

DR. FRANK BUCHMAN

An inspired and tireless champion of principles that form the basis of peace between all mortals who acknowledge God as their source of life, has been called away from his life's work.

Dr. Frank Buchman, founder and leader of Moral Re-Armament, passed away at a venerable age while visiting the German city where he conceived his plan for international peace 23 years ago.

A native of Pennsburg, Pa., the former Lutheran clergyman gathered around him a nucleus of devoted followers which soon grew into a farflung organization dedicated to the principle that to change the world men must first change their spiritual outlook.

This moral crusade has flourished and extended its mission to all continents and nations, except those dominated by the forcibly imposed atheism of Marxian tyranny.

The founder of Moral Re-Armament once described his purpose as being "that the world world will learn to live like sons of God, where no man demands too much for himself while any other man goes hungry, where it is normal to live as one honest, pure, unselfish, united family throughout the earth."

No better epitaph, nor one more true, could be written to mark the memory of Dr. Frank Buchman and his noble work.

TRANSMISSION SYSTEM FOR COLORADO RIVER STORAGE PROJECT

Mr. ASPINALL. 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 Colorado?

There was no objection.

Mr. ASPINALL. Mr. Speaker, the 87th Congress will very shortly make the decision concerning whether the interconnecting transmission grid of the Colorado River storage project will be for Federal construction or whether a major portion of that grid is to be provided by private utilities companies, whose investments would be recouped through wheeling fees as a project cost. This is a major decision involving directly the population of the Intermountain West and affecting directly the payout requirements and ultimate success of the $1 billion Colorado River storage project, authorized by Congress and already well into construction with the support of the Congress.

The issue is who shall build the transmission grid to interconnect the Federally constructed powerplants and bring Federally produced power to the load centers. This is not a public versus private power fight as to which shall produce the power. The Colorado River storage project has been authorized by Congress. The major power producing units of this great project have been approved by Congress and are under construction. The issue here is clearly: shall the benefits from these major investments be fully utilized for the benefit of the public through the construction of the necessary interconnecting transmission system by the Federal Government or shall these major Federal investments in power producing units be utilized for the benefit of the private utilities who seek to control them by means of transmission facilities which they would provide at the cost of perpetual rent.

The underlying issue can be brought into sharp focus. The effect of the utilities' proposal will be to integrate the Government's huge generating capacity with the private utility systems. Thus, all of the tremendous financial and operational advantages of this integration would accrue to them for which not only would no payment be made to the Government, but the Government would instead pay the utilities. It is little wonder therefore that neither the preceding Republican administration nor this administration can find merit in such a proposal.

I have reviewed the record of congressional actions regarding Federal construction of transmission facilities and reach the conclusion that the Congress has historically favored construction of backbone transmission lines to interconnect powerplants constructed by Federal agencies and to deliver power to load centers. The Members of Congress should know the relationship between the philosophy of Federal transmission line construction as expressed in previous acts of Congress and what is proposed for all-Federal construction of transmission lines for the Colorado River storage project. Mr. Speaker, in commenting upon a proposed transmission line for the Southwestern Power Administration you said the following:

What we are seeking to do by this amendment is not to parallel anybody's lines, not to put anybody out of business, but simply to tie this Government property together.

I must observe that this is exactly what is proposed for the Colorado River storage project, namely, tie together Government property—in this particular case the power producing plants of the Colorado River storage project and other Federal plants in the area.

Furthermore, section 5 of the Flood Control Act of 1944 states the following:

The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives and privately owned companies.

Again, I must observe that this is exactly what is proposed for the Colorado River storage project. Specifically it is proposed to construct only transmission lines to make power available in wholesale quantities to facilities owned by the Federal Government and to preference customers.

The Bureau of Reclamation quite obviously can build only those facilities which it has authority to construct. This includes transmission facilities. The Bureau of Reclamation has authority to construct transmission facilities in order to market power from powerplants for which it is the marketing agent. The transmission lines for the Colorado River storage project have been authorized by Congress. The authority for construction of transmission lines exists, both under the Reclamation Act of 1902, as amended, and acts authorizing specific projects, including power development, both in terms of such facilities being appurtenant facilities of the powerplants, as well as by the specific naming of transmission facilities. The Colorado River Storage Project and Participating Projects Act (70 Stat. 105) specifically authorizes the Secretary of the Interior "to construct, operate and maintain dams, reservoirs, powerplants, transmission facilities and appurtenant works." If this specific authorization were not, by itself, sufficient for authority to construct lines, there is the reaffirmation of such authorization contained in the first two lines of section 7 of the act which state:

The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated and maintained by the Secretary.

Extremely pertinent here, and perhaps more important than the reaffirmation of the authorization of the transmission lines, is the directive contained in section 7 that:

The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction with other Federal powerplants, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates.

The terms of the directive can most reasonably be carried out if the Secretary has the means to do so; namely, ownership and operation of the transmission grid that interconnects the project powerplants and additionally ties those plants into other adjacent Federal systems.

The proposal that has been made by the private utilities would, among other things, involve them in the construction of major backbone lines and lines to major load centers. Their proposal is not the proposal based on longstanding policy, that the House Committee on Interior and Insular Affairs quite evidently had in mind in its report on what became the Colorado River Storage Project Act—House Report No. 1087, 84th Congress. The House committee referred to wheeling proposals, which would be, and I quote: "consistent with the policy expressed by the Congress for many years in appropriation acts and elsewhere whereby the Federal Government builds the basic backbone transmission system and distribution is made through existing systems where satisfactory arrangements can be worked out."

Senator HAYDEN in 1949 expressed the policy of wheeling to deliver power "beyond load centers" as follows:

> The Department of the Interior has stated during the hearings on this bill that its policy with respect to arrangements for the delivery of power produced at Federal hydroelectric projects or for delivery beyond load centers is to make wheeling arrangements where:
>
> First, private utilities have ample surplus transmission capacity or are willing to construct transmission lines for that purpose.
>
> Second, private utilities are willing to furnish such service to the Department at a reasonable price.
>
> Third, such arrangements will enable the Department to render acceptable power service to customers having preference, under existing law, in the purchase of federally produced power (CONGRESSIONAL RECORD, vol. 95, pt. 11, p. 14116).

The utility proposal is a clear departure from that policy.

Notwithstanding the fact that the utilities' proposal departs markedly from these policy statements, the Interior Department under two administrations has given it very careful consideration on the merits. Both the Eisenhower administration and the Kennedy administration have found the utilities' proposal wanting.

There is a place for mutually advantageous interconnection with the utility system and for wheeling arrangements beyond the major project load centers of the Colorado River storage project. Such arrangements should be worked out to the mutual advantage of the parties concerned, including the Government's preference customers. This is not, however, the proposal that has been made by the private utilities.

In the Pacific Northwest there is extensive joint use of Federal as well as private systems. It is obvious, however, that in the Northwest the Federal Government does not depend upon the private utilities to tie its projects together and to bring the power out from the projects to load centers. The transmission line construction program for the Colorado River storage project endorsed by both the Eisenhower and Kennedy administrations is completely consistent with the tried and tested satisfactory transmission pattern which prevails in the Pacific Northwest.

There has been reference to the Keating amendment. I know of no one who has seriously contended that the Keating amendment is applicable in the absence of existing wheeling arrangements. Neither the Department of the Interior nor the Congress has taken any such position. In fact, the position that has been consistently taken both by the Department and Congress is exactly the opposite. An example of this is the action of the Congress in appropriating funds in the fiscal year 1960 Appropriation Act for the construction of the so-called Iowa marketing transmission lines of the Missouri River Basin project. This action of the Congress was taken notwithstanding the fact that private utilities in the area had made wheeling proposals which, if accepted, would have covered this area.

Mr. Speaker, this body will be called upon to make the decision on this issue in the very near future. I believe that the issue involved must turn upon whether the wheeling proposal is in the public interest and consistent with the payout requirements of the Colorado River storage project authorizing act. I state categorically that the private utilities' proposal is not.

A STANDARD FOR NONINFLATIONARY WAGE INCREASES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL], is recognized for 60 minutes.

Mr. SCHWENGEL. Mr. Speaker, at the conclusion of my remarks and those of the gentleman from Ohio [Mr. ASHBROOK], I ask unanimous consent to insert in the RECORD a paper by Professor Wallich.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, today it is my privilege to participate in another in the series of discussions on employment and economic growth in America. Operation Employment is a project of the House Republican policy committee's subcommittee on special projects.

One of the reasons why I am particularly pleased to participate in this special project is that in this project the Republican Party has enlisted the thinking of college professors. In this case we are giving recognition to talent and interest of scholars who have given much thought to problems and topics dealt with in this series of discussions.

Mr. Speaker, on August 25, 1960, I talked on the subject "Why Scholars in Politics."

At that time I pointed out that one of the most persistent problems facing political man has been his age-old search for the proper relationship between the philosopher and the king; between the man of ideas and the man of power; that Plato characterized a fairly common Greek answer to this problem by saying that the ultimate solution was to be found in the uniting of the philosopher and the king in the same person.

I suggest that unless, either philosophers become kings in their countries, or those who are now kings and rulers come to be sufficiently inspired with a genuine desire for wisdom; unless, that is to say, political power and philosophy meet together, while the many natures who now go on their several ways in the one or other direction are forcibly debarred from doing so, there can be no rest from troubles for States, nor yet for all mankind; nor can this commonwealth ever till then see the light of day and grow to its full stature.

Though Aristotle was somewhat more moderate in his views, he too insisted that the men of power seek the advice of men of ideas before proceeding with any scheme or project of great moment.

In our own rich national heritage it can be said that the ideals of both Plato and Aristotle have been served. For surely the Founding Fathers were a collection of scholars. Included in their number were professors and college presidents. And those who were not actively engaged in pedagogy were nonetheless representative of the highly educated and thoughtful leaders of their time and, therefore, could be called scholars and students of government. They had schooled themselves in political philosophy through study and experience in practical politics. In contemporary terms, they were as truly philosophers or intellectuals as they were politicians. Fortunately for the future of the Republic they saw that thinkers must be doers and doers must be thinkers.

And this tradition has been carried on ever since. The close relationship between Lincoln and the scholars of his time and since his time is well known to us all. Senator Robert La Follette called upon 55 top professors from the University of Wisconsin to aid him in the development of his "Wisconsin idea." And, in more recent times, both major parties have utilized a number of academicians in their administrations. Seymour Martin Lipsit, in his book, "Political Man," points out that more intellectuals have occupied high administrative posts in the Eisenhower administration than in any previous administration.

We can all benefit from a study and discussions of the thinking and ideas of our leading college and university professors. I regret that we have not always been aware of this. In the beginning, that is, in 1860, the so-called "eggheads" were with and in the ranks of the Republican Party. Among the list who qualified then as intellectuals and educators were such men as William Cullen Bryant, the outstanding American poet and editor who was Republican chairman of the New York State electoral commission which cast its electoral votes for Lincoln. He was on the stage at Cooper Union when Lincoln reminded us that "Right makes might"; Edward Everett, the other masterful speaker at Gettysburg, and onetime president of Harvard University, was a Republican; Julia Ward Howe, author of "Battle Hymn of the Republic," was in our camp although she could not vote; and Harriet Beecher Stowe, author of "Uncle Tom's Cabin," was one of our Republican ladies close to and fond of Mr. Lincoln; and Thaddeus S. Lowe, the pioneer American aeronaut, was num-

bered among the members of the Republican Party.

And there were many, many more—such as:

Jean Louis Rodolfe Agassiz, professor of natural history at Harvard, who several times called upon Mr. Lincoln.

Alexander Dallas Bache, physicist, Superintendent of the Coast Survey, first president of the National Academy of Sciences, established in 1863.

George Bancroft, historian, former Secretary of the Navy, who visited Mr. Lincoln at the Executive Mansion, was actively interested in the Republican administration program and was selected to address the Congress in joint session February 12, 1866, when it met for memorial services in memory of Mr. Lincoln.

John Bigelow, author, appointed by Mr. Lincoln consul general at Paris.

Francis Bicknell Carpenter, artist, who spent 6 months at the White House, painting Mr. Lincoln reading the first draft of the Emancipation Proclamation to his Cabinet.

Walt Whitman, whose interest and qualifications were recognized by the administration with an appointment to an assignment in the Interior Department.

Ralph Waldo Emerson, poet and philosopher, who once went to see Mr. Lincoln.

John Hay, poet, author, assistant private secretary to President Lincoln.

Hinton Helper, author of "Impending Crisis," whom Lincoln appointed consul at Buenos Aires.

Joseph Henry, physicist, Secretary of the Smithsonian Institution, frequently consulted by Mr. Lincoln.

Capt. Oliver Wendell Holmes, Jr., later a jurist and noted intellectual, who shouted, "Get down, you fool," when Lincoln exposed himself to enemy fire at Fort Stevens, on July 12, 1864.

William Dean Howells, novelist, editor, author of one of the earliest campaign biographies of Mr. Lincoln who appointed him consul at Venice.

Thaddeus S. C. Lowe, aeronaut.

Isaac Newton, first U.S. Commissioner of Agriculture, appointed by Mr. Lincoln June 30, 1862.

Goldwin Smith, Regius professor of history, Oxford University, who talked with Mr. Lincoln, November 16, 1864.

Ainsworth Rand Spofford, bookman and journalist, who Mr. Lincoln appointed Librarian of Congress in 1864.

Charles Sumner, Senator from Massachusetts.

My colleague from Ohio [Mr. ASHBROOK] and I have read and studied a paper, "A Standard for Noninflationary Wage Increases," written by Prof. Henry C. Wallich.

Mr. Wallich is professor of economics at Yale University. He has served as assistant to the Secretary of the Treasury and has been a member of the President's Council of Economic Advisers.

I have recently read two of Mr. Wallich's books, "The Cost of Freedom" and "German Revival." Both books are well written and readable. And, they contain much food for thought. They should be read by all serious students of government and especially by those interested in the economic life of our Nation.

Professor Wallich suggests that one of the principle reasons for the remarkable recovery of West Germany is that in the Federal Republic there is a "free market economy operating with a limited number of strategically selected controls." The Members of this body, and all Americans, would do well to give long and careful thought to this suggestion.

In his excellent book, "The Cost of Freedom," Professor Wallich speaks eloquently, honestly, and bluntly about freedom and a free economy. He states the case for freedom and a free economy and he tells us what we are going to have to do to maintain these cherished virtues.

Wallich writes:

> Our analysis of freedom tell us that we must promote freedom at the expense of certain alternative goals if we do not want to run a risk which, however hard to measure, clearly exists.

He continues:

> Freedom has its costs and it is our good fortune that we are able and willing to pay it.

Wallich concisely and effectively states the case for a free economy with these words:

> The centralized economy puts a strain upon democracy and freedom; the free economy does not.

The truth of this statement is beyond doubt.

Professor Wallich makes an analysis of the conduct of three of the many lovers of freedom—the American businessman, American labor, and the American intellectual. We should give some thought to his analysis.

According to Wallich the American businessman rises to the heights of eloquence when his freedom from public regulation and intervention is at stake, but he is less inspired when the talk is of antitrust action. To him the tariff does not appear to enter into freedom at all—exception made of some notable captains of industry who have spoken out boldly against the tariff.

American labor loves free enterprise. Private employers are much easier to cope with than the Federal Government. However, labor does not hesitate to upset the applecart by coercive union practices or inflationary wage demands. Nor does it seem to see a threat to freedom in urging that controls be put on business.

The American intellectual is the No. 1 beneficiary of a free and open system. It is by his freedom of expression that he makes his living. No group has more to lose from a loss of freedom than the intellectual. Yet even he is giving ground.

It is only with vigilance, sacrifice and belief in freedom that we can maintain our freedom. We have not always been sufficiently aware of this. A phase which every American would do well to remember is Mr. Wallich's observation that, "Freedom comes at a cost, not at a profit."

I like Mr. Wallich's thinking.

Mr. Wallich's goal—and this is the goal of the Republican Party, and should be the goal of all Americans—is a sound dollar. A sound fiscal policy is more important now than ever before in our history—because of the vast number of people who are dependent on pensions, annuities and fixed incomes.

To accomplish this goal it is proposed that the American economy voluntarily adopt a standard of reasonableness in wage increases, the purpose of which would be to provide a standard for noninflationary wage increases.

Wallich declares:

> Our failure to observe a reasonable standard in recent years must be held accountable, in good part, for the inflation we have suffered.

This seems very plausible.

It seems unnecessary for me to detail the evils of inflation. We know them and we know that we must face this problem. Unless the threat which inflation imposes is removed our efforts to reach a high rate of economic growth and to achieve a high rate of employment will be frustrated and made more difficult.

When a situation begins to threaten the growth of a nation at a critical time, the time has come for a new approach.

Wage increases in excess of production gains are not compatible with stable prices. The result of wage increases in excess of production gains is inflation.

The current rate of wage advances is 3 to 3½ percent annually. Productivity gains average about 2 percent. This figure is drawn from the President's economic message and is a historical average.

The result is that we are threatened with a continuing 1- to 1½-percent upcreep of prices. This means one thing—inflation. The principle victims are fixed income receivers: white-collar workers, teachers, and the 17 million people on pensions—these are the principal victims of the disasters of an inflated dollar.

On the basis of these figures, Professor Wallich suggests 2 percent as a standard for reasonable wage increases.

This rate of increase he suggests would do much to alleviate the problem of inflation.

If productivity gains in a particular industry are above average, the 2-percent rate of wage increase would mean falling cost of production, and prices would have to come down.

In recent years we have experienced above productivity wage increases in the low-gain industries. The results have been a wage advance in excess of productivity and a rise in prices. A 2-percent rate of wage increase would end this practice.

Profesor Wallich proposes that this standard of reasonableness should be voluntarily applied. It should be based on a national concensus. An education campaign, carried out through public and private channels, would be used to mobilize public opinion. Wage controls are alien to this proposal.

The voluntary operation of market forces, spurred by competition, antitrust action and the pressure of public opinion would insure the operation of this noninflationary standard.

Labor and management should consider the 2-percent wage increase rate

when they bargain. Indeed, wage bargaining should be based on this standard, suggests Wallich.

The 2-percent rate of increase would not hurt labor if price stability is maintained. Rather, according to Professor Wallich, we would have the following situation:

Instead of wages going up 3 to 3½ percent per year, with 1½ percent of the gain canceled by rising prices, we would have approximately 2-percent wage increase fully validated by stable prices.

Management may claim that unless it has the freedom to pay premium wages, they will be unable to attract workers to new jobs. However, industries that need to attract labor do not necessarily have high or rapidly rising productivity, nor do they pay high or rapidly rising wages.

On the other side, that is, the labor unions, it is said that competition among union leaders, and among unions, inevitably tends to bring about high wage increases. And, in the absence of such increases union leaders might find themselves challenged by insurgents.

This—

And I quote from Mr. Wallich's paper—

is hardly a good explanation why such competition should produce the present rate of wage increases, rather than twice this rate, or half. It is largely a question of what union members are accustomed to.

He points out, and there is much evidence to prove, that a slower rate of wage increase will not restrict the growth of real wages.

When computing a reasonable wage standard, it is not practicable to base the rate of gain on the productivity gains of a single year, or of a single industry. A long-range, nationwide average—in this case 2 percent—is more suitable because of the element of stability.

It should be noted that in arriving at this statistic—a reasonable percentage of wage increase—it is necessary to deduct from national productivity gains which are part of the increment that results from labor to better jobs.

There are some situations, in my opinion, that would warrant deviation from the prescribed rate of increase. Indeed, we must be very careful to avoid establishing a rate of increase which would be too rigid and too inflexible. There are areas in this Nation where a 2-percent rate of increase would be inadequate, and in a sense unfair.

While there is a certain newness about this proposal, the need for such a standard of reasonableness is great, and is apparent. Unless some kind of standard of reasonableness in wage increases is adopted, the resultant inflation will destroy the soundness of our economy. Professor Wallich's proposal not only meets a great need, it does so in a fashion which is consistent with the American tradition of freedom.

At this point, Mr. Speaker, I yield to my colleague from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Speaker, at the outset let me make sure that the scope of this presentation is placed in proper perspective. As the gentleman from Iowa has so ably stated, it is our contention that the private segments of our economy have an obligation to work together to assure that increased standards of living as reflected in higher wages and higher business profits are accompanied by real gains and not in temporary improvements which later can be wiped out by inflation. Our discussion concerns the standard for noninflationary wage increases. It is not to be read into this presentation that the gentleman from Iowa and the gentleman from Ohio feel that wages alone can cause inflation nor that they alone need standards. It is very clear that profits can do the same thing and that the manufacturer who fails to reduce prices or improve his profit where productivity gains make reductions possible is just as harmful as wage increases which do not reflect increased productivity.

I well recall in 1949, for example, buying my first television set for our home. It was a 12½-inch table model and cost $249. Last year, we purchased a 21-inch console model for less than $200. This is a productivity and technological gain in which the consumer shared. We could cite many instances where the opposite has transpired, both in business and labor.

The matter of wages and profits is a very delicate one. Historically, many governments have gone aground because of their inability to solve this vexing problem. It has always been the challenge of civilized people to arrive at some suitable standard for achieving the just aspirations of their citizenry to provide for needs and comforts. Socialist and Communist countries today think they have arrived at the answer. In America, we have always considered that the free enterprise system offers the best solution to the eternal quest of man to provide for himself. According to our historical system, an individual gets his share of the national wealth by his own initiative, by working so that he may, in effect, take out of the economy commensurate to the effort he puts forth.

Historically, wide latitude has been allowed to citizens in what they may "take out." Some have extracted grossly inflated profits. Some have extracted wages far in excess of their productivity. Basically, however, by the device of free competition, by intelligent restraint and some Government intervention, the system has worked admirably well. While there are those who today advocate that this system is passe and cannot meet the challenges of the sixties, we today affirm our belief that the free enterprise system is sound and offers the best hope for a free and energetic people.

Within that framework, we present the Wallich paper to the Members of the House for their close study. One of the real problems of our time is to find some standard for noninflationary wage increases. It is our belief that this can be done by business and labor without Government dictation and control. Let me state at this point that the Government has always stood as one of the guarantors that the free enterprise system will work. When individuals or organizations exert undue influences in our economy or use improper tactics, the Government has and will continue to intervene. The Government has historically stood as the arbiter or umpire of the Federal system. When business used oppressive tactics and unfair competitive devises, Government intervened at the turn of the century and endeavored to restore balance. When labor, shielded by the Wagner Act, used its power for undue purposes, the Government again stepped in and restored balance. Let me emphatically state that I believe there is a great difference in having Government serve as the umpire or arbiter of the system and having it serve as the dictator or sovereign of the free competitive system. Unfortunately, many of our so-called liberals of today would have it serve not as the guardian of our free system but as the centralized, bureaucratic tyrant.

The emphasis of our society is on freedom. Laborers should be free to bargain for wage increases. Many factors enter into the determination of what is a fair wage and, subsequently, what is a fair wage increase. It is our contention that within that framework of freedom, maximum consideration should be given to the inflationary effects of wage increases which are not related to productivity. This hurts everyone, including, in the long run, the worker who might establish some short-term improvement of his living standard.

Inflation is like a thief in the night and sooner or later it catches up with everyone. No one is hurt more than the elderly and those who are living on fixed income and pensions.

I well recall talking during the campaign to a retired teacher who said he thought he really had something to look forward to when, in 1947, he retired at $900 per year. Since that time he has received increases which bring his yearly pension to $1,200 per year. He sadly lamented, however, that the $1,200 now is worth a lot less than the $900 was in 1947 and he is really worse off all of the time.

Somebody—

He said—

stole that money from me. Somebody is still taking it away because it is worth less all of the time. Somebody is doing this because they don't care about the value of the dollar of inflation.

It is because we care that we are bringing this proposal for noninflationary wage increase to the attention of the House.

We all know that there is a human tendency to want to take all that one can get. Historically, business and labor patterns have shown some inclination to "charge what the traffic will bear." Since 1947, we have seen so much of this that it is seriously considered by this administration and many other economists that we look to the possibility of wage and price controls. We all hope that this will not be necessary.

First, it is inconsistent with our belief that free people can prosper in a free enterprise system.

Second, the OPA and other rationing and control agencies never really worked

and there is little reason to believe they ever will.

Third, this would be but one more step in the economic and political dictation of our lives, already a threat to all of us.

Within the framework of reasonableness and self-restraint, adequate gains in real income and corresponding living standards can be gained by adopting a basic standard for noninflationary wage increases. Gains in productivity should bring gains in wages. Gains in wage standards without corresponding increases in productivity can only bring phantom wage increases and the destructive inflationary pressures which today imperil our dollar, our living standards and our free enterprise system. There is no reason why increases should be static or fixed. There is no magic in the 2-percent figure mentioned by the gentleman from Iowa. If gains result in 5-percent productivity advances, wages can and should likewise advance at that figure. The whole point is that they should be related to such a productivity figure and, as a general rule, to an overall national figure which will therefore avoid the ravages of inflation.

A STANDARD FOR NONINFLATIONARY WAGE INCREASES

(By Henry C. Wallich)

The purpose of this proposal is to offer a standard of reasonableness in wage increases. Our failure to observe such a standard in recent years must be held responsible, in good part, for the disruptive inflation we have suffered. Though this inflation largely has been scotched, some creep of prices remains. In the cyclical expansion that lies ahead, it may accelerate. The Nation will be weakened in its efforts to reach high rates of growth and employment, unless the threat of inflation which overhangs the domestic economy and the balance of payments ban be removed.

It is generally accepted that wage increases in excess of production gains are not compatible with stable prices. At the present time, wages are advancing at something like 3 to 3½ percent annually. Productivity gains, as noted in the President's economic message, have averaged about 2 percent. It is obvious, therefore, that the present rate of wage increases is inflationary. The present gap between wage increases and productivity gains threatens, over the years, a continued upcreep of prices of 1 to 1½ percent. If we want stable prices, wage increases on average can be only little more than half as large as they have been. They will then average out at about 2 percent. I suggest that this figure be adopted as a standard for reasonable wage increases.

The standard should be a voluntary one based upon a national consensus. Wage control is entirely alien to the spirit of this proposal. It should be propagated energetically through public and private channels, as an educational campaign to mobilize the pressure of public opinion. Management and labor should be strongly conscious of it when they sit down to negotiate. Their wage bargains should be judged in the light of this standard. It should be clear all around that whoever raises wages in excess of 2 percent—except in a few clearly justifiable cases—is contributing to inflation.

In industries where productivity gains are above average, more than 2 percent will actually mean falling costs of production. In these industries, prices will have to come down. In particular, where above average wage increases nevertheless occur, the proper price reaction should be an accompanying price cut and not, as we have seen so often, a price increase. These cuts are required to compensate for price increases elsewhere that are almost inevitable, especially in services. Here again, not legislation, but voluntary operation of market forces, spurred by competition, antitrust action, and the pressure of public opinion, are to be relied upon. But it should be made abundantly clear to producers that failure to reduce prices where productivity gains make reductions possible is just as harmful as are above productivity wage increases.

Observance of the 2-percent standard will not hurt labor, if price stability is achieved thereby. Instead of wages going up 3 to 3½ percent per year, with 1½ percent of the gain canceled by rising prices, we would have approximately 2-percent wage increases fully validated by stable prices.

The proposed 2-percent standard obviously is a rough rule of thumb. Like any rule of thumb, it is in danger of overlooking refinements and special cases. Some of the following argument will show that these refinements are less important than they seem, and that our present wage setting practices often disregard them in any case. Meanwhile, if we can approximate the 2 percent standard, we shall be a great deal better off than if we continue with our present practices.

NATIONWIDE APPLICATION OF THE STANDARD

That productivity places a ceiling on noninflationary wage increases is well known. The reason why the principle has not been better observed in particular wage settlements is to be found in various complications that tend to obscure the simplicity of the basic facts. These complications have prevented the crystallization of a clear-cut productivity standard and have prevented the application of the standard in particular wage negotiations. The result has been—in combination at times with the effects of inflationary fiscal and monetary policies and of administered price push in a small number of industries—a continuing upward creep of prices. When such lack of sense or of discipline begins to threaten the growth of a nation at a critical point of history, the time has come for a new approach.

The principal complication—or perversion—is the frequently made appeal to productivity gains in an industry, or even in a single large enterprise, instead of nationwide gains. Productivity gains in one industry, say, steel, or men's clothing, can be well above the national average or below it. If productivity gains in each industry were taken as the standard, wages in the high-gains industries would tend rapidly to outdistance wages in the low-gains industries. If adhered to long enough, this would lead to everwidening and unjustifiable wage differentials.

In perfectly competitive labor and product markets, such differentials would of course be impossible. Workers would move toward industries with higher wages and would keep wages for similar work in line nationally. We do not have this kind of labor market. Nevertheless, competition among employers for labor, together with union action, has avoided the extreme differentials that would result if wage increases were based on productivity gains in each industry. Instead, we have experienced above-productivity increases in the low-gain industries, although usually not commensurate with those of the leaders. The results have been an average wage advance in excess of productivity and a rise in the price level.

The correct standard is given by nationwide, not industrywide productivity gains—the historic approximately 2 percent per year. If wages in the fast gaining industries are limited to this standard, wages in the slow-gaining industries can rise at the same rate without pushing the average too high. A widening of relative differentials will be avoided. This does not mean, of course, that wages in the low-gains industries ought necessarily to rise as much as 2 percent per year. Some lower increases in this area would help to compensate for increases in excess of 2 percent which would undoubtedly continue to occur here and there.

SOME PRICES MUST FALL

A compensatory movement of prices will be required. In the slow-gaining industries, prices will be pushed up moderately by rising wages. The price of men's clothing, say, will continue to advance. But in the fast-gaining industries, where wages rising at 2 percent would lag behind productivity, widening profit margins make possible price reductions. Falling prices in some industries, say, durable consumer goods, will offset rising prices elsewhere. The general level of prices will remain stable, in the absence of other inflationary developments.

PROPER MEASUREMENT OF PRODUCTIVITY

A further complication that obscures the proper productivity standard derives from difficulties in measuring productivity gains in the short run. Over the course of a few years, these gains fluctuate appreciably. Productivity tends to advance rapidly during a business upswing, slowing down in its later phases and in the early stages of a contraction, when it may even decline. It is not practicable, therefore, to base wage advances upon the productivity gains of any particular year. To do so would require sharp increases at particular times that would have to be slowed or even reversed at others. The longrun average of productivity gains has been highly stable, however, at the historic approximately 2 percent. That is the standard to be aimed at, although in practice wage settlements no doubt will tend to be higher in expansions than in contractions. Changing productivity gains during the cycle will be reflected chiefly in rising and falling profits. That same situation prevails now, because wage advances have not changed much from one year to the next.

A third complication, which also affects the proper measurement of productivity gains, has to do with shifts of labor from one occupation to another. When a low-paid agricultural worker moves from Kentucky to a better paid—because more productive—job in New York City, he raises the national productivity average. This productivity gain, however, is no reason to give a wage increase to all the rest who are already employed in New York, or anywhere else. The productivity gains that make increased wage rates possible are those in existing jobs. To arrive at this statistic, it is necessary to deduct from national productivity gains that part of the increment that results from labor shifts to better jobs. This has been expressed also as the difference between productivity gains per unweighted and per weighted man-hour, the weighting being done in accordance with the skill of the job. The weighted type is the one that advances more slowly.

These productivity measures can be further refined. It is possible, for instance, to differentiate between gains for the private economy and gains for the entire economy including Government. Productivity gains for the entire economy have been somewhat slower than those for the private economy alone, largely because of the concepts of productivity applied to Government activity. Gains since the end of World War I have been somewhat greater than those for a longer period. For all these reasons, productivity data today seem to lack the precision that gross national product or production growth rates appear to possess. This precision, however, is in good part artificial. It is the result of arbitrary conventions as to what to include and exclude, how to define

how to measure. If similar statistical decisions are made as regards the measurement of productivity, much of the vagueness will depart.

It can always be argued, on the basis of one definition or another, that the proper figure to be used for a wage standard is a few digits above or below 2 percent. The 2-percent figure which the President used in his economic message originates in work done by members of the staff of the National Bureau of Economic Research (who of course developed it without reference to its possible use as a standard for wage increases). Though it is an approximation, it has the virtue of being clear cut and of protecting us from the risk of optimistic fallacies that most higher estimates incur.

CORRECTION OF INEQUITIES

In sum, while the principle is clear enough, there has been enough difficulty of definition and understanding to permit wholesale disregard of the appropriate wage standard without a strong public reaction, and without probably even a full understanding on the part of management and labor of what they were doing. There are some situations, to be sure, that would warrant deviation. The wage structure contains some major inequities, for instance, that deserve to be corrected. This is the function of minimum wage legislation. A step in that direction has just been taken, though there may be questions as to the appropriate timing and magnitude of that step. There are other instances in which above average increases in the lowest paid groups would be justified, if the employers can pay them. The trouble with present wage setting procedures has been that often strong unions get high raises for their already highly paid members, while the others show little sign of catching up. The application of a more uniform percentage standard of increases would not make this situation any worse.

LABOR MOBILITY

Management, on its side, may claim that unless it has freedom to pay premium wages and give large increases in some instances, it may not be able to attract workers to new jobs. This might be an obstacle to the expansion of rapidly growing industries, in which productivity also is often advancing rapidly. Hence, management may say, it is logical to pay labor in proportion to the industry's rather than nationwide productivity gains. Mobility of labor is fundamental to our economy and this objection deserves full consideration. The fact is, however, that industries that need to attract labor do not necessarily have high or rapidly rising productivity, nor do they pay high or rapidly rising wages. Retailing is an example. Yet retailers have been able to attract the labor supply they have needed, because other factors have been more important than wages. On the other hand, many industries with high and rapidly rising productivity and wages do not need to attract labor. The steel industry, and in fact all durable goods manufacturing, have for some years been displacing labor. If wage rates really were geared to enhance labor mobility, these industries would not be paying wages that are both high and rapidly rising.

Our present wage structure and wage movements, in other words, seem to have little to do with the needs of labor mobility. They are not at all helpful in this respect. By the same token, there is not much here that a national productivity standard for wage increases would affect adversely.

LABOR'S SHARE IN THE NATIONAL INCOME

A 2-percent wage standard, and price movements that would keep profit margins and the price level constant, would tend to inhibit changes in the share that wages and profits have in the national income. This would be true, at any rate, if future productivity gains work out exactly at 2 percent and the wage standard is strictly adhered to. Since in practice neither can be expected to be the case, continued changes in the shares of wages and profits are likely.

Over the very long run, these shares have, as a matter of fact, shown remarkable constancy. Temporary fluctuations have occurred, however. Thus, during the 1950's the share of wages has increased substantially relative to that of profits. If observance of a 2-percent wage standard should slow down future changes in these shares, it would do so at a time when the status quo historically is favorable to wages.

The reason why the share of wages has tended to rise has been precisely that wage increases have exceeded productivity gains. Prices have risen to compensate in large part. If they had not, profits would long have been wiped out altogether. But the price increases have not been quite sufficient to restore the balance. Some net gain beyond productivity increases, therefore, has remained for labor. This method which a social group can employ to increase its share in national income is, however, a dubious one. Its principal victims are, not profits, but fixed income receivers. In sum, the impact of a 2-percent wage standard upon the share of wages in the national income probably would not be disadvantageous to labor at this time when its share is historically high. At worst, it would tend to restrain the use of a device for raising labor's share still further that is unfair to large social groups and harmful to the value of the dollar.

OTHER GAINS OF LABOR AND CAPITAL UNAFFECTED

Other objections that labor and management might raise have less weight. A slower rate of wage advances, for instance, as pointed out earlier, would not restrict the growth of real wages; i.e., wages in constant purchasing power. Today, inflation cuts down excessive wage increases to the level made possible by productivity gains. The current 3 to 3½ percent, adjusted for price increases of 1 to 1½ percent, still comes out around 2 percent. That, except for some small further squeeze on profits and fixed income, is all that labor can gain—because it is all there is. In that case, why not limit wage increases to productivity gains which would validate them through constant prices?

On the labor side, it sometimes is said that competition among union leaders inevitably tends to bring about high wage increases. In the absence of such increases, it is argued, the leaders might find themselves challenged by insurgent rivals. This, however, is hardly a good explanation why such competition should produce the present rate of wage increases, rather than twice this rate, or half. It is largely a question of what union members are accustomed to. Expectations have already declined substantially in recent years from the over-5-percent annual increases during the mid-fifties. It should be possible, without hampering the proper political processes of the unions, to adjust expectations to a realistic 2 percent.

Strong unions, to be sure, can at times secure wage increases that exceed price increases by more than the growth of nationwide productivity. This is possible only, however, at the expense of some other group—the recipients of profits, or other labor groups, or fixed-income receivers. The more unions engage in this competitive game the greater the inflationary effect and the smaller the benefits to the participants.

On the side of management, meanwhile, the view has sometimes been expressed that if wages advance in proportion to productivity, the entire increment goes to labor and nothing is left for capital. In fact, these conditions insure that the shares of capital and labor remain unchanged. If labor gets 70 and capital 30 of the 100 produced by a business, a 10-percent increase in productivity will raise labor income to 77 and capital to 33.

Both management and union may allege that a 2-percent standard does not give them the flexibility that may sometimes be required to take care of special cases, of local needs and conditions, etc. Unfortunately, there is no such thing as a normal case. Every case is a special case. This offers very little excuse, therefore, for special dispensation. Each contract, moreover, has many dimensions. Basic rates, differentials, fringes, to say nothing of work rules, are all subject to negotiation. They all can be adjusted to the special case and to local needs, subject to one restraint—the financial settlement should not exceed the equivalent of 2 percent. In practice, no doubt, the line would be broken often enough without good reason. There need be little fear that, in the few cases where there is good reason to break it, the line would become impossibly confining.

MOBILIZING PUBLIC OPINION

In moving to implement the productivity standard, an energetic educational campaign will be needed. At present, the economic facts of the situation are not widely appreciated. Labor and management, as well as the general public, have given no clear evidence that the present rate of wage increases is recognized as inconsistent with stable prices. Nor is there much evidence that the need to limit wage advances to nationwide productivity gains, as contrasted with gains in particular industries, is at all widely accepted. In other subjects, we are rapidly achieving higher levels of economic sophistication. The needs for a flexible monetary policy, for a sound budget policy, for proper attention to the balance of payments, have been receiving increasing recognition. The issue of productivity and wages is no more complex than these, and will not long defy public understanding if it is adequately publicized. An understanding of the issues, resulting in mobilization of strong public opinion and consequent pressure upon business and labor, can be expected to be followed by a good degree of voluntary compliance.

Responsible conduct on the part of powerful individuals and groups is an essential part of American democracy. Business and labor have increasingly come to accept this belief. The pressure of public opinion has been instrumental in advancing its acceptance. The Economic Reports of the President in recent years have repeatedly appealed to this sense of responsibility. The need for self-restraint in wage and price determination has been stressed. More specific meaning and a clearer orientation will be achieved if appeals of this kind are coupled with a specific quantitative standard.

AVOIDANCE OF CONTROLS AND RIGIDITIES

Some pitfalls will have to be avoided. Efforts to achieve voluntary restraint and compliance are sometimes slow to bear fruit. There then arises the temptation to accomplish the goal by more rapid route of legislation. Wage and price controls might seem to loom ahead. These would be incompatible with our free economy, and the very opposite of what the voluntary approach here proposed seeks to achieve. The voluntary approach seeks to make wages and prices behave as they would if our markets were perfectly free and competitive, which they are not. Wage and price controls would abolish the freedom of the market and of the economy.

Nor should the naming of a maximum lead to the maximum also becoming a minimum.

Some wage rates will continue to move more slowly than the maximum, as they have always done. Industries that cannot afford to give wage increases today will not be put in a different position by the present proposal. Meanwhile the demands made upon them may well be less rather than more, as the bellweather industries slow down their advances. These below-standard advances will help to compensate for some excessive increases which are bound to occur.

PROSPECTS FOR PRICE REDUCTIONS

Efforts will have to focus not only on promoting wage restraint, but also on price reductions. Price reductions in industries with above-average productivity gains are essential. Labor would rightly reject proposals that limit its wage demands if business, rather than the consumer, were to be the principal beneficiary. In reasonable competitive markets, these price reductions tend to occur automatically. The recent range of reductions in prices of consumer durables, where productivity gains have been high, confirms this expectation. This is the reason for devoting less detailed attention to the problem in this paper, but it is nevertheless clear that pressure will be needed. Intensified antitrust action, aimed particularly at price rigidities, will be important. The pressure of public opinion, mobilized by increasing awareness of the problem, will have to be brought to bear on prices as much as on wages.

FISCAL AND MONETARY POLICIES

Finally, it will be up to the Federal Government to carry out the proper fiscal and monetary policies to backstop voluntary restraint and the pressure of public opinion. Obviously, neither of these will be able to accomplish much against market pressures set loose by inflationary financing. But when budgets are orderly and credit under control, there is no inherent reason why wages should rise faster than productivity or why prices should creep forward.

We have allowed ourselves to get into bad habits in wage and price determination. The good sense of people in a democracy should be capable of ridding us of them.

OPERATION EMPLOYMENT—HISTORY OF UNEMPLOYMENT INSURANCE

The SPEAKER pro tempore [Mr. STEPHENS]. Under previous order of the House, the gentlewoman from New York [Mrs. WEIS] is recognized for 60 minutes.

Mrs. WEIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain tables.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. WEIS. Mr. Speaker, as you know, Republican Members participating in Operation Employment have in recent weeks discussed here various aspects of employment and unemployment in a dynamic, free-enterprise economy.

For the most part my colleagues in this project have been concerned with those factors at work in our economy which are producing a growing demand for highly trained labor and, at the same time, a diminishing need for the services of unskilled workers. They have, in short, been concerned with the complex problems of employment in a period of extremely rapid technological change.

This afternoon, my distinguished colleague from Massachusetts, Congressman BRAD MORSE, and I want to focus attention on yet another aspect of the overall problem of employment and unemployment in a free enterprise economy, the subject of unemployment insurance.

The basic material for our discussion here this afternoon was provided by an article written by Father Joseph M. Becker, S.J., of the Institute of Social Order at St. Louis University, St. Louis, Mo. Father Becker is universally recognized as an expert in the fields of social security and social welfare problems. His writings in the field of unemployment insurance are distinguished and I want to publicly express our gratitude for this particular paper, entitled "Twenty-five Years of Unemployment Insurance." Father Becker's paper will appear in its entirety at a later point in the RECORD.

In the meantime, I want to make it clear that while we have drawn heavily on his paper for both fact and interpretation, the conclusions reached by both Congressman MORSE and me are entirely our own and do not necessarily coincide with those of Father Becker. We are most grateful for his help, but we want to excuse him from any responsibility for our conclusions.

Briefly, I propose to discuss, in summary fashion, the history of unemployment insurance legislation in the United States since the adoption of the present Federal-State system in 1935, calling attention to the characteristic features of the system as it has developed in this country and suggesting certain tentative conclusions about our experience with unemployment insurance as well as certain problems which still remain. My colleague, Representative MORSE, will then discuss, in some depth, the technique of "experience rating," by means of which the State unemployment compensation tax is actually levied on the individual employer.

BRIEF HISTORICAL DEVELOPMENT

Unemployment insurance is a part of the U.S. social security system, having been established as a part of the Social Security Act of 1935—see title 49, Statutes at Large, section 639, 1935. As it was conceived by the Congress and as it has developed during the 26 years of its existence, unemployment insurance in this country is a Federal-State program, with major emphasis on the responsibility of the individual States.

The applicable Federal laws deal principally with the limited conditions which must be met by the States in order that the States and employers in the States may be afforded the benefits granted by the Federal law. The State unemployment insurance laws are the ones which actually provide the terms under which insurance payments are made to unemployed workers.

Title IX of the Social Security Act of 1935 levied a 3-percent Federal unemployment tax, but the act provided for a 90-percent offset against this tax for contributions made under State unemployment compensation laws meeting certain minimum requirements. The responsibility for selecting benefit, eligibility, and disqualification standards was left entirely to the separate States.

This discretion left to the State was partly motivated by a fear that too many federally imposed standards would jeopardize the constitutionality of the act and partly by a belief in the desirability of permitting the States to experiment and adjust their State laws to local economic conditions and characteristics.

The Federal legislation was in fact completely effective in securing the enactment of State unemployment insurance legislation and by June 30, 1937, every State in the Union, and the District of Columbia, Hawaii, and Alaska, had adopted approved legislation.

On May 24, 1937, the constitutionality of the Federal Unemployment Tax was upheld by the Supreme Court, by a vote of 5-to-4 (*Stewart Machine Co.* v. *Davis*, 301 U.S. 548 (1937)). On the same day, the Supreme Court ruled, in another 5-to-4 decision, that the Alabama State unemployment compensation law was constitutional (*Carmichael* v. *Southern Coal & Coke Co.*, 301 U.S. 495 (1937)). Thus the basic features of the Federal-State system of unemployment insurance were given the official blessing of the Court and no basic changes have been made in the structure of the system since that time.

In its basic essentials—and perhaps somewhat oversimplified—the system works in the following manner: The Federal Government levies a tax on all employers with four or more employees—with certain stated exceptions—at the rate of 3.1 percent on the first $3,000 of each covered employee's earnings. However, employers in States with an approved unemployment insurance program—all 50 States now have one—may claim an offset of 2.7 percent against this tax. What this means, in effect, is that every covered employer pays a Federal unemployment insurance tax of four-tenths of 1 percent and a State unemployment insurance tax at a rate established by the State.

The money collected from the State unemployment tax is placed in a special fund, held by the U.S. Treasury, and it is used to pay benefits to unemployed workers within that State at benefit levels and under such conditions of eligibility and duration as are established by the State itself.

The funds derived from the Federal tax—four-tenths of 1 percent—are used to pay the administrative costs of the entire program, at both the State and Federal levels, and to maintain a loan fund against which States may draw when their individual funds reach dangerously low levels.

This, briefly, is the general outline of the unemployment insurance program as it operates today in the United States and even a cursory examination makes it quite clear that the program is essentially State oriented. Each individual State determines how much it will tax its employers for unemployment insurance purposes, how much it will pay to unemployed workers in weekly benefits, for how long a period benefits will be paid, and under what conditions workers

qualify for benefit payments. The Federal Government sets certain very limited standards which the State programs must meet in order to secure the tax offset, it pays the costs of administering the program, and it mantains a loan fund for the use of States with low reserves.

However, beginning in 1944 and continuing through the provisions of the 1960 unemployment insurance legislation, the Federal Government has played an increasingly larger role in providing funds to States which have either exhausted their unemployment funds or whose reserves have fallen to a level considered dangerously low.

The War Mobilization and Reconversion Act of 1944—title 58, Statutes at Large, section 785, 1944—established a Federal loan fund for the first time, with advances to the States to be financed out of the accumulated excess in Federal unemployment tax receipts over administrative expenses. Little use was made of the loan fund during this period, however, and the authority for it expired in 1952.

Public Law 567 of the 83d Congress, popularly known as the Reed Act, provided for the establishment of a $200 million fund out of the excess of Federal tax collections over administrative costs, with the fund again to be used to provide advances to those States whose unemployment funds had fallen to low levels. These advances were repayable by the individual States, and if not repaid within a certain fixed time period they were to be collected by reducing the State's Federal tax offset. Anything over $200 million in excess was to be distributed to the States' unemployment trust funds on a pro rata basis.

The Reed Act technique of repayable advances was employed by the Federal Government to help States finance extended benefit durations used to meet the longer term unemployment which developed in 1958. The legal vehicle was the Temporary Unemployment Compensation Act of 1958 which provided for a wholly voluntary arrangement by which each State was given the option of entering into an agreement with the Federal Government to act as agent in the disbursement of temporary unemployment compensation and to repay the costs.

In 1960 the Federal law was amended to increase permanently the Federal tax from 3 percent to 3.1 percent and to increase the size of the Federal loan fund from $200 million to $550 million.

Finally, this year legislation was enacted to provide a temporary extension in unemployment compensation payments to workers who had exhausted benefits. This time, however, each individual State was not required to repay by itself the full amount it took as an advance. Instead, provision was made for repayment of the Federal advances by an increase in the net Federal unemployment tax levied on covered employers in every State from four-tenths of 1 percent to eight-tenths for calendar years 1962–63.

But so much for the basic Federal laws relating to unemployment insurance. What has the system actually accomplished?

THE GROWTH AND DEVELOPMENT OF THE UNEMPLOYMENT INSURANCE SYSTEM

Unemployment insurance has been, by virtually any measuring stick, a very successful experiment. One need only look at how unemployed workers fared historically and contrast that with how they have fared since 1938 to realize what a significant role unemployment insurance has played. A brief look at some selected statistics will perhaps show the impact, as well as the continuing development and expansion of the program.

From an average monthly coverage in 1938 of about 20 million workers, or about one-third of the total labor force, all unemployment insurance programs in 1960 covered an estimated 46 million workers, or two-thirds of the labor force.

Benefits, in dollar amounts, have risen steadily since the inception of the program. The average weekly benefit in 1939, the first year of payment by all systems was $10.66. In 1960, the average weekly payment was $32.87, or over 200 percent higher than the average 1939 payment. The purchasing power of benefits, which is a better gage than absolute dollar amounts, has also increased, as a result of benefits rising faster than the cost of living.

As the various State programs have developed, the length of time during which benefits are paid has also been increased, both by reducing the waiting period before benefits are paid and by extending the duration of benefits.

As an indication of the overall economic impact of unemployment insurance programs, from the beginning of the State-Federal program through March 1960 total contributions to the State-Federal system, plus interest, amounted to $30.4 billion. During that time a total of $24.2 billion was paid out in benefits to unemployed workers and their families.

There are, of course, an almost endless stream of statistics relating to the unemployment compensation system. For those who may be interested in examining the programs in somewhat more detail, I am inserting at this point in the RECORD three charts. The first of these shows unemployment insurance benefits under each State program and aggregate State spending, income, and reserves under unemployment compensation laws. The second indicates the financial experience of unemployment insurance funds in the period 1938–59 and the third the cost and distribution rates during the same period.

The following chart, compiled from Labor Department statistics, shows unemployment insurance benefits under State programs and aggregate State spending, income and reserves under unemployment compensation laws. Benefits listed are for persons "totally unemployed"—that is, unemployed the entire week. Unemployment tax collections include interest paid on State accounts held by the U.S. Treasury. Figures are for calendar 1960 except where otherwise noted.

State unemployment insurance benefits and program finances

State	State benefit programs					State unemployment fund financing, 1960			
	Average weekly benefit, 1st half 1960	Maximum weekly benefit under State law [1]	Average weekly wages in covered employment (1959)	Maximum benefit as percent of weekly wage	Minimum and maximum duration of benefits (weeks)[2]	Average State tax rate for employers on taxable wages	Benefits paid	Collections	Reserve on Dec. 31, 1960
						Percent	*Thousands*	*Thousands*	*Thousands*
United States	$32		$91			1.9	$2,726,767	$2,483,130	$6,643,400
Alabama	23	$28.00	75	38	11–20	1.2	27,163	19,746	53,970
Alaska	37	45.00	137	33	15–26	2.9	5,539	7,291	4,860
Arizona	31	35.00	90	39	10–26	1.3	9,294	11,608	62,380
Arkansas	22	30.00	62	48	10–26	1.4	12,542	9,923	36,760
California	39	55.00	103	53	26–26	2.0	386,042	310,851	801,500
Colorado	38	43.00	90	48	15–32½	.5	15,258	7,862	61,870
Connecicut	36	45.00	95	47	12–26	2.1	55,103	51,307	168,560
Delaware	33	40.00	100	40	11–26	2.5	6,746	10,209	11,950
District of Columbia	26	30.00	89	34	11–26	.9	5,483	7,850	62,440
Florida	27	33.00	78	42	10–26	1.2	31,740	34,918	102,460
Georgia	24	35.00	71	49	9–26	1.4	30,389	31,586	144,590
Hawaii	31	45.00	74	61	26u	1.1	4,501	5,691	25,310
Idaho	36	40.00	80	50	10–26	1.7	8,535	6,183	28,370
Illinois	34	32.50	101	32	26–26	2.1	136,148	168,887	355,920
Indiana	30	36.00	96	38	6–26	1.2	52,448	46,722	168,170
Iowa	30	30.00	84	36	10–26	.5	14,486	11,738	115,470
Kansas	34	41.00	84	49	10–26	1.0	20,526	12,671	72,070
Kentucky	28	37.00	80	46	15–26	2.4	31,762	30,416	104,090
Louisiana	30	35.00	81	43	12–28	1.5	37,853	26,803	120,980
Maine	21	33.00	74	45	26u	1.7	12,922	9,690	28,500
Maryland	30	35.00	83	42	26u	2.8	50,769	51,321	67,790
Massachusetts	37	40.00	85	47	23–30	1.9	118,816	87,374	221,260

State unemployment insurance benefits and program finances—Continued

State	State benefit programs					State unemployment fund financing, 1960			
	Average weekly benefit, 1st half 1960	Maximum weekly benefit under State law [1]	Average weekly wages in covered employment (1959)	Maximum benefit as percent of weekly wage	Minimum and maximum duration of benefits (weeks)[2]	Average State tax rate for employers on taxable wages	Benefits paid	Collections	Reserve on Dec. 31, 1960
						Percent	*Thousands*	*Thousands*	*Thousands*
Michigan	$36	$30.00	$107	28	9–26	2.9	$147,391	$162,497	[3] $220,150
Minnesota	29	38.00	88	43	18–26	1.1	36,784	24,683	63,770
Mississippi	24	30.00	64	47	12–26	1.9	14,296	14,333	32,730
Missouri	29	33.00	88	37	26–26	1.0	41,317	35,626	201,730
Montana	27	32.00	80	40	22u	2.3	11,189	7,317	26,060
Nebraska	30	34.00	79	43	11–26	1.0	7,443	7,874	40,300
Nevada	38	37.50	96	39	10–26	2.2	6,211	6,846	17,710
New Hampshire	26	38.00	74	52	26u	1.7	6,897	7,683	24,020
New Jersey	32	35.00	98	36	13–26	2.1	131,486	124,970	337,170
New Mexico	29	36.00	85	42	18–30	1.2	8,939	7,236	42,340
New York	35	50.00	99	51	26u	2.3	397,808	370,110	999,060
North Carolina	20	32.00	67	48	26u	1.6	35,607	43,772	186,590
North Dakota	29	32.00	76	42	24u	2.0	4,913	3,845	7,350
Ohio	40	42.00	100	42	24–26	1.5	206,113	121,187	310,570
Oklahoma	26	32.00	83	39	10–39	1.2	17,808	13,518	37,010
Oregon	35	40.00	91	44	15–26	2.7	28,150	36,883	47,490
Pennsylvania	30	40.00	88	46	30u	3.1	265,271	252,444	[3] 174,530
Rhode Island	30	36.00	78	46	12–26	2.7	16,164	20,123	32,970
South Carolina	22	26.00	65	40	10–22	1.1	12,234	14,784	76,540
South Dakota	29	33.00	75	44	16–24	.8	2,452	2,189	15,180
Tennessee	22	32.00	74	43	22u	1.7	34,210	32,351	74,440
Texas	24	28.00	83	34	16–24	.9	58,252	50,829	249,840
Utah	33	42.00	83	51	10–36	1.5	8,178	8,469	38,060
Vermont	27	38.00	76	50	26u	1.3	4,063	3,113	13,670
Virginia	23	32.00	74	43	8–20	.8	16,716	21,148	88,580
Washington	32	42.00	95	44	15–30	2.7	58,830	56,153	202,230
West Virginia	22	30.00	89	34	24u	2.7	24,040	26,920	35,450
Wisconsin	36	49.00	93	53	12–34	1.4	45,518	42,402	216,150
Wyoming	40	47.00	85	55	12–26	1.4	4,421	3,178	12,440

[1] Does not include dependents' benefits or special increases possible under certain conditions.

[2] In States marked with "u", benefit is uniform for all eligible persons. In States where maximum and minimum are shown as the same number of weeks (California, for example) minimum duration of benefits may be lower under certain special conditions. This is also true for Massachusetts, Ohio, Oregon, South Dakota, Texas.

[3] Funds available reflect loans from the Federal loan account to: Alaska $2,630,000 in January 1957, $2,635,000 in February 1958, $3,000,000 in July 1958, and $500,000 in January 1960; Michigan $113,000,000 in September 1958; Pennsylvania $96,440,000 in April 1959, $1,504,000 in May 1960, and $4,056,000 in July 1960. The loans must be repaid by 1963, a factor which must be considered in assessing the condition of these States' reserves, especially where benefit payments have been exceeding collections.

Source: Congressional Quarterly, week ending Feb. 3, 1961.

TABLE 1.—*Financial experience of unemployment insurance funds, 1938–59*

[In billions of dollars]

Year	Contributions	Contributions and interest	Benefits paid	End-of-year funds		Year	Contributions	Contributions and interest	Benefits paid	End-of-year funds	
				Amount	Percent of total wages					Amount	Percent of total wages
1938	0.82	0.84	0.39	1.11	4.2	1949	0.99	1.14	1.74	7.01	7.5
1939	.82	.86	.43	1.54	5.3	1950	1.19	1.34	1.37	6.97	6.8
1940	.85	.90	.52	1.82	5.6	1951	1.49	1.65	.84	7.78	6.6
1941	1.01	1.06	.34	2.52	6.0	1952	1.37	1.55	1.00	8.33	6.5
1942	1.14	1.21	.34	3.39	6.2	1953	1.35	1.55	.96	8.91	6.4
1943	1.33	1.41	.08	4.72	7.1	1954	1.14	1.33	2.03	8.22	6.0
1944	1.32	1.42	.06	6.07	8.8	1955	1.21	1.39	1.35	8.26	5.6
1945	1.16	1.29	.45	6.91	10.4	1956	1.46	1.66	1.38	8.57	5.2
1946	.91	1.04	1.09	6.86	9.4	1957	1.54	1.76	1.73	8.66	5.0
1947	1.10	1.23	.78	7.30	8.4	1958	1.47	1.67	3.51	6.95	4.1
1948	1.00	1.15	.79	7.60	7.9	1959	1.96	2.13	2.28	6.9	3.9

TABLE 2.—*Cost and contribution rates in unemployment insurance, 1938–59*

Year	Cost rate	Contribution rate	Year	Cost rate	Contribution rate
1938	2.18	2.70	1949	2.28	1.31
1939	1.59	2.72	1950	1.68	1.50
1940	1.72	2.69	1951	.93	1.58
1941	.89	2.58	1952	1.05	1.45
1942	.69	2.19	1953	.97	1.30
1943	.13	2.09	1954	2.10	1.12
1944	.10	1.92	1955	1.33	1.18
1945	.76	1.71	1956	1.26	1.32
1946	1.72	1.43	1957	1.54	1.31
1947	1.06	1.41	1958	3.22	1.32
1948	1.01	1.24	1959	2.00	1.70

In summary, it is quite apparent that significant strides have been made by the States in conducting unemployment compensation programs during the first 25 years of the State-Federal unemployment insurance system. Real protection afforded the unemployed has, on the average, increased by over 100 percent; in the large industrial States, in which most of the covered workers live, the increase has been even greater—about 200 percent in California, about 400 percent in my own State of New York. As compared with those who received benefits in 1938, the first year benefits were paid, the beneficiary in 1960—of whom there were millions more—received his benefits sooner, for a longer time, and could buy substantially more goods and services with what he received.

THE REMAINING PROBLEMS

The fact that protection has steadily increased does not, of course, necessarily mean that protection is now adequate or that no further improvements in the system are necessary. On the contrary, there are a number of complex and controversial issues and problems remaining to be resolved. It is not within the scope of this presentation to even begin to enumerate all of these problems or to suggest potential solutions, but for those who may be interested in pursuing the matter further, I want to call your attention to an article by Wilbur J. Cohen, the present Assistant Secretary (for Legislation) of the Department of Health, Education, and Welfare and a former professor of public welfare administration in the School of Social Work at the University of Michigan. Dr. Cohen's article, "Some Major Policy Issues in Unemployment Insurance and General Assistance," which appears in Studies in Unemployment—U.S. Senate, 86th Congress, 2d session, Special Committee on Unemployment Problems, January 1960—focuses attention on these problems as well as on the variety of proposed solutions. While I am considerably more impressed with the achievements and advances which have been made in our present unemployment insurance system than is Dr. Cohen, and

while I do not subscribe entirely to the solutions he appears to favor, his article is nevertheless well worth careful reading for its careful enumeration of the problems yet to be solved and the various alternative directions which the program could take in the future.

Despite substantial increases, the adequacy of the benefit level is clearly still a problem. This was the subject of an earlier presentation by two other participants in Operation Employment and I do not wish to dwell on it here other than to say that benefit levels in some States obviously lag behind desirable levels.

Duration of benefits is another problem area in which some States have been remiss. The Eisenhower administration recognized the need for improvement in both the benefit level and duration of benefits. On several occasions, President Eisenhower recommended that the States increase maximum benefits so that the great majority of covered workers would be eligible for payments equal to at least half their regular earnings, and that States which had not already done so lengthen the maximum term of benefits to 26 weeks for every person qualifying for any benefits who remained unemployed that long. I subscribe wholeheartedly to both these recommendations.

Further extension of coverage to at least a portion of the one-third of the labor force not now covered is yet another problem area, as is also the question of how to deal with the unemployment problem of the worker with a number of dependents. Still another problem is that of how to deal, in terms of unemployment compensation, with unemployment of a chronic, long-term nature.

A SPECIAL CONFERENCE ON UNEMPLOYMENT INSURANCE

These are simply illustrative of the problems confronting us as the State-Federal unemployment system passes its first decade. They are serious problems which cannot be dealt with frivolously, or in terms of shopworn clichés. They require hard thinking and careful analysis and it would seem to me that the time is ripe for a special conference, called by the President with the support of the Congress for the purpose of systematically evaluating our 25-year experience with unemployment insurance and exploring carefully the problems of the present and future and their potential solution. Such a conference, preceded by careful staff work, could bring together the best minds in the field for a sustained period and would be most useful in focusing attention on the subject and in mobilizing public opinion behind the need for further progress. The complex problems of employment and unemployment in a dynamic economy require dynamic thinking and I sincerely hope that President Kennedy and his administration will give the subject of unemployment insurance the full attention it deserves.

CONCLUSION

In conclusion, I want to make clear my own personal preference for an essentially State-oriented type of national unemployment insurance system.

We forget sometimes how young the present system actually is. It was barely underway before World War II and had little relevance or attention during the war years, so that in reality the system is still in its adolescent stage. In my opinion the system has worked reasonably well in these formative years and I see no reason to believe that it cannot do even better in the future. In this connection, I want to quote very briefly from Father Becker's article to which I referred earlier. At one point he says, referring to the trend toward steadily increased protection:

> The fact that there has been such a trend toward expanded protection and that the same forces which brought about the expansion in the past are still operative in the present has considerable relevance for the choice of leaving the program in the hands of the States or calling upon the Federal Government to assume more control. In the lives of institutions, the direction and momentum of their movement is at least as important as their present position.

I find these words particularly meaningful. Father Becker is not entirely satisfied with the operation of the system and neither am I. He is not arbitrarily ruling out the possibility of a larger Federal role and neither am I. But I am greatly impressed with the solid and substantial progress which has been made thus far, and I am impressed by the direction in which the program has been moving ever since its inception. Given the great advances of the past and the considerable promise which the present system holds for the future, I would hope that any and all attempts to alter this system would be scrutinized and debated with utmost care and thoroughness and I would hope, further, that under no circumstances would the basic nature of the system be changed.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MORSE].

Mr. MORSE. Mr. Speaker, I first want to commend my distinguished colleague, the gentlewoman from New York, on her perceptive and thorough coverage of the history of unemployment compensation and her incisive analysis of the complex of Federal-State relations which have worked so well in our American system of unemployment compensation.

The topic which I shall cover is the system of experience rating. The statutory basis of our system of unemployment insurance is complex, and, I have found, not generally understood. A description of the way the Federal unemployment fund operates may be in order.

As my colleague observed, there is a tax of 3.1 percent levied by the United States on all covered payrolls. Prior to 1960, this tax was set at 3 percent. A credit is allowed for State unemployment taxes of up to 2.7 percent. Since all States have an unemployment tax of 2.7 percent or more, the net effect is a Federal unemployment tax of four-tenths of 1 percent, increased from three-tenths of 1 percent in 1960.

This year, of course, this tax was temporarily increased from 3.1 to 3.5 percent, giving a net Federal tax of 0.8 percent, to support benefits under the Temporary Extended Unemployment Compensation Act, for fiscal years 1962 and 1963.

The moneys collected under the Federal unemployment tax are paid over into a Federal unemployment fund, from which payments are made to the States.

Normally, the principal payments to the States from the fund consists of grants of appropriate sums requested by the States coextensive with, and for the purpose of supporting, the administrative expenses of State programs.

Additionally, disbursements may be made to the States upon application, in the form of interest-free repayable advances to enable the State to meet its monthly requirement of funds to be paid out to claimants.

Finally, under the temporary extended unemployment program enacted this spring, payments are made to States to support the extended payments of compensation authorized by the act.

A standard State tax of at least 2.7 percent on covered payrolls is insured by this program. But one way, and only one way, is provided by which States may impose lower tax rates on individual employers, without subjecting them to an increased Federal tax equivalent to the differential. This method is experience rating.

All States, with the exception of Alaska, now have some form of experience rating by which the tax rates on individual employers' payrolls are modified on the basis of their experience with unemployment risk.

Certain requirements are imposed by the Federal Government if a State is to use the experience rating system, the most important of which requires 3 years of experience with the program. The 83d Congress enacted a modification allowing reduced rates to be extended to employers with but 1 year of experience, but requiring rates to be based on at least 3 years experience, after the employer has completed that period.

The effect of experience rating is to give a credit on Federal taxes equivalent to the full 2.7 percent imposed by the State as a standard rate, without subjecting the employer to the payment of the full State tax.

States have hit upon a variety of formulas for computation of tax rates under experience rating. These include:

First. Reserve ratio: This method, employed by 33 States, including my home State of Massachusetts, employs a balance, consisting of the surplus of tax contributions by the employer over benefits received by his workers since the employer first was covered by the program. This balance is taken as a percentage of the employer's taxable payroll, and the resultant figure determines the tax category of the employer.

Second. Benefit ratio: This approach compares benefits paid, over the last few years, to payroll. This method is geared to short-term experience.

Third. Benefit-wage ratio: This system compares the number of compensated separations to wages earned by the worker during a base period.

Fourth. Compensable separations: This formula weighs compensable separations by the benefit amount paid to the worker.

Fifth. Variations in the employer's payroll: This final method takes changes in payroll as a percentage of total payroll of the employer.

Within these broad categories of experience-rating formulas, there is considerable variation in detail from State to State. For example, the number of schedules of reduced rates varies from 3 or 4 up to 25 or 27, and the rates themselves can vary. In Alabama, where the maximum rate is 2.7 percent, the minimum is 0.5 percent. In Illinois, where the maximum rate is 4 percent the minimum rate is 0.1 percent. There are considerable differences in the resulting tax rates for different States. High-cost States include Maryland and Michigan with estimated average rates for 1961 of 3.1 percent. The estimated average for New York in 1961 is 3 percent. In Massachusetts, the average 1961 tax rate is predicted to be about 2.2 percent. Another group of States, on the other hand, is still averaging below 1 percent. These include Texas, Iowa, Colorado, the District of Columbia, and South Dakota.

These complex State variations enable the particular requirements of a given State to be met, within the general framework set down by the Federal law. Furthermore, the existence of 50 separate and different State programs reflects one of the essential benefits of a Federal system of government—the opportunity to experiment on a limited scale.

In order to explain in greater detail the operation of experience rating in a particular jurisdiction, I have selected my home State of Massachusetts for further discussion.

Massachusetts provides weekly benefits for the unemployed worker for a period of up to 30 weeks a year. Eighteen additional weeks are provided to persons enrolled in approved vocational training or retraining courses.

The Massachusetts Legislature made significant changes this year in the financing provisions of the unemployment system. Effective in the 1962 tax year, the taxable payroll base is increased to $3,600 per employee. Seven tax rate schedules for employers are provided, with a greater range between the highest and lowest tax rates than previously obtained. Under the most favorable schedule, tax rates vary from one-half of 1 percent up to 3.3 percent. Under the least favorable schedule, they vary from 1.7 percent up to 4.1 percent. The status of the balance in the State fund compared to taxable payrolls determine the governing schedule in a given tax year.

Under the prior law in Massachusetts, tax rates for 1960 were established according to a reduction schedule which varied the tax rate from 1 percent for employers with the best rating, to 2.7 percent for employers with the worst rating. Of the nearly 98,000 employers who had built up an experience rating by 1960, about 32 percent of the employers paid the highest rate, the 2.7-percent rate. The other 29 percent of employers paid intermediate rates ranging from 2.5 percent down to 1.1 percent. The distribution of these rates worked out to an estimated average rate in 1960 of about 1.87 percent. This compared with an average rate of 1.77 percent for 1959, and 1.5 percent for 1958. It is estimated that the average rate will be 2.2 percent for 1961.

An industry-by-industry breakdown produced the same general pattern in 1960 as in previous years. Employers in the contract construction industry paid an average unemployment tax of 2.49 percent. For employers in manufacturing the average was 2 percent, for wholesale and retail trade 1.66 percent, for tranpsortation, communication, and utilities 1.47 percent, and for finance, insurance, and real estate, taken together, 1.34 percent.

An experience rating provision was first written into the employment laws security of Utah, Wisconsin, and New Hampshire, passed before the Federal program became a reality. The Committee on Economic Security, which proposed the social security program to the Congress, recommended that such States' provisions be respected. This provision was eliminated by the House, but was contained in the legislation finally passed. The Senate Finance Committee said:

> We believe that the Federal law should provide for recognition of credits allowed by the States to employers who have regularized their employment. In his message dealing with the subject of social security, the President [Roosevelt] urged that unemployment compensation should be set up under conditions which will tend toward the regularization of employment. All unemployment cannot be prevented by any employers, but many employers can do much more than they have done in the past to regularize employment. Everyone will agree that it is much better to prevent unemployment than to compensate it.

It is clear that the unemployment compensation program provided in the Social Security Act of 1935 contained experience rating provisions to induce employers to avoid causing unemployment. It emphasized the role that the individual employer can play in stabilizing employment. Moreover, it stressed the individual responsibility of the employer to do what he can to solve the pressing social problem of unemployment. It did this by means of an incentive—the very basis of our free economy. It provided a flexible device by which States might vary their taxes, so that the revenue received may be placed into balance with the demands on the fund.

In a sense, the experience rating system makes the employer a guardian of the program, with a significant stake in preventing unentitled claims by employees, since improper claims are charged against his own account in the unemployment fund. It is reasonable to expect that he will report these irregularities to keep his own tax rate down. This form of employer participation is desirable to assist effective administration of the program. Since the employer and the employee are the only parties who have firsthand knowledge of the facts giving rise to the claim, the employer is placed in the position of being the only source of information other than the claimant regarding the validity of the claim.

Thoughtful scholars of employment security laws have long debated the social desirability and the administrative effectiveness of the experience rating system. A study of some of the literature has persuaded me that it is sound—that it injects into the unemployment compensation equation a uniquely American ingredient—competition.

I would like to join my distinguished colleague, the gentlewoman from New York, in her proposal for a special conference on unemployment compensation. There can be no doubt that serious problems plague the subject—problems which require the best thinking of our best informed citizens. I am confident that the President, were he to adopt my colleague's suggestion would find abundant support among Members of the minority here in the House.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MORSE. I yield.

Mr. CURTIS of Missouri. Mr. Speaker, at this time I want to compliment both the gentlewoman from New York and the gentleman from Massachusetts for the work they have done in this area, and also the preceding speakers, the gentleman from Iowa [Mr. SCHWENGEL] and the gentleman from Ohio [Mr. ASHBROOK]. I know from some familiarity with the paper that was prepared by Father Becker, of the Institute of Social Order at St. Louis University, who is one of the outstanding scholars in this area, that we all could derive great benefit from his paper and the intepretation and comments that are in the remarks that have just been made. I want to point up one thing because some people have raised the question, Well, who were all these scholars that were selected, were they people of a persuasion that would support a Republican position? And the answer, of course, is "No, they were not." They were picked on the basis of their scholarship. Father Becker I am certain would not like to be particularly identified with the Republican Party. He would not like to be identified with either party. I thought it was appropriate to make these remarks at this time. In fact, a couple of professors we have had were very definitely identified with the Democratic Party. Again I want to compliment my colleagues for their fine work.

Mrs. WEIS. I thank the gentleman. I absolve Father Becker of any responsibility for any conclusions that I have set forth in my paper.

Mr. MATHIAS. Mr. Speaker, will the gentlewoman yield?

Mrs. WEIS. I yield to the gentleman from Maryland.

Mr. MATHIAS. I would like to say I can testify these are nonpartisan background academic materials because one of them has been prepared by a chairman of Democratic State Central Committee of Maryland.

Furthermore, I compliment the gentlewoman and the gentleman from Massachusetts [Mr. MORSE] on the very fine presentation they have made and their contribution to operation employment,

which I am sure is very valuable to all of us.

Mrs. WEIS. I thank the gentleman from Maryland.

CAUSES AND ANSWERS TO THE PROBLEM OF UNEMPLOYMENT

The SPEAKER pro tempore (Mr. STEPHENS). Under previous order of the House, the gentleman from North Dakota [Mr. SHORT] is recognized for 30 minutes.

Mr. SHORT. Mr. Speaker, today it is my privilege to make my little contribution to the Republican study of the causes and answers to the problem of unemployment. Congressman RALPH BEERMANN, of Nebraska, and I bring to the attention of the House today a paper prepared by Prof. Mussa Hussanyni of Alma College at Alma, Mich. I certainly want to commend this study to the Members of the House because while it is rather long and detailed, he brings out some excellent points and at the same time very important points on those causes that develop in our modern economy which contribute to the unemployment situation. This study specifically deals with the tendency in our economy in the United States to develop certain rigidities or fixed positions that have grown out of custom and practice and tend to hinder progress and the creation of new job opportunities.

Professor Hussanyni emphasizes that since the depression of the thirties this Nation has had a tendency to develop a psychology of caution centered around a desire for security and evidencing a lack of faith in the potential vitality of reliance on market demand as the determining factor in creating new markets for new products. Application of this principle of freedom of opportunity beyond question brought about the dynamic growth and unparalleled achievements of the American economy.

Since the 1930's, the trend toward expanding the function of government in the Nation's economy has tended to deter personal risk in investing in new enterprise. This must slow down the creation of job opportunities and this factor must be recognized as to some degree responsible for our unemployment problems. We must adopt a national policy geared to maximum encouragement for individuals to risk their capital and effort if we are to maintain maximum economic growth. The welfare, not only of our country, is at stake, but that of the entire free world.

When government attempts to restrict the free working of market prices in the interest of establishing security for a segment of the economy, the inevitable result is a restriction of opportunities for those who would get into that business.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I now yield to the distinguished gentleman from Nebraska [Mr. BEERMANN].

Mr. BEERMANN. I thank the gentleman from North Dakota for yielding.

Mr. Speaker, an area of farming and industrial production that would help stability of employment income is graphically illustrated in the sugarbeet growing and processing industry. Long-term sugar legislation would immediately start an expenditure of $15 million in 15 different locations totaling expenditures over a 2-year period in construction of $225 million. These 15 sugar factories would employ an additional 5,500 employees in the fall and winter and provide year-round employment for 800 people. Each of these plants would process beets from an average of at least 30,000 acres, totaling 450,000 acres. From these 450,000 acres minimum, the railroads and trucking industries would receive $18 million at the rate of $40 in income per acre.

Purchases of new, modern farm machinery would be stimulated thereby, providing jobs and dollars from the start of steel production through the finished product.

On the farm this long-term sugar legislation to allow 15 new factories would benefit about 700 farmers per plant, or at least 10,500 family-size farms.

Many growers receive $200 per acre and more gross. But for our purposes today I will use a yield of only 10 tons per acre at $15 per ton. This would give each of our family-size farmers $150 per acre on 40 acres or $6,000 gross income.

At $6,000 per farm to 10,500 farms would provide additional farm income of at least $63 million annually and I remind you this is a conservative estimate.

Long-term sugar legislation increasing the domestic supply would provide some other benefits. It would relieve the State Department from having to make as many delicate decisions on sugar allocations and purchases.

It would enable the Department of Agriculture to bring supply and demand in more favorable balance by allowing at least 450,000 acres to produce a crop that has domestic demand. Another group of people, almost forgotten, who will appreciate the relief are the American taxpayers.

Stability of employment is a problem that affects not only the large industrial cities but also rural communities. This is strikingly shown when you compare the average per capita income of the nonfarm population with the average per capita income of the farm population, and analyze the sources of income for the farm population. In 1960, the average per capita income of the nonfarm population—of the people living in cities—was $2,282. In the same year, the average per capita income of the farm population was only $986—less than half, only 43 percent of the average income of the person living in a city. Of that $986 the average farm citizen receives in a full year, only $657 comes from farming. The other $329—more than one-third of his annual income—the person living on a farm is obliged to obtain from sources off the farm. These figures point to the great need for providing industrial employment in our rural communities—figures from page 7 of the U.S. Department of Agriculture Miscellaneous Publication No. 870, published July 1961.

A great opportunity for stabilizing employment in rural communities now exists through expansion of the domestic beet sugar industry. This is an unusual opportunity which the administration apparently fails to recognize—for it preaches a gospel of delay, delay, and still more delay on sugar legislation.

Let us review for just a moment how that opportunity for increased employment in rural communities has arisen. On the morning of Sunday, July 3, 1960, after an all-night session, the Congress gave the President of the United States the authority to establish the Cuban sugar quota at a level which he deemed would be in the best interests of the United States. Because of Castro and the Communist government in Cuba, of course the President, immediately upon being given this authority, set the Cuban sugar quota for the balance of 1960 at zero. Let me remind you that the Democratic chairman of the House Agriculture Committee—had delayed and delayed action on legislation to grant this authority last year until Castro had shipped more than three-fourths, nearly 80 percent, of his 1960 sugar quota to the United States. Only 700,000 tons of the 1960 Cuban quota of about 3,200,000 tons had not been shipped when the President received the authority to block further shipments of Cuban sugar to the United States.

Under terms of the sugar law passed in that all-night session, sugar was obtained from other foreign nations to replace the 700,000 tons barred from Cuba last year. The present sugar law, now on the books and in effect today, also requires that a sugar quota denied to Castro be allocated to other foreign countries. Our own domestic sugar producers have not been allocated a single ounce of the former Cuban quota.

During the current calendar year, at the present level of sugar requirements as determined by the Department of Agriculture, the Cuban quota would have been 3,297,195 tons. All but 50,000 tons of this huge amount of sugar, nearly one-third of the entire U.S. sugar market, has been authorized for import from foreign nations. The 50,000 tons have been held in reserve—allocated to no one. But domestic producers have not been allocated a single ounce of the former Cuban quota, and under the present law they cannot be allocated an ounce until all foreign sources have been exhausted.

Yet if even a portion of the former Cuban share of our market were allocated to domestic producers, American farm income could be raised and stability of employment in many rural areas could be significantly increased.

At this juncture it may be well to point out that there is no obligation to foreign sugar interests for the United States to continue to import as much sugar we are required to do under the present law. When the U.S. sugar program was first developed 27 years ago, Cuba was intended to be one of the chief beneficiaries. This was in keeping with our traditional ties with this then friendly Republic in the Caribbean. The legislative history of the initial sugar-quota law, the Jones-Costigan Act of 1934, the basis of all subsequent sugar

acts, shows conclusively that the law was designed to benefit Cuba fully as much as to benefit domestic sugar producers. But other foreign countries, until Castro came along, had only an extremely small part of our market. The temporary windfalls the foreign countries have received as a result of the Cuban affair are just that—windfalls of a temporary nature.

Foreign sugar-producing nations have generally recognized that the interests of American producers come first. For example, the representative of the Mexican sugar industry, testifying at a sugar hearing of the House Committee on Agriculture on June 25, 1955, said:

> Certainly the Congress has an obligation to look after the best interests of the United States first, and to foster such a domestic sugar industry as it deems consistent with those best interests. We consider it extremely inappropriate for any foreign principal to seek preferential advantage for itself by attempting to influence that judgment. Mexico seeks only to obtain a fair share of that portion of the U.S. market which is to be allotted among foreign producers after the domestic producers have been taken care of (from p. 274, printed record of the hearing).

This still should be the attitude of the foreign sugar producers who should recognize that the American Congress has an obligation first to the American people, and not to foreign sugar interests.

To help provide a measure of stability of employment in at least some rural communities, we would not have to allocate all of the former Cuban quota to domestic sugar producers. A worthwhile and beneficial effect would be achieved by allocating only a portion of it—say, a third, or, roughly, about a million tons of the nearly 3⅓ million tons available. This would still leave more than 2 million tons available to foreign nations on a temporary basis and for restoring to Cuba if a friendly government should ever succeed Castro.

A million additional tons of quota for the domestic beet sugar industry—above the present beet sugar quota of about 2,600,000 tons—would justify the building of a minimum of 10 and perhaps as many as 15 or 16 new beet sugar factories in the agricultural regions for our Nation. To show what this would mean, let us take the building of just one such factory and see what it would mean to an agricultural community.

We specifically mention agricultural community because the nature of the sugarbeet is such that factories must be built close to the areas of production. The sugarbeet is a bulky crop, and it is not practical to haul it for processing very much farther than 50 to a hundred miles except under special circumstances. Most of the 60 or so beet sugar factories operating this year will draw beets from a radius of only about 25 to 50 miles. The industry is thus, by its very nature, a decentralized industry; and thus, also, its benefits are spread into many predominantly agricultural communities, over a large part of our Nation.

The first significant effect on employment would be in the erection of the processing plant itself. A new beet sugar factory today will cost about $15 to $16 million in labor and materials. It will require about 2 years to build. So the immediate impact on the rural community would be to provide jobs for a number of construction workers and a large number of people who can do common labor—for a period of 2 years. The skills required for most of the construction work are skills that men who wrest most of their livelihood from the soil already possess. The number, of course, will vary according to the stage of construction, but new off-the-farm employment for even a hundred men has a significantly beneficial effect on a predominantly agricultural community.

The benefits of new construction naturally spread far beyond the community where the construction is taking place. Steel must come from the steel mills, and lumber from the lumber camps and the lumber mills. Machinery must come from the machinery fabricators. And all the materials and equipment must be hauled by truck and train—providing additional employment in our great transportation industries.

The most important employment effects—the long-range stabilization—will come through operation of the new factory over the years.

Each factory employs from 250 to 300 persons—sometimes more, depending on the size of the factory—during the sugarmaking "campaign," a period ranging from 4 to 6 months. In a typical sugarbeet-producing area, the harvest begins late in September or early in October, and runs for about 6 weeks or so. The factory begins to operate when the beet harvest begins—but the factory operation continues long after the harvest. The beets are stockpiled in the factory yards—huge piles of beets, which, in the cool climate which prevails in all the 22 present beet-producing States except California, remain in good condition throughout the winter months. The additional employment resulting from the beet sugar factory thus takes place during the months when activity on the farm is low—and thus provides the opportunity for supplemental employment, during the winter months, for persons who live on the farm.

In addition to the seasonal employment, during the sugarmaking "campaign," the beet sugar factory provides year-round employment for 50 to 60 persons.

The total annual payroll of a beet sugar factory ranges in the neighborhood of a million dollars—and an additional income of $1 million a year in an off-the-farm activity means a great deal to stabilize the economics of a rural community.

While the effect on the local community is major, the benefits of a beet sugar factory extend far beyond that. Purchases of supplies and services extend the benficial effects to innumerable other segments of the American economy.

To mention just one: transportation. No other major crop means so much per acre to the transportation industry of this Nation. For each acre of sugarbeets, the railroads and trucking businesses of this country receive about $40 in income.

Each new beet sugar factory will require the production from at least 25,000 acres, and in some areas up to 40,000 acres of land. At $40 an acre, the railroads and trucking industries, therefore will receive at least an additional $100,000 a year in income. This certainly will have a beneficial effect on the stabilization of employment in those industries.

In addition, there is the purchase of new farm machinery to be considered—mechanical beet thinners, mechanical beet harvesters, perhaps additional tractors. Thus the benefits of new acres in sugarbeets spread to the people who work for farm implement manufacturers, and to the people who work in the steel mills.

Finally, of course, there is the direct benefit to the farmers who produce sugarbeets—the increase in income through production of a crop which thousands of American farmers want to grow but are now denied the permission to grow.

The average sugarbeet allotment is now 40 acres. At this same average, 25,000 acres in sugarbeets for one factory would give 625 farmers a dependable cash crop they do not now have. That is just for one factory.

In spite of the obvious employment stabilization possibilities of an expansion of the beet sugar industry, the administration has refused to develop a long-range sugar program envisioning such expansion. Just last week the Secretary of Agriculture, in a letter made public by the chairman of the House Committee on Agriculture, let it be known that the administration has no intention of announcing a sugar program during this session of Congress.

Mr. SHORT. I thank the gentleman from Nebraska for making this rather conservative analysis of the potential for expanded beet production in the United States. I think this conservative estimate coming from this conservative Member of Congress is quite provocative. I think perhaps this typifies what Dr. Hussanyni brings out in the paper I am going to ask permission to insert in the RECORD when he is referring to rigidity in our economy being brought about by Government regulation sometimes.

The beet sugar industry is another part of the farm economy which is subject to Federal regulation. Food production, sugar production quotas, are strictly regulated, and in the present instance, as our supply of sugar we have traditionally received from Cuba is no longer available to us, it seems only practical and fair to the American farmer—and, as the gentleman pointed out, to the American taxpayer—that we enlarge our domestic production of beet sugar so that we may come nearer to supplying our domestic needs from our own domestic production.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to have printed immediately following my remarks the study made by Dr. Hussanyni.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

(The matter referred to follows:)

SELECTED AREAS OF RIGIDITY IN THE AMERICAN ECONOMY

This paper has its rationale in the common observation that there is a tendency in the economy of the United States to develop rigidities with age. The phenomenon is not an exclusive monopoly of the economic sector; it has its counterparts in the political sphere, at the social level, and even in the educational system of the country. For example, as early as the beginning of the 19th century, John Stewart Mill wrote about the predominance of custom as a hindrance to progress. Edmund Burke, on the other hand, glorified custom and tradition as being the distillation of the wisdom of the past. Between the two extremes, modern society has tried to strike a balance; but there is ample evidence of the existence of a tyranny of custom and tradition, and, more far reaching, a tyranny of laws and ideas which need to be remedied. It is the purpose of this paper to analyze the impact of some such rigidities upon the level of output and employment in the U.S. economy.

There are indications that since the depression of the thirties this country has developed a "defense psychology" centered around a desire for security, emphasis on equality, a lack of faith in the vitality of market forces, and a tendency to settle on moral grounds, arbitrarily set up, many questions which otherwise would have been left to the working of natural forces. Stated differently, there is evidence of a new social philosophy which has emerged as a result of a trend toward expanding the functions of government, and a growing recognition, developed beyond reasonable limits, of governments as positive forces in the economic world. This stands in sharp contrast with the environmental and institutional setups which have characterized this country in the past; and which have permitted it to score its unparalleled economic achievements.

Besides a continentwide area endowed with rich natural resources and an envigorating climate, this country owes much of its success to two sets of factors: First, a growing, energetic, and intelligent population, free from the rigidities of social caste and convention, and always eager to improve its lot. Second, a set of political and economic institutions which gave the individual a large measure of freedom, opportunity, and incentive to seek his own good as he sees fit.

It should be pointed out, however, that if a critical stand is taken vis-a-vis some of the sore spots in the American economy, this should in no way lead to the unwarranted conclusion that we need to necessarily deprecate some of the positive advantages this country has enjoyed, and is likely to continue to enjoy for some time to come. Among such positive factors is a rising population which is able to generate with it new talent and creativeness, an ever-increasing potential demand for goods and services, and a stimulus to more efficient utilization of resources; a changing attitude of people toward spending, lending support to an expanding market; and a continued advance in the march of technology, made possible through education and more and better research.

It goes without saying that a thoughtful reading of the economic record of the past, and a better understanding of the task of sustaining prosperity and growth in this country in the future, will enable any person to form sound opinions about these questions for himself. But what makes the kind of private and public economic action that will foster enduring prosperity and growth a pressing issue these days is the recognition that upon a well-sustained growth of the U.S. economy depends the security, not of this country alone, but that of the free world as well.

The only way this country could defy the Communists, especially before the uncommitted nations, is by showing the world an impressive record of full employment and growth, without inflation, and with freedom and benefits widely shared by all.

The writer's thesis which he intends to develop in this paper is that among the major defects which have marred the performance of the U.S. economy in recent years has been the rigidity in the movement of resources and prices, caused by inadequate competition, and attributable to two sets of factors:

(a) Structural changes which have been developing in this country for some time; and

(b) Increasing governmental interference with the normal functioning of a competitive system.

For both reasons, prices have been barred from serving their function as barometers signaling needed changes in supply and demand relationships, and calling for adjustments in output and in the use of resources.

Mobility of labor and capital into areas and industries where the value of their product is highest has always been an important factor in the growth of productivity in this country. If today's market structure is characterized by anything, it is in the restrictions placed upon output and the mobility of resources. Business units with monopolistic advantages tend to charge higher prices by restricting output; they are inclined to exercise monopoly power in order to obstruct entry into their fields; and they may even hoard technological improvements in order to extend the service life of relatively obsolete existing assets. Labor unions tend to resist further automation and new techniques that might increase production; and through the exercise of pressure and legalized monopolistic advantages, they may press for and get boosts in pay which exceed improvements in labor productivity. If and when the increase in pay is granted, it means that management is of the opinion that the added cost could be shifted forward to the consumers in the form of higher prices.

Rigidities resulting from governmental interference to single out one industry and subsidize it, as against other industries, are best illustrated in Government support to agriculture. Other sources of rigidity find their expression in high tariffs, import quotas, and purchase programs of so-called strategic materials. In most such instances, the Government is artificially supporting the employment of people in areas where their productivity is much less than it would otherwise be.

The above list is in no way inclusive, but it serves as evidence that mobility of resources has become slow, that competition is no more pervasive, and that prices are not sufficiently sensitive to changes in demand, especially on the lower side. As a result, the economy has suffered from persistent unemployment, at varying degrees, every few years, with the concomitant result of slowed down growth and economic progress. The sensible remedy seems to be in the restoration of flexibility which Dean Jacoby describes as "basically a matter of creating the framework of workable competition in many markets from which it is now absent."

Without undermining the effective role Government could play in trying to stabilize the economy and bolster its growth, through monetary and fiscal measures, it would be most unrealistic to assume that in those measures lies the overall remedy to all the complex and highly dynamic problems of the U.S. economy. Conceivably nothing short of war or a 100-percent welfare state could bring us to the happy ending of full employment, but not without inflation, or slowed progress, or both.

A sensible stand to take seems to be that full employment, enhanced productivity, and economic growth should continue to remain the responsibility of the private sector. This is not to suggest, of course, that monetary and fiscal measures, properly administered as to timing and size by the government, should not be resorted to to help stabilize the economy. But it does mean that either an exclusive or an excessive reliance upon the central government to solve our economic problems is both ethically unsound and highly impractical. In a free, dynamic society, the solution of economic problems is the joint responsibility of almost all concerned; business, labor, industry, farmers, consumers, and the government. In this setting, government's primary role should be to foster competition and to break monopoly powers, thereby permitting necessary adjustments to take place; and to use its own powers to soften the pains of transition on people by assisting them to move to new jobs, where they will be better rewarded, and where their efforts will be made more useful. When performing the latter function, government may have to extend relief to those who deserve it, and when it does, it should so name it rather than give it the dignity of economic rationale.

The writer is convinced that the future of free enterprise in this country will continue to hinge upon the spirit of the American people, their energies, creative impulses, aggressiveness, and, above all, their decision as to what kind of society they decide to live in. Toynbee's classic remark in this regard: "There is no instance of a civilization being murdered; it always commits suicide" is as relevant to this age and to this country as ever. The real threat to economic progress seems to lie in insufficient attention being given to such intangibles as the incentive to risk, to experiment, to invest, and to expand; and that the best defense for ever-increasing output and employment lies in maintaining a strong and growing economy through removal of sources of rigidity and substituting for them sources of structural flexibility.

Use of the term "dynamic" in the main title of these discussions is not without significance. It involves an assessment of the cornerstones responsible for past economic performance; and an inquiry into forces which have worked to curb such progress. In this attempt, the writer is aware of the limitations which exist when trying to apply positive knowledge with its emphasis on causal relationships to social problems. Stated differently, the objectives of science are quite often different from those of policy; and because there are too many variables in social problems, it is very difficult to apply the line of reasoning to cause and effect to many social and economic questions.

Science deals with the means of doing something; in this light classical economic theory and marginal analysis were developed in order to explain the maximization of output and profits, in a given state of the arts, and the maximization of welfare on the part of rational consumers. But the big question which economic theory evaded has always been its failure to recognize that human beings are ends in themselves. Contemporary society is trying today to provide room for the exercise of individual preferences, based on moral judgments, which could not be scientifically rationalized.

Paradoxical as it may seem, all economic systems start off by stressing the interdependence of modern society. The industrial revolution with its stress on specialization and division of labor has produced a highly interdependent society, and from then onward, interdependence has extended to the whole world. As a result, society became more complex; and both complexity and interdependence posed the question whether society could rely on its automatic adjusting mechanisms or that the need for control and conscious directives were called for.

There seems to be little disagreement on what is or should be our economic objectives: They consist of full employment, making adequate allowance for frictional unemployment necessitated by the need to allow for movements of people among jobs in a dynamic economy; full production and an ever-expanding growth in the capacity of the country to produce and to sell; and a stable dollar: all three to be accomplished in a free society with equal opportunity for all.

It is in the area of the method or methods to be pursued that opinions differ, and with them policy recommendations. The lip-service usually given to the cardinal truth that in a free economy government role should be to foster the free play of economic forces notwithstanding, American economic thinking over the past three decades has been sold on the idea of becoming almost exclusively occupied with a quest for personal security. Support for effective demand at the consumption level has overshadowed the thoughts of many academicians and policymakers, and the product of the legacy has been a large inventory of "economic rights," and a tendency to lean more and more on the paternalism of an omnipotent central government which volunteered, during emergency situations, to acquire more and more rights, and thereby leave less and less freedom to individuals and to the free working of an objective, impersonal market mechanism.

It is conventional in liberal literature to argue that the price system works more efficiently, more smoothly, and in an impersonal way. People who administer controls are not infallible; they do not possess enough knowledge of information with which to make rational decisions; they do make mistakes; and their errors are far more serious than those of the free market. With regulation and interference are usually mentioned increased costs, bureaucracy, and unnecessary wastes.

At the same time, freedom of choice, freedom from control, political freedom, as well as cultural freedom, underlie liberal philosophy. It is usually argued that freedom is to a large extent the basis of progress; and the moment people start to lose their feeling that it is their society, they would lose the incentive and the motivation to help bring about a better way of life.

It is further argued that within the framework of society, there must only be a limited amount of public ownership and control; the reason being that people's loyalty to society becomes highly undermined unless people feel and believe that the restrictions are reasonable.

Viewed in this light, it is not difficult to come forward with very plausible arguments for using the price mechanism as regulator of economic activity. Consistency would also dictate that the free-market idea should be extended to cover the market for ideas where the presence of rigidities is equally pervasive.

There are, however, a few basic assumptions in the light of which the above line of reasoning has been developed. Among those is the assumption that man is a rational creature, and that he would always seek to maximize his gain or satisfaction. This attitude reflects, at least by implication, a philosophy of individualism which places emphasis on material aspects of life without regard to ethical or national considerations. According to this philosophy, each is to be rewarded according to his performance; but if equality in the distribution of income is to be promoted, it should arise from the deliberate choice of individuals. As a corollary to the above, logic dictated removal of government interference, except for a few limited functions, and it made individual self-interest the guiding force for both individual and social well-being. As one writer put it: "The economic man was a consumer and a producer of goods but his citizenship was lost. The teachings of classical economics, strictly applied, made the individual a citizen of the world."

There are many economists today who still adhere to this method of approach, who are fascinated by its logic and coherence, and who see no possibility of any other alternative. At the other extreme is a larger group of dissenters who insist that the task of economics is to describe and explain what people actually do, not what they would do if they were rational; and when actual behavior is described, it is evident that the ways of doing things have been changing throughout history, and that the change continues. The goods and services we want and produce today were largely unknown to our ancestors; our society has grown more and more complex; and the institutional framework within which modern society operates hardly resembles its predecessor of even a few decades ago. With economic systems and the whole structure of society undergoing change, conventional deductive theory fails to throw light on those changes and their causes; and a set of theories is coined to discover the "laws of motion" which govern the economic process and the development of societies.

Leading disciples of this school have contended that individual and national interests might be or are at variance, instead of being in complete harmony. Changing conditions have made the survival of the individual dependent upon the survival of an omnipotent state. They attacked the laissez faire, free trade, individualistic teachings of the classical economists, and favored the building of strong states. They put the nation ahead of the individual, and they made his wealth dependent upon the well-being and power of the state. Viewed in this light, it follows that economic policy must draw its lessons from experience, its measures must be appropriate to the times, and it must rest on philosophy, social policy, and history.

Appealing as the above line of reasoning might be, it is both false and dangerous because it maliciously overlooks the fact that the essence of a free society lies in the fact that human preferences should mold everything: political setup, social and moral values, and economic choices. To argue that this is not so, or that it is applicable to one sector but inapplicable to another, is a violation of the unity of the social system wherein all the forces consistently converge to bring about natural harmony. If the economic problem of modern society is mainly one of rapid adaptation to changes in particular circumstances of time and place, it follows that ultimate decisions must be left to people who are familiar with those circumstances, and who know directly of the relevant changes and of the opportunities immediately available to meet them. Such diffusion of knowledge is beyond the comprehension and reach of the few at the top. The moral lesson here is that no man is more cruel than he who believes that he is right.

But to argue in this way is to run the risk of moving against the current, and to invite all the resistance which pressure groups, vested interests, and resistance to change could provoke, besides the accusation of being impractical. But lest I be misunderstood, let me make my stand clear. I am not trying to plead the case of one group or of one sector against another group or another sector. What I am trying to say is simply this: As I see it, the curse of rigidity is all-embracive in U.S. society; and it represents a very strong hindrance to more and better performance.

Let me cite one all-inclusive example. Ever since the Federal Government pledged itself in the announcement that it is the duty of the National Government to guarantee full employment, and that the National Government is able to provide same, a large number of people have come to believe and to expect that all pledges in this regard will be fulfilled, without stopping to think how such a paternalistic responsibility could be met, and, if so, at what price. There is further evidence that a large sector of the American public has already stretched its expectations beyond the right to a useful and remunerative job, and is now demanding additional rights in the form of adequate pensions, adequate medical care, adequate recreation, adequate education, and the list continues.

To try and seek the underlying reason behind such rigidity is not hard to find. It owes much of its origin to the influence of emergency and personality. D. H. Macgregor, of the University of Oxford, arrived at the following deep and penetrating conclusion after having reviewed a century's literature of financial debates in the British Parliament. "It is notable," he said, "how the influence of a growing opinion upon the law has depended for its final impact on two factors of human progress, emergency, and personality. It is through emergency that the principles of classical finance came to be established, and, 90 years later, overthrown. In each case the advocates of the new outlook disentangled themselves and their case from the emergency itself, and sought to show that the remedies had independent and permanent validity."

A parallel but more specific remark was made by E. W. Swanson and E. P. Schmidt when they said: "The decade of the 1930's was unparalleled in two respects. It gave us the worst depression on record and it brought a world of Keynesian ideas." It was during the thirties, when popular confidence in the self-adjusting capacity of capitalism was at its lowest, that Keynes stepped forward to challenge very forcibly the classical assumptions and to provide a theoretical framework for contemporary economic thought. As a bonus, he offered the following tip: "I expect to see the state, which is in a position to calculate the marginal efficiency of capital goods on long views and on the basis of the general social advantage, taking an ever greater responsibility for directly organizing investment."

It it possible to extend the debate one step further and argue that the now existing bias in favor of more governmental intervention owes much of its origin to the personality of the late President F. D. Roosevelt whose political philosophy, centered around Rousseau's concept of the general will, conceived of government as a service agency with political, economic, and social powers centralized in the executive branch. In his foreword to "On Our Way," the President defined his objective as "a measured control of the economic structure." He justified his stand by the scope of the emergency which, he asserted, "covered the whole economic and therefore the whole social structure of the country. It was an emergency that went to the roots of our agriculture, our commerce, and our industry. It could be cured only by a complete reorganization and a measured control of the economic structure. It called for a long series of new laws, new administrative agencies. It required separate measures affecting different subjects, but all of them component parts of a fairly definite broad plan. We could never go back to the older order."

There is no doubt that thinking requires time, but it is bound to be accelerated if you are pressed for the result. The severity of the depression of the thirties, followed by World War II, then the Korean war, and later the Soviet challenge, have all joined hands to consolidate and reinforce the centralization of immense economic powers in the hands of the Federal Government. This, of

course, did not go unnoticed; and heated debates and sharp controversies did develop among academicians and policymakers, but the trend toward increasing acceptance of the new philosophy continued to gain support. Furthermore, the change in objective: from avoiding deflation, to checking inflation, back to fighting recessions, and then crusading for a higher rate of economic growth, has offered ample evidence that human beings tend to be influenced most by their most recent experience. What seems to be urgently needed is more vigilance on the part of citizens, and a lot of farsightedness on the part of Government, with less reliance on short-term expediency in running the economic affairs of the state.

There are very few economists today who adhere to the extreme view that widespread unemployment for any length of time is an impossibility. But there are many who are convinced that individual initiative, regulated by competition, should be allowed a freer hand. Likewise, whereas it is true that the maxims of Adam Smith about the role of the state are relatively outmoded, yet the fabulous expansion in Government expenditures makes return to "more thrifty and economical" expenditures a paramount duty of Government. This is particularly true during wars and emergency periods when principles of expenditure become "demoralized," and when familiarity with larger figures of expenditure becomes the norm.

In its more permanent aspect, a policy of retrenchment has even had a well-intentioned theory of employment behind it. Its line of reasoning ran something like this: The best way to relieve the burden of laborers is, of course, to give them employment. The latter could only be insured by reducing taxes which press more immediately on the productive industry of the country. Retrenchment, heavily dwelling on the elasticity of demand for goods and for labor, argued from lower taxation to more employment, from more employment to more consumption, hence more revenue and to still lower rates of taxation.

Judged by current standards, the above line of reasoning is likely to invoke a big smile, but on second thought one is likely to find in it the germ of a big truth. Government tax policy should not dry up the streams which fertilize the whole field of employment and industry. Money ought to remain in the pockets of the people, there to fructify by use, to stimulate the efforts of their industry, and to add to the resources of the State. And this does not bar the effective use of fiscal and monetary measures as instruments of economic policy. Indeed, in an economic system where millions of people and business firms make free decisions about how much of their incomes they intend to spend or to save, there is no guarantee that there will be that exact balance of total spending which is required for full employment.

But to argue in this way does not mean that we should treat as permanent a tendency toward maladjustment in the economy. Commonsense would dictate that if unemployment or inflation is a sore spot on our side, we should strike at their respective causes. Unfortunately current attitude seems to be satisfied with recognizing symptoms of the disease, and trying to adopt measures to counterbalance them. By so doing, they tend to hide the symptoms, but also perpetuate the malady.

Straight Keynesian analysis argues that most unemployment is due to lack of effective demand. It argues further that demand for capital goods is subject to greater fluctuations than demand for consumer goods. Consequently, if the level of effective demand, and so of employment, were to be stabilized at a high level, it is the investment sector which needs treatment, and which will respond most readily to it. Assuming that we accept this diagnosis, the question may be posed: Is it unreasonable to assume that what widespread central planning and control is able to accomplish in this regard, private enterprise, operating within the framework of a flexible environment favorable to investment, wouldn't be able to accomplish?

The answer to this question is, of course, in the realm of guesswork; but the important thing is that strong forces collaborate together in order to prevent finding out the answer. All sorts of arguments, economic and otherwise, are used to defend rigidities. Rigidity of wages downward is an institutional fact, it will be argued, the persistence of which may be taken for granted. A parallel line of reasoning, but using different arguments, is usually applied to agriculture, and to a permanent subsidization of sources of waste, inefficiency, and monopoly power through a protective tariff policy. It makes little difference to which farmers the subsidy to agriculture is paid; and those who have benefited from tariff protection continue to resist abandoning their favored position even after their infant industries had grown to giants. Full implementation of the antitrust laws is considered to be a lengthy process and an expensive one. And when the need for tax reform is called for because of the heavy tax burden on incentive and the ability to finance risky investments, items such as "prior commitments," yield, administrative costs, and "practical considerations" which the policymaker must take into account are also called for.

The objective observer of the American scene cannot but conclude—having watched the characters of the play: the farm lobbyists, the oil and mining interests, the union officials, the business pressure groups, and the party doctrinaires—that the basic problem facing this country is fundamentally moral and ethical, rather than political or economic. Both sound economics and good politics are being flagrantly abused. Big Government could not survive without appealing to economic interest groups; continued support of the latter is only possible via the route of class conflicts; and in the midst of all this, economics is being asked to do the impossible of giving rationale to irrationality.

Good government, good judgment, and good economics would all dictate that monopoly power, rigidities, and sources of pressure and waste should be uprooted wherever they exist. Sources of rigidity, political and economic, should be removed; and although this may not sound "practical" politics, it still remains good politics, but it needs moral courage to do it, especially by the few at the top.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. LANGEN. I want to commend the gentleman from North Dakota and the gentleman from Nebraska for the very eloquent manner in which they have presented these dissertations to the House on the unemployment problem today. It is most interesting and encouraging to note these remarks coming from Representatives of a rural area. So many times the unemployment problem is associated substantially with metropolitan areas; however, those of us who represent those areas have long since known the presence of the unemployment problem. One unemployed in a rural area is the same as in the metropolitan area if he does not have a job.

I have noticed the remarks referring to the matter of surgarbeets. It has long been my opinion that I do not know of anything that has the potential of either improving the unemployment problem or the agricultural economic problem as much as does the production of sugarbeets in the areas throughout the country that have the potential of raising beets. At this particular time, when we have recognized that we can no longer rely on Cuba for a substantial amount of sugar, this point we ought to emphasize and we ought to pay particular attention to today.

I have taken the occasion today to insert in the RECORD some remarks relating to this very same problem. I commend the gentleman for having made this very able dissertation today.

Mr. SHORT. I thank the gentleman from Minnesota.

In my opinion, it is fair to point out the very important fact that every man who can be employed somewhere in the rural area takes away one from the potentially unemployed in any city area or industrial area.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I want to commend and thank the gentleman from North Dakota and the gentleman from Nebraska for the work they have undertaken in going over this fine paper and preparing the remarks and the very cogent comments that have been made here on the floor today; also the contribution the gentleman has made to this overall study of such an important subject as employment in our dynamic economy.

Mr. SHORT. I thank the gentleman from Missouri for the leadership that he has offered in carrying out this entire project.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Minnesota.

Mr. NELSEN. I was particularly interested in the reference to sugarbeets. Last spring I attended a meeting of growers in Albert Lea, Minn. It was there pointed out to me that the farmers in order to get in line for production had to lay out quite a large investment. They were anxious to know what acreage they could get and how they could plan for production. Now we are living in a time when the agricultural economy of the United States is suffering from an accumulation of surpluses that we do not know what to do with. At the same time we must assure ourselves of an adequate supply of sugar. Certainly it would make sense for us to speedily move in the direction of getting some farmers of the United States started in the production of a commodity which we need, and take out of production some of the crops of which we have a surplus. I think it would be beneficial to discuss this aspect of the sugar problem, and I also think it important that the Congress of the United States move in this direction. I fail to understand the delay at this level of Government—this delay which has been expressed in conferences with the Secretary of Agri-

culture, and which also has been brought out in discussions of agricultural legislation here on the floor of the House.

I thank the gentleman.

Mr. SHORT. I thank the gentleman for his comments.

Mr. CURTIS of Missouri. Mr. Speaker, I should like to develop this further aspect of the importance of our sugar supply. Too often it has been forgotten that sugar becomes particularly important during wartime. We are all aware of the experience in both World War I and World War II where immediately there was a demand for sugar rationing. A study of the economics of sugar in World War II reveals how important it is, not just in making ammunition but for the industrial alcohol which is derived from it and used in making rubber and in many other war-essential products and industries. Apart from the economic picture and the importance of having a ready supply, sugar is important to the United States from a defense standpoint.

Mr. SHORT. I thank the gentleman.

I do not know whether the people understand this sugar situation as well as they should. I think few people realize that only about one-third of the sugar consumed domestically is produced in the United States. A great portion of our consumption was formerly produced in Cuba, only 90 miles off the shores of the United States. Now that supply is no longer available to us. We are reaching around the world for sugar that we formerly received from Cuba, some as far away as India, half or two-thirds the way around the world. Certainly that is not a very secure and dependable source of supply in the event of hostilities developing. In addition to being important from the aspect of adding to the possibility of employment in this country, certainly there are many other important aspects as to why we should produce a larger proportion of our sugar in this country.

Mr. BEERMANN. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Nebraska.

Mr. BEERMANN. By way of trying to get something done on this sugar legislation, four of us new members on the Committee on Agriculture on this side of the aisle, the gentleman from Kansas [Mr. DOLE], the gentleman from Illinois [Mr. FINDLEY], the gentleman from South Dakota [Mr. REIFEL], and myself, have written to the chairman of the Committee on Agriculture and suggested that we four Republican Congressmen would be glad to work on sugar legislation from now until next winter, when we go into session again, and have something available. As of this date we have received no reply. But, we would like to get this done, thereby contributing to a solution of this problem.

Mr. SHORT. I think you four Members are to be commended for taking this step in trying to help out with this sugar problem.

OPERATION EMPLOYMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. NELSEN] is recognized for 60 minutes.

Mr. NELSEN. Mr. Speaker, in "Operation Employment" as developed by the Republican policy committee of the House, I have been particularly interested in the subject of "New Approaches to Surplus Labor Areas" because in northern Minnesota we have a major case in point which requires intelligent action on the part of a variety of interests. I call attention to the following from the study on this subject by Dr. Donald H. Ackerman, Jr., staff director of the policy committee:

> The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must consist of efforts to release American enterprise from some of its restraints. It is incentive, industry, and imagination that is so necessary to solve the problem of depressed areas. Government assistance and Government bureaucracy must be the servant and not the master.

In the areas of northeastern Minnesota you will find the famous iron ore deposits which have been the major source of supply to the American steel industry for decades; you will find vast forest areas which are the sources of pulp and paper and lumber; you will find some of the finest recreational areas in a great wilderness which continues to be a tremendous potential; and you will find an agricultural activity which because of the nature of the area is not of the same productive capability as the richer farmlands in other parts of Minnesota.

But these same tremendous assets also create the problems for these northern counties: An iron mining industry subject to wide fluctuations in the production of steel and subject too to an immense increase in imports of iron ore; and great activities in mining, forestry, and recreation which are subject to seasonal influences.

Thus there are periods of relatively high employment, affected not only by seasons but by technological changes, and there are periods of low employment for a wide variety of reasons.

The factors involved in the problems of northeastern Minnesota are summarized in a provisional development plan submitted this week by Minnesota's Gov. Elmer L. Andersen, to the area redevelopment administrator, for the purpose of qualifying under the Area Redevelopment Act. It is evident from this submission, and from my own familiarity with the region, that high on the list of solutions of the area's problems are these:

First. A tax climate which will encourage vast new developments in an expanding taconite industry. This is the great new promise—the building of additional plants like some already developed for the beneficiation of taconite ore of which the reserves are virtually unlimited.

This is a question involving the State as an example of how local and State communities have the primary responsibility—so-called liberals in the Minnesota Legislature recently blocked a proposed constitutional amendment which would assure taconite developers the same tax treatment afforded other industry. I am told that the iron ore industry plans great new plants at large investments if such a favorable tax climate is developed—and that can mean many new jobs.

Second. Greater utilization of the skills of the manpower in the area by diversification of industry, by development of jobs of a nonseasonal character, by better utilization of the tremendous resources of the area both for industry and recreation.

Third. More effectively organized efforts in which the State and local communities will combine their leadership, research and promotion to assure adequate approach to the problems.

Thus, while Government can play a part, the task is one which requires the best of our talents at home, and a willingness to take the measures which will get at the cause and find the ways to assure stability and progress.

I now yield to the gentleman from Michigan [Mr. HARVEY].

EMPLOYMENT IN THE DYNAMIC AMERICAN ECONOMY

Mr. HARVEY of Michigan. Mr. Speaker, if this is not the last, it is one of the last papers to be introduced on employment in the dynamic American economy, which is a project of the House Republican policy committee.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include with my remarks the paper "New Approaches to Surplus Labor Areas," which was prepared by Dr. Donald H. Ackerman, Jr., staff director of the House Republican policy committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HARVEY of Michigan. Mr. Speaker, Dr. Ackerman's paper is well written and is worthy of the time of all Members of the House in his treatment of this important subject. I don't have time here today to discuss it in all of its detail, but I do want to comment on some of Dr. Ackerman's conclusions.

On the final page of his discussion of this subject, Dr. Ackerman concludes:

> The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must take the form of exploring new tax incentives to cause business to move into these areas.

I wholeheartedly concur with these sentiments.

It is easy to lose sight of our goal in area redevelopment legislation. That goal should be to give industry incentive to build new plants and thereby create new jobs in these areas. How do you best give that incentive? The administration in its bill which was passed earlier this year proceeded on the mistaken premise that the extension of credit is the key factor in building new plants. I challenge that premise. Less than 400 new plants are built each year in this country. Literally thousands of industrial development agencies are competing for these few new plants. You can read the Wall Street Journal any morning and see where numerous communities are offering 100 percent financing

for the construction of new plants in order to attract them to these communities. No bill that this Congress can pass can offer more than this 100 percent financing, and so I submit to you that extension of credit is not the key factor.

Instead, we should recognize that almost 30 percent of our labor force today is in manufacturing, and the high unemployment figures testify to only one thing—the failure of the manufacturing industry to expand as it should. I do not believe the incentive to this expansion is the extension of credit for the construction of new plants, for industry can already secure this. I do believe the incentive necessary is a change in our thinking with regard to depreciation for tax purposes. It is important that we begin thinking in terms of "useful life" rather than "physical life," thus permitting a faster writeoff, and it is important that we think in terms of "replacement cost" rather than "original cost," thus protecting against inflation. We must show an understanding that it is through this process of depreciation that industry gets its capital for expansion. This is the incentive that the manufacturing industry needs. These simple changes in our philosophy will do more toward bringing about new plants and new jobs than any depressed areas bill.

Dr. Ackerman's paper is also valuable because it clarifies the role of the local community in relation to the Federal Government insofar as assistance is concerned. Essentially, he states that help from the Federal Government should come as a followup to self-help in the local community, and not as an alternative. The testimony upon which the administration's depressed areas bill was based demonstrated clearly that too few communities were prepared to accept this basic premise.

Finally, I think that Dr. Ackerman's paper points out that insofar as retraining new workers is concerned, there must be a survey of skills indicating which are in abundance and which are in short supply. I asked my question of Secretary of Labor Goldberg during the hearings as to whether such information was available, because in the Republican substitute for the depressed areas bill retraining was emphasized as a worthy feature. It is clear, however, from Dr. Ackerman's paper that there is not now a centrally located source for this information, and that any retraining program would thus be seriously handicapped.

Mr. Speaker, I have commented only generally upon this very fine paper covering this subject. I take great pleasure, however, in offering it to all Members of the House for their reading:

NEW APPROACHES TO SURPLUS LABOR AREAS

(By Dr. Donald H. Ackerman, Jr., staff director, House GOP policy committee)

From 1955 to date, annual attempts to enact so-called depressed areas legislation took place in the Congress of the United States. The Joint Economic Committee in 1955 called on the Federal Government to set up an area redevelopment program, but the bill to implement the committee's recommendations, introduced by Senator DOUGLAS, got no further than the Senate Labor and Public Welfare Committee. Following the recommendation of President Eisenhower for enactment of a more limited measure in 1956, a Senate-passed bill was not cleared for floor action in the House.

The next year, a version of the Douglas-Payne bill received hearings in the Senate Banking and Currency Committee, and in 1958 a bill passed both Houses only to be pocket vetoed on September 6 by President Eisenhower since it called, in his opinion, for too little local responsibility. The same fate met a 1960 bill, and attempts to override an Eisenhower veto failed by 11 votes in the Senate. Thus the entire matter became a subject of grave election controversy in the presidential campaign of that year.

During the campaign, then-candidate Kennedy made repeated references and promises in the field of depressed area legislation in Charleston, W. Va.; Lockport, N.Y.; Duluth, Minn.; Carbondale, Ill.; Evansville, Ind.; and Scranton, Pa. Senator Kennedy's aids felt that his discussion of the depressed-area theme had aided his cause in the West Virginia primary earlier. A typical statement was his promise at Evansville on October 5 that "I have pledged that if elected President, I will sign a bill to bring help to areas like Evansville—to rebuild the economies of our distressed areas—so that a strong and growing America can serve its own people—and serve the cause of freedom everywhere."

How strong a political mandate the Democrats may have received on this issue is somewhat questionable. President Kennedy carried Pennsylvania by 116,000; West Virginia by 45,000; Illinois by an almost microscopic margin. However, Republican congressional candidates more than held their own in these states and picked up seats in some of the most economically depressed districts. It must be remembered that many Republican candidates in these areas also advocated some form of depressed area legislation as well, however.

Be that as it may, 1961 saw the enactment of the first bill (S. 1) to aid chronically depressed areas. The details of this act are still fairly fresh in the minds of those who followed the issue in Washington, with the major provisions authorizing the Administrator to borrow $200 million from the Treasury to set up two revolving loan funds of $100 million each, one for industrial redevelopment and the other for rural redevelopment; authorizing the appropriation of up to $75 million in grants for public facilities in redevelopment areas which could not afford to repay Federal loans; authorizing annual appropriations of $4.5 million for vocational retraining; authorizing annual appropriations of $4.5 million for technical assistance to redevelopment areas; and other more detailed provisions. The act also set up an Area Redevelopment Advisory Policy Board, a 25-member National Public Advisory Committee on Area Redevelopment; and authorized the President to appoint an Area Redevelopment Administrator to serve under the Secretary of Commerce.

Minority House Members sought to substitute a bill for this $394 million act, and favored a larger sum for retraining and for industrial redevelopment loans, along with funds for a study of rural redevelopment in the place of an authorization for a program not specifically detailed in any way. They also objected to conference acceptance of the Senate version, authorizing direct borrowing from the Treasury to finance the three loan funds for industrial areas, rural areas and public facilities—so-called backdoor spending. However, they were defeated on the conference report, 224 to 193, and earlier on the substitute motion, 126 to 291. Republican Members sharply criticized featured which might lead to industrial relocation at the expense of other States; political definition of rural areas; insufficiency of funds for the problems at hand; etc., but several praised the strong antipiracy provision, placing of the administration in the Department of Commerce, and criteria for definition of depressed areas, all features of former Eisenhower recommendations.

In the debate on the bill itself, many overlooked the comments by Representative EDGAR W. HIESTAND, of California, when he said on March 28 that "it is variously estimated to take $10 to $15 billion to do the job that is outlined in the bill, and the proponents freely admit the authorized funds are vastly insufficient." Subsequent events, even with our recovery from the 1960–61 recession, indicate that chronic unemployment in surplus labor areas will be with us despite the passage of S. 1, and that money, as such, is not the answer to the problem of depressed areas. In fact, a division of the $100 million in loans for industrial area plants among the 20 major and 88 smaller industrial areas classified as "areas of substantial and persistent labor surplus" by the Labor Department Bureau of Employment Security on March 24, 1961, would allow loans of less than $1 million per area on an equated basis. Those testifying on behalf of some surplus labor areas before the House Committee on Banking and Currency earlier this year indicated that they would not be satisfied with less than $50 to $75 million this year for just one of these areas involved.

The author of this paper has some serious questions as to how best to approach this entire problem. The balance of the paper will consist of a short analysis and proposed recommendations for the solution of these problems along newer vistas than those enacted into law this year. Five main questions are summarized as follows:

1. What truly constitutes a depressed area and how can it legally be defined?
2. How can workers be retrained without a nationwide survey of available skills in various geographic areas?
3. What should be the role of private enterprise and community groups in the solution of the problems of depressed areas?
4. What is the relation between surplus labor areas and the trends in cyclical unemployment seen since World War II?
5. If money is to be used to help solve problems of depressed areas, how can it best be applied as a stimulant to industry rather than as another hobbling measure stifling growth and investment?

DEFINITION OF DISTRESSED AREAS

Any definition of a chronically distressed labor area must contain reference to both of these factors; namely, surplus labor and a period of persistence. Without safeguards to require both abnormally high unemployment as compared to a national average and lengthy duration of such unemployment, any period of recession would result in hundreds of areas being designated as chronic labor surplus areas, only to see these areas become prosperous or typical once normalcy returns to the economy.

This is why the Eisenhower administration objected to prior depressed areas bills which only used severity and duration without reference to a national average rate. Finally, the 1961 bill included the definition adopted the previous year by the U.S. Department of Labor, to wit, areas where unemployment is now 6 percent or more of the labor force, discounting seasonal factors, and where the annual unemployment rate, on the average, has been at least 50 percent above the national average for 3 of the last 4 years; 75 percent above for 2 of the last 3 years; or 100 percent above for 1 of the preceding 2 calendar years. Otherwise, the 103 areas which would have been automatically included in the criteria as of January 1961 would have been extended to include hundreds of other areas. As it is, many observers are struck by the presence of areas such as Atlantic City, N.J., and White Sulphur Springs, W. Va., in which resorts play a vital role on a seasonal basis and may provide

enough income in a few months for a year's livelihood.

Many were concerned when the Area Redevelopment Act, as it was signed into law by President Kennedy, not only set up this criterion as a minimum definition of depressed areas, but also put a political foot in the door by allowing the Secretary of Commerce to designate as "redevelopment areas" those other areas in which he determines that there has existed substantial and persistent unemployment for an extended period of time. This could be any reasonable or unreasonable area in the Nation under the terms of this law.

My fundamental suggestions would include the following:

1. Eliminate any administrative discretion at this point in view of the already small amount of money and large number of distressed areas provided for in the mandatory provisions of the act.

2. Begin gathering statistics for labor markets of fewer than 15,000 workers, in which 30 percent of the labor force resides and works, so that a determination of areas of chronic labor surplus may be made and not guessed at.

3. Study distressed areas at the source by attempting to aid production and marketing of the industries which have fallen off—a fact responsible for the great majority of our depressed areas at this time.

4. While continuing to use the mandatory definition given on the previous page for determination of distressed areas, the Labor Department should more regularly survey the extent of unemployment in so-called minor as well as major urban labor markets. As it is, smaller areas are only surveyed when special requests are made by Congressmen or other officials, leading to some confusion and favoritism almost inevitably.

SURVEY OF AVAILABLE SKILLS

Members of both political parties are agreed, in the main, about the following facts:

1. Most unemployment exists among the unskilled as compared to the semiskilled and especially the skilled.

2. Therefore, with automation and the decline of "production-line-type" industries, efforts must be made to retrain workers for skilled positions more in demand.

3. Though not so universally agreed upon, there is a sentiment that those retrained should be denied no unemployment insurance benefits, even when they must move from State to State for this retraining, and that the Federal Government might have to assist in relocation costs as well as costs involving retraining programs.

However, the sad fact of the matter is this—that no unskilled workers in the coal mining areas of Pennsylvania know what jobs to retrain for due to the fact that there is no comprehensive classification of skills or classification of areas certain skills are in demand around the Nation. Thus a coal miner in Scranton who retrains as a plumber will have difficulty if he later discovers that no plumber is in demand any closer than San Diego, Calif. How much better it would be if he could have found out that a new skill is now required in Philadelphia which he could have trained for and filled with far less expense and inconvenience.

In Secretary Goldberg's testimony before the House Banking and Currency Committee this year (p. 437, hearings) he was asked by Mr. Harvey, "I wonder if you could tell us are there shortages of certain classifications of workers throughout the country today?" His answer was that "there are undoubtedly some categories among skilled people still in short supply," but he complained that because of the shortage of help and appropriations for his Department it was not easy to collect such information on a Federal basis.

In response to my request, Secretary Goldberg wrote me on May 12 asserting that the Bureau of Employment Security and its affiliated State agencies develop considerable occupational information on manpower requirements and labor supply, but that these products of the employment security system are geared primarily to meeting community manpower problems and the operating needs of local public employment offices. Secretary Goldberg pointed out that the current labor market conditions in engineering, scientific and technical occupations, area labor market trends, and quarterly survey of local occupational shortages were designed to somewhat meet the need for classification of occupational shortages, but that all local occupational shortages are not reflected in these figures.

The Secretary mentioned the excellent skill surveys published by San Diego, Dallas, and Tucson, providing needed information for directing local educational and training objectives. I have examined these materials and several other sources of data, and have concluded:

1. Outside of some high spots provided by certain communities around the Nation, there has been no systematic attempt to classify the new skills coming into our occupational repertoire in the past few decades.

2. Outside of some attempts to draw together data from State and local agencies, there is no centrally located source (such as the Bureau of Employment Security or the U.S. Employment Service) in which a conscious attempt has been made to provide information as to what jobs (classified by skills rather than area) are in abundance and what training is necessary to obtain them.

3. Regardless of where a few workers are needed at this precise time, no long-range attempt has been undertaken, by skills and by areas, to predict the trends and needs for future employment and to collect this data on a nationwide basis.

4. I would thus conclude that retraining has some degree of handicap in that we must spend some of our energy detailing ways and means for determining what occupational skills and what areas of geographic location we must concentrate on in any retraining period.

5. Generally, I would make the point that retraining, where possible, should be worked out in cooperation with industry, community and labor in the form of collective bargaining agreements and conferences before Government necessarily steps in. Even then, retraining should not be a rigid thing applied to those who are not trainable, or to those who have no incentive for making the most of their opportunity. Certainly those deserving and receiving retraining for a useful purpose should not have their unemployment insurance cut off for this reason. In fact, it might well be a topic for debate as to whether requiring retraining as a condition of receiving unemployment benefits could be done in certain areas of the Nation.

THE ROLE OF THE COMMUNITY AND PRIVATE ENTERPRISE

A few simple and concise comments should be made at this point about the need for community and business action when labor surplus prevails. I might mention the activities of the Can Do organization, one of the industrial development arms of the Greater Hazleton, Pa., Chamber of Commerce, as detailed in "A Community Attack on Chronic Unemployment," a case study of Hazleton as published by the U.S. Department of Commerce. Another paper in this series will detail the community efforts of Wheeling, W. Va., in marshaling academic, professional, and civic leaders in a crusade for improving employment opportunities.

In the area of businesses, Sears, Roebuck has for years made strides in this area, as has the famous Armour experiment. Currently, in Wisconsin, cooperation between IBM and insurance companies has paved the way for retraining and relocation of employees from one industry to another. While there are examples, such as Scranton, Pa., where persistent community efforts have not solved the distressed area problem, the successful experiments and record to date indicate:

1. That when aid to distressed areas is to be apportioned, funds be concentrated on those areas which have made a maximum local effort to solve their problems by the use of community resources and cooperation between civic, business, and labor leaders. Mayor Mobley, of Flint, Mich., testified before the House Banking and Currency Committee this year that $50 million would help pay for the first stage of a new supply of water coming from Lake Huron into Flint. This would take half the entire authorization for the first fiscal year of operations under the new distressed areas bill, and apparently very little has been done by the community of Flint as compared to Hazleton, Scranton, or Wheeling in trying to launch an all-out civic attack on this problem. Government assistance should come as a followup to community assistance, not as an alternative.

2. Business and labor, where possible, should take the lead in predicting trends in a particular industry which will point up the need for retraining, relocation and other corrective measures before problems occur. If industry and its decline in certain areas is the main cause of chronic unemployment, as it seems to be, then the point at which problems can be solved with the least cost and problems would be at the business level. Excessive reliance on a single industry; technological advances; shifts in demand; migration of industry and depletion of natural resources all could be avoided in some cases by the proverbial "ounce of prevention" which is better applied by industrial study in cooperation with labor than is the "pound of cure" costing governmental agencies money, time, and personnel later on.

3. It is time that the entire problem of distressed areas is linked with business investment, taxation, incentive, and profits. Distressed area legislation should be combined with legislation dealing with accelerated tax amortization, along with similar measures to increase business motivation. There are areas not now recovering from the recession despite the ready availability of land, resources, empty buildings, markets, transportation, and all other factors so often mentioned. However, business will not take a gamble when a sure thing is at hand. They will not risk moving into a distressed area no matter how much is done for them when they will have to pay new taxes, and cannot depreciate new equipment that becomes obsolete rapidly in our age of technological change. Again, business must be unleashed and not hobbled. Bringing business into distressed areas has the same principle as improving our private enterprise system anywhere in the Nation, and the sooner this is realized the quicker labor surplus areas will disappear by their own devices rather than by bringing businesses in by Government subsidy and subsequently creating depressed areas elsewhere.

SURPLUS AREAS AND CYCLICAL UNEMPLOYMENT

Again I would point up the need for specific differentiation between true distressed areas and borderline cases which swell their unemployment rates in times of recession. For example, there were in 1951 about 15 major areas of substantial labor surplus, and 20 in 1952, and 18 in 1953; 1954 and 1955 saw a rise to 41 and 31, respectively, only to see the familiar ratio of 20 apply in both 1956 and 1957. Granted the figure rose to 76 in 1958, 52 in 1959, and 38 in 1960, and once more climbed to an all-time high by

January 1961. (Under a new system of classification, difficult to compare with previous listings.) Now, other than the persistent areas existing under good times and bad, are we talking about all those areas classified as "distressed areas" in 1961 or in 1957—in 1958 or in 1952? Congresswoman DWYER, of New Jersey, made a point of asking Secretary Goldberg about the availability of comprehensive data distinguishing between those areas where the present labor surplus is the result primarily of the present recession and areas where unemployment is caused chiefly by automation or other technological factors (so-called structural changes). He replied that no such data is available, other than for individual areas. Again this problem would seem to indicate the following recommendations:

1. In order to eliminate some of the pirating of industries which might inevitably result from distressed areas legislation, and in order to better maximize the effects of such Federal help as is deemed absolutely necessary, a limited number of truly chronically distressed areas might be selected for aid.

2. Further research is necessary to determine the actual cause of unemployment found in differing areas of our Nation in light of foreign competition, automation, shifts in market demand, and other similar factors which might be present in one area and not in another.

3. Rather than increase the rate of unemployment insurance, the amount of benefits, and the standards of State participation indiscriminately, as has recently been suggested, it would seem far wiser to investigate the possibility of setting up a permanent "temporary" unemployment compensation benefit program, with built-in provisions to extend benefits for an additional 13 to 26 weeks when it has been amply demonstrated that a recession has caused national labor surplus. This could be done in conjunction with present State programs and without additional Federal controls. This would mean that the Federal Government would at least formally differentiate between structural and cyclical unemployment, and this would further aid in a sharpening of definition of such unemployment in surplus labor areas.

4. Area redevelopment cannot be confused with the elimination of unemployment. It attacks different problems from different points of view. During the recovery of 1953, unemployment reached only 2.7 percent, while in the 1957 boom it reached 4.2 percent and in 1960 reached 4.8 percent. Long-term unemployment deserves and demands individual attention and it must be emphasized that the approach to distressed areas must be dissimilar.

ASSISTANCE TO INDUSTRY AS A STIMULANT

This is a problem which is far broader than mere area redevelopment legislation. It deals with tax policy and, more importantly, with a state of mind in America. Our economy today is a dynamic one, filled with improvements and changes. Any distress is a result of our progress, not of our weakness. The economists who note that our economy is a sluggish one would not for the world take us back into the days of bucket brigades to fight fires or offices full of clerks to make elementary statistical calculations. Why then do they insist on underplaying our strengths and leading from our weaknesses in insisting that we must close an alleged gross national product gap and use government spending to emerge from a recession which the forces of private enterprise have already long since overcome?

The ultimate solution of depressed areas is not money haphazardly applied, but lies in a study of cause as well as effect. It must consist of efforts to release American enterprise from some of its restraints. It must take the form of exploring new tax incentives to cause business to move into these areas, for as we have proven time and time again, buildings and public facilities do not cause industry to move into Scranton, Pa., or into Fall River, Mass.

New remedies must be tested. Perhaps in some areas schools might be held in session all year to relieve the drain on employment during the summer months. In other areas retraining, or relocation, or more rapid tax amortization would supply the answer. But I would emphasize that in the long run it is business itself that is the only factor acting as a relief or brake on depressed areas, and not mere stagnant factors of production.

It is incentive, industry and imagination that is so necessary to solve the problem of depressed areas. Government assistance, and Government bureaucracy, must be the servant and not the master in this instance.

Mr. LANGEN. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Minnesota.

Mr. LANGEN. I wish to compliment my colleague from Minnesota and my colleague from Michigan on the very eloquent remarks they have just made relating to the unemployment problem. I have noticed with particular interest their reference to the local communities. We have had several instances in my own district and other parts of Minnesota under the direction of our Governor in which they have answered in a very excellent manner to the needs of the communities by way of developing new processing plants relating to agricultural products, forest products, and so forth, which have rendered a real service to those communities. They have developed very well. This is a point to which we must give every consideration as we concern ourselves with this problem. Your endeavors in this respect have served the Congress and the Nation well today.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. CURTIS of Missouri. I, too, want to join in those last remarks and also express my appreciation for the diligent work of both the gentleman from Minnesota and the gentleman from Michigan.

I want to make two particular comments, one as to the work the gentleman from Michigan has been doing on the subcommittee in going into this specific problem and the knowledge he brings to the Congress in his remarks and in the printed remarks that will appear in the RECORD along with Dr. Ackerman's paper. It will be particularly valuable in the study.

May I say to the gentleman from Minnesota that as I understand some of the study is going into the mining area of Minnesota, the Mesabi Range area, which to me is one of the most interesting economic studies one can undertake. Some of the papers and the statistics that will be supplied for the record, as I understand, are original, and that material is not available anywhere else. Am I correct?

Mr. NELSEN. The gentleman is correct. It was my intention to develop some figures that would show the employment levels when our mines were in full operation, as compared to employment figures of today and to show, if possible, the amount of unemployment compensation payments now being paid to individuals in that area of Minnesota. Both the gentleman from Minnesota [Mr. LANGEN] and I served in the State legislature. We are well aware that State tax revenues fluctuate, and now because of certain tax conditions investment capital on the range has been hesitant. The result has been that we have lost taconite plants that should have gone to Minnesota but have gone elsewhere. We think some security should be established so that we can again develop the range properly.

As I pointed out when back home some time ago, the habit we are getting into here in the Congress is to pass out appropriations of sizable figures, which actually is only sugar coating. When we bite into the pill it is rather bitter, because we have been evading the question rather than finding jobs. We feel that the range area of Minnesota is a place where we need to do a great deal of work and develop conditions so that we can have work, instead of adding to the problems of our people back home.

Some years ago taconite legislation was enacted by the State legislature which gave tax credit where a great amount of labor was involved and this encouraged the establishment of the taconite industry. The past session of our State legislature considered an amendment that would have given long-term tax security and tax assurance to capital invested in taconite. Such a tax program would be beneficial to the range, but unfortunately the legislature adjourned without having taken action.

I thank the gentleman for his kind comment about our great State of Minnesota.

Mr. CURTIS of Missouri. One of the values of this overall study of some 50 Republican Congressmen has been on this very point that the gentleman from Minnesota now demonstrates. By drawing upon the information as you have in your own communities and your own State, and as other Congressmen who have participated in this effort by drawing on their experiences in their local communities, we are bringing together a great wealth of information along with the studies of the various professors and other students of this subject.

So that we can put them all together and take a good look at this complex problem which is really more one of employment and filling the jobs that exist today. These jobs are going unfilled. Skilled workmen, mechanics, technicians, doctors—we need more schoolteachers. Anyone reading the want ads in the newspapers today will see column after column of skilled jobs being unfilled. So the emphasis has been on employment, and we look to the unemployed as a source of getting these skills that we so badly need.

I thank both gentlemen for their contribution toward the solution of this very important problem.

IN OPPOSITION TO THE PROPOSED DEATH TAX ON THRIFT INSTITUTIONS—A BANKERS' BONUS BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I will read for the RECORD, because I feel it is of sufficient importance, the testimony I gave this afternoon before the Committee on Ways and Means concerning the proposals to tax thrift institutions:

STATEMENT OF WRIGHT PATMAN OF TEXAS

Mr. Chairman, it is very generous of the committee to hear me.

I have the highest respect for the tax lawyers in the Treasury who are working so diligently to find ways to improve our tax laws.

I have no doubt these people are deeply committed to the principle of "tax neutrality." In proposing to increase taxes on the thrift institutions, which would shift competitive advantages to the commercial banks, these people are no doubt genuinely concerned with correcting what appears to them to be inequalities in the Government's treatment of competing classes of financial institutions.

The unfortunate fact is, however, that the nature of commercial banking is little understood, and a great many people mistakenly see similarities between commercial banking and the operations of the thrift institutions, where no similarity really exists. Furthermore, because the nature of commercial banking is so frequently misunderstood, a great many people who are otherwise well informed are not aware of the tremendous favoritism and the vast subsidies which the Federal Government pours into the commercial banks. Accordingly, it is my purpose today to invite the committee's attention to these subsidies and preferential laws so that the committee can better weigh the question of equity between the commercial banks and the thrift institutions.

I also have great respect for the two authors of the bills which the committee is considering, and I know they intend to do only what is fair.

Despite the authors' good intentions, however, these bills go a great deal farther and faster toward taxing the savings and loan associations and the mutual savings banks out of existence than anything the administration has suggested.

Furthermore, the immediate effect of these bills would be to raise interest rates in general, and home-mortgage rates in particular. They would increase the cost of the savings institutions and drive up their lending rates, which, of course, is one of the main reasons why the commercial bankers are demanding this legislation. When the savings institutions raise their lending rates, we can be sure the commercial banks will promptly raise theirs. This will happen even though the legislation contains no taxes for the commercial banks, closes none of the special tax loopholes the commercial banks enjoy, and even though the commercial banks pay no interest whatever on most of their deposits. In other words, this is banker legislation, and it would cost the general public several dollars in increased interest charges for every new dollar the legislation would bring into the Treasury.

The bankers have been beating the drums for this legislation for a long time, and, recently, beating them faster and faster. They have now worked themselves into such a frenzy that their cannibalistic instincts are showing. The feast dance is on. The bankers have their competitor in a pot—or so they think—and are about to boil him.

They tell me, Mr. Chairman, that out in real cannibal country, where I imagine things are relatively simple, a book which is at the top of the bestseller list is one titled "How To Serve Your Fellow Man."

My point, Mr. Chairman, is that I appreciate the difficulties of trying to legislate on such a complex matter in an atmosphere of hysteria. I hope that the committee will take plenty of time to consider, as I know you will, all of the equities at issue in this legislation.

This is not a case where tax neutrality in the usual sense of the term will provide or even permit nonpreferential Federal treatment of the commercial banks and the private thrift institutions. I have conservatively estimated the various Federal subsidies to the commercial banks at $5 billion per year. True, a large part of this subsidy can and should be eliminated. Furthermore, the big tax loopholes which have been put into the tax laws mainly for the benefit of the commercial bankers can and should be eliminated. I will offer some specific suggestions on this as I go along.

But the point is, even if the bankers' special tax loopholes were closed and all the Federal subsidies to the commercial banks that conceivably could be eliminated were actually eliminated, Federal subsidies to the commercial banks would still be overwhelming. In other words, this is not a case where the Ways and Means Committee can say we will have tax neutrality and let the other committees worry about neutrality in other Federal laws and programs. The Congress could not eliminate all of the preferential treatment which the Federal laws give to the commercial banks, as opposed to the thrift institutions, without overturning the whole banking system and recreating it on principles which would be new to any we have ever known in the banking system in this country.

The claim is being made, of course, that the commercial bankers are at a disadvantage with the thrift institutions under the present tax laws because, it is said, these laws permit the thrift institutions to accumulate money for lending faster than the banks can accumulate it. Let us examine that proposition and examine, also, the subsidies and preferential treatment which the commercial bankers enjoy under Federal laws.

SUBSIDY NO 1. FREE USE OF THE GOVERNMENT'S POWER TO CREATE MONEY

First and foremost, the commercial banks enjoy the free use of the Government's power to create money.

Mr. Chairman, you know that the commercial bankers are the only people who are permitted to manufacture money and who can manufacture money without the threat of going to the penitentiary.

The Constitution assigns to Congress the power to create money, but Congress has delegated this great power to the commercial banks. It has not delegated any of this power to the savings and loan associations or the mutual savings banks or the credit unions or any of the other competitors of the commercial banks. Only the Federal Reserve banks and the private commercial banks can use this privilege of creating money.

The committee knows, of course, that there have been societies in times past in which the government or the head of the government either sold or gave away the government's power to collect taxes. I am not suggesting that the committee would wish to sell or give away to private interests the Government's power to tax; but I do point out that if this privilege were given to some private group, it would be no greater privilege than the Federal Government has extended to the private commercial banks in delegating to them the Government's power to create money.

The Federal Reserve Bulletin of July 1961 reports that the commercial banks of the country have assets amounting to $252 billion. In contrast, the total capital accounts of these banks, plus their borrowed capital, amounted to only $23 billion. By total capital accounts we mean, of course, all of the stockholders' investment, plus the earned surplus of the banks, plus the undivided profits of the banks—in other words, every penny which the stockholders have any claim to in the banking enterprise. Where did the other $229 billion of assets come from—the difference between the banks' total assets and the stockholders' equity? The commercial banks have acquired these $229 billion of assets simply by manufacturing money out of nothing more than thin air and the Government's inherent and constitutional power to create money.

The previous Secretary of the Treasury, Mr. Anderson, understood this. Let me quote a passage from an interview with Secretary Anderson that appeared in the August 31, 1959, issue of U.S. News & World Report, page 68:

> Question. Do you mean that banks, in buying Government securities, do not lend out their customers' deposits? That they create the money they use to buy the securities?
>
> Answer. That is correct. Banks are different from other lending institutions. When a savings and loan asociation, an insurance company, or a credit union makes a loan, it lends the very dollars that its customers have previously paid in. But when a bank makes a loan, it simply adds to the borrower's deposit account in the bank by the amount of the loan. The money is not taken from anyone else's deposit: it was not previously paid in to the bank by anyone. It's new money, created by the bank for the use of the borrower.

I wonder how the bankers can keep a straight face while complaining that

the tax laws permit the thrift institutions to accumulate funds for lending faster than the commercial banks can accumulate them. The argument is utter nonsense. The commercial banks do not have to accumulate funds for lending; they create the money they lend, just with a stroke of a pen. When a commercial bank makes a loan to a business firm or to an individual, it creates the money loaned. When a commercial bank buys a Government security, it creates the money to buy it. When a commercial bank buys debt obligations of the State and local governments, it creates the money it uses to buy obligations.

While I am on this subject, let me clear up two other fallacies about commercial banking.

Fallacy No. 1: The commercial banks create money on their reserves against demand deposits only.

The fact is that commercial banks expand on their reserves against time deposits just as much, if not more so, as they expand on their reserves against demand deposits. I have questioned a great many commercial bankers, several Federal Reserve bank presidents and members of the Board of Governors of the Federal Reserve System, and they have all stated that reserves against demand deposits and time deposits are commingled and mixed. In point of fact, when a commercial bank computes its required reserves, it computes a single amount which is a weighted average of its required reserves against both demand and time deposits. In other words, when a commercial bank has an increase in time deposits, the reserves set aside against those time deposits permit the bank to create new money in the form of demand deposits.

Fallacy No. 2: Required reserves reduce the commercial bank's lending power.

This is completely untrue. Required reserves do reduce the lending power of the thrift institutions, but they do not reduce the lending power of the money-creating banks.

We have all heard the claim that the member banks of the Federal Reserve System are required to pay a large portion of their funds into the Federal Reserve banks as reserves, and we have also heard the complaint that the commercial banks receive no interest on these funds.

The truth of the matter is that the commercial banking system never paid any funds into the Federal Reserve banks to receive the reserve credits which they have with the Federal Reserve banks. The Federal Reserve banks created these reserves, using the Government's power to create money, just as the commercial banks have used the Government's power to create money when they have made loans or investments.

On April 12, 1961, member banks had $16.2 billion of reserves covering both time and demand deposits. Their time and demand deposits, on the other hand, amounted to $171.4 billion, meaning that they had used the Government's money-creating power to create $10 for each $1 the Government had itself created.

This brings me to subsidy No. 2.

SUBSIDY NO. 2. FEDERAL LAW GIVES COMMERCIAL BANKS INTEREST-FREE USE OF DEMAND DEPOSITS

The committee would be greatly surprised, I am sure, if someone proposed that we pass a law which would assure some manufacturer or some industry that it would receive its raw materials free of charge, at the expense of the people who own the raw materials. Some members of the committee might even be surprised to know that we have a Federal law which assures the commercial banks that they will have interest-free use of most of their depositors' funds. Yet that is the case.

Since the beginning of the capitalistic system, at the end of the Middle Ages, bankers in all capitalistic countries have paid interest for the use of depositors' money—that is, up until 25 years ago. Over these centuries bankers had to compete for the use of the public's money. The rate of interest a banker paid was his way of attracting funds, just as is true of the thrift institutions today.

But back a few years ago, the commercial bankers got a bright idea for a Federal law which would relieve them of the necessity for competing for depositors' funds. True, the bankers create the money they lend or invest. But such money, the moment it is created, becomes the property of some bank depositor. When a bank creates money to make a loan to a customer, that money then belongs to the customer. He can draw it out and put it in some other bank. And, of course, in theory he can keep it out of all banks, in cash; but as a practical matter individuals, and business firms have to have checking accounts these days, and the Government gives the commercial banks a monopoly on the demand deposit business.

Customers did move funds from one bank to another when banks were competing in the interest rates they paid on these deposits.

In the early 1930's, the bankers put on a drive to have Congress pass a law to make it illegal for them to pay any interest on demand deposits, which of course, accounts for most of the bank deposits. Congress finally passed that law.

The idea was not inspired by any early religious edict against interest taking. On the contrary, the law only forbids the banks to pay interest, not to take it. In fact, the bankers made two arguments for this law. First, they admitted its purpose was to stop competition between and among the banks to attract demand deposits, and the claim was that this was necessary to save the small banks. The second argument was that relieving the banks of the normal competitive free-enterprise burden of competing would compensate the banks for the cost of the FDIC insurance premiums which they were then expected to pay, to build up an adequate FDIC insurance fund.

Well, Congress passed that law in 1935, and the banks have had their demand deposits free of charge and at the depositors' expense ever since.

The savings and loan associations, on the other hand, paid an average of 3.7 percent on their funds in 1960, and the mutual savings banks paid an average of 3.6 percent.

As to the compensation for the FDIC insurance premium, this turned out to be much more than a free gift. All other kinds of business firms have to pay their own insurance premiums without reimbursement from the Government. An argument could be made that this ought to be the case with the commercial banks because the insurance is for their benefit. It gives people confidence to put their money in the bank who otherwise would not trust the bankers with their money.

More than that, the bankers have never built up an adequate insurance fund. They subsequently got Congress to pass a law which gives the FDIC the privilege of drawing on the Federal Treasury up to $3 billion any time the FDIC needs the funds to meet the insurance claims, and they pay nothing for this commitment. I will come back to this subject later.

It is enough to say now that the commercial bankers have a vast windfall in the Federal law which stops competition between and among the commercial banks themselves for deposits. They are going much too far, it seems to me, in asking now for a Federal law which will eliminate their competition from the thrift institutions.

Now let us consider just how great this subsidy to the commercial banks is. How much are commercial banks reaping in benefits at the expense of the public from the Federal law which denies the public the right to competition for demand deposits? The commercial banks now have $129.2 billion of demand deposits. If they were paying only the average rate which prevailed on 90-day Treasury bills during the first half of this year, they would be paying the depositors of these funds a yearly interest rate of 2.35 percent. In other words, the banks would be paying depositors over $3 billion a year for the use of their demand balances. In contrast, the total amount of their insurance premiums last year was only $70 million. So this Federal law not only has the effect of making the public pay the bankers' insurance premium, it has the effect of making the public pay the bankers another $43 bonus for each $1 of insurance premium.

Who is paying these benefits to the bankers?

The Federal Government itself maintained an average balance of $4 billion with the commercial banks during the past fiscal year. So if the banks had paid for the use of these funds at the Treasury bill rate, they would have paid the Federal Government $94 million a year. This is $94 million out of the taxpayers' pockets and into the pockets of the bankers.

Who else is subsidizing the bankers?

Interestingly enough, Mr. Chairman, the savings and loan associations and the mutual savings banks are themselves

forced to subsidize the commercial banks. They, too, must have checking accounts.

The last available report, which is for the end of last year, shows that the savings and loan associations had demand balances with the commercial banks amounting to $1.8 billion; and the mutual savings banks had demand deposits with these banks amounting to $557 million. At the Treasury bill rate, the commercial banks would be paying these thrift institutions $56 million a year for the use of these funds.

Finally—and this is to me most disturbing—the State and local governments have approximately $11.8 billion on deposit with the commercial banks in demand deposits, drawing no interest. In other words, Federal law also denies the State and local governments interest for the use of their funds. If the commercial banks were paying the Treasury bill rate for the use of State and local government funds, they would be paying the State and local governments $278 million a year.

It seems to me this law which prohibits the commercial banks from paying interest on demand deposits ought to be repealed, certainly as it applies to the funds of the State and local governments. If the Federal Government wishes to pour this vast subsidy into the commercial banks, then it ought to use its own funds for the purpose. But it seems to me the Federal Government has gone too far in denying the State and local governments any right to receive a revenue on their funds. The lost revenues are very badly needed by the State and local political subdivisions, for schools and other community facilities. I hope the Governors, the mayors and other local officials will interest themselves in seeing to it that the rights of the State and local governments are restored.

Mr. Chairman, I have secured from the Federal Deposit Insurance Corporation a breakdown of the demand deposits of the States and political subdivisions, on a State-by-State basis, which indicates how the various States are affected by this Federal law. With your permission, I will offer this tabulation for the record.

Demand deposits of States and subdivisions by State, insured commercial banks, Dec. 31, 1960

[In thousands]

State:	*Demand deposits*
Alabama	$256,597
Alaska	7,815
Arizona	105,217
Arkansas	101,941
California	778,568
Colorado	89,602
Connecticut	101,582
Delaware	24,524
District of Columbia	119
Florida	414,958
Georgia	241,105
Hawaii	62,037
Idaho	82,364
Illinois	702,058
Indiana	446,238
Iowa	203,131
Kansas	389,871
Kentucky	132,240
Louisiana	378,466
Maine	28,122
Maryland	135,463
Massachusetts	347,745

Demand deposits of States and subdivisions by State, insured commercial banks, Dec. 31, 1960—Continued

[In thousands]

State:	*Demand deposits*
Michigan	$428,013
Minnesota	247,755
Mississippi	206,791
Missouri	378,767
Montana	72,368
Nebraska	110,026
Nevada	35,724
New Hampshire	31,898
New Jersey	417,822
New Mexico	89,494
New York	1,083,281
North Carolina	167,118
North Dakota	25,674
Ohio	535,035
Oklahoma	231,543
Oregon	145,076
Pennsylvania	420,551
Rhode Island	39,016
South Carolina	108,318
South Dakota	66,114
Tennessee	228,722
Texas	648,785
Utah	103,878
Vermont	17,697
Virginia	182,063
Washington	195,957
West Virginia	100,812
Wisconsin	183,511
Wyoming	47,270
Guam, Puerto Rico, and Virgin Islands	71,526
Total	11,650,373

Source: Division of Research and Statistics, Federal Deposit Insurance Corporation, Aug. 3, 1961.

I hope the committee will inquire very carefully into the reasons why the commercial bankers want this legislation. Is it really because the thrift institutions are taking lending funds away from the commercial banks? The thrift institutions do not destroy money; they do not absorb money and they are not depositories of money. In other words, all of the funds deposited or invested in these thrift institutions go immediately back into the commercial banks and are available to the commercial bankers for lending or investment.

The commercial banks have no less funds available for loans and investments than they would have if the thrift institutions did not exist. We must conclude, therefore, that the thrift institutions are cutting not into the amount of funds which the commercial banks have available for lending, but into the number of customers who might be knocking at the banks' doors asking for loans. In other words, these thrift institutions are an external force of competition which is helping to keep interest rates down.

As the committee considers the merits of the battle which the commercial bankers are waging against their great adversaries—I hope it will keep in mind just how formidable a foe of commercial bankers these institutions are. Let me put it this way: If the commercial banks were paying 3 percent interest on their demand deposits, instead of having these deposits free of charge—they would be paying the depositors $3.9 billion a year. In other words we accept 3 percent as a reasonable rate, then the benefits which the commercial banks are receiving from this one subsidy alone is $3.9 billion a year. That happens to be more than the gross income of all the savings and loan associations, before payment of operating expenses and payment of taxes. And it is almost as much as the gross income of the savings and loan associations and the mutual savings banks combined. In other words, the bankers are really waging war on a very tiny, infant foe.

SUBSIDY NO. 3: INTEREST ON U.S. GOVERNMENT DEBT OBLIGATIONS, ACQUIRED THROUGH FULL USE OF GOVERNMENT POWER TO CREATE MONEY

The commercial banks now hold $61 billion of U.S. Treasury obligations. Last year the Treasury, and the taxpayers, paid the banks the gigantic sum of $1.8 billion in interest on these obligations. This is another huge, outright subsidy.

As former Secretary of the Treasury Anderson has explained, the commercial banks acquired these Government obligations simply by creating the money. They used the Government's power to to create money to lend to the Government at a steep interest charge.

There is no reason whatever for the Federal Government to do business in this way, except for the reason of giving the commercial banks another subsidy. The Federal Government does not need to have the private commercial banks create money to buy its debt obligations, because the Government's own banks—the Federal Reserve banks—can do this. When the Federal Reserve acquires these securities, the interest payments go back into the Treasury, instead of out of the taxpayers' pockets and into bank profits.

Furthermore, the Federal Reserve banks could acquire these Federal obligations without increasing the money supply of the country by so much as a penny, so there can be no valid argument that this would be inflationary. The Federal Reserve has wide discretionary powers, not only to determine what the total money supply of the country will be at any given moment, but to determine how much of that money shall be of its own creation, and how much shall be of the commercial banks' creation.

In truth, the Federal Reserve banks now have some $27 billion of U.S. Government obligations, and they receive a very tidy interest income on these—enough that last year they paid their expenses of $154 million and returned $897 million to the Treasury. But for reasons best known to themselves the Federal Reserve people prefer to have any given money supply made up of a minimum of Federal Reserve bank money, and a maximum of private bank money.

SUBSIDY NO. 4: FREE FEDERAL RESERVE SERVICES

What do the costs of running the Federal Reserve banks go for? Why are Government funds used to pay these expenses instead of being paid back to the Treasury?

The fact is that approximately $120 million a year—which is most of the cost of operating the Federal Reserve banks—is the cost of providing free check clearing, free telegraph service, and other free services to the commercial banks. If the Federal Reserve did not provide these services, the commercial banks

would have to pay the expenses of private clearinghouse associations to perform these services. These free services, provided at taxpayers' expense, are not, however, just for the benefit of the member banks of the Federal Reserve System. The nonmember banks also enjoy their use, indirectly, through their correspondent banks.

This is another $120 million yearly subsidy to the commercial banks.

SUBSIDY NO. 5: INTEREST-FREE DRAWING PRIVILEGE ON THE FEDERAL TREASURY

Let us come back now to another aspect of the FDIC insurance fund.

Despite the fact that the Federal law arranged to have the general public pay the commercial banks for what was to be the cost of the FDIC insurance premiums, and also gave the banks a tremendous windfall in addition, the commercial banks have never really paid these insurance premiums—certainly not in amounts necessary to build up an adequate insurance fund.

The real insurance behind FDIC insurance is the fact that Public Law 363, approved in 1947, gives the FDIC the privilege of calling on the Federal Treasury for funds any time they are needed, up to an amount of $3 billion. In other words, the FDIC has a standing commitment on the Treasury in the amount of $3 billion. If you or I or any business firm obtained a loan commitment of this kind from a private bank, or from an insurance company, we would have to pay a commitment fee. The going rate of such commitment fees is 1 percent. Thus, if the FDIC were paying the going rate for its commitment on the Treasury, it would be paying the Treasury $30 million a year.

So this is another $30-million-a-year subsidy which the taxpayers are paying indirectly, to the commercial banks.

It may be only coincidence, but it happens that the Treasury is never empty of this $3 billion, should the banks need it. The Treasury keeps a minimum of $3.5 billion on deposit with the commercial banks at all times. So that $3 billion is, in effect, set aside, at all times, always available should the banks need it to meet their insurance demands. But it is costing the taxpayers much more than the 1 percent which I have suggested the banks should pay on it. These idle funds are costing the taxpayers the average interest rate they pay on the whole Federal debt, because if they were not kept in the banks, they would be used to reduce the national debt by this amount.

SUBSIDY NO. 6. SIX PERCENT INCOME FROM UNNEEDED INVESTMENT IN FEDERAL RESERVE STOCK

Federal Reserve banks sell a certain amount of stock in these banks to the private commercial banks that are members of the System. In fact, Federal law requires them to sell this stock and requires the member banks to buy it.

Yet the Federal Reserve System has no need whatever for the funds it derives from the sale of this stock. Indeed, the funds are not even invested. Yet Federal law requires that the private banks be paid an annual income of 6 percent of their investment in this so-called stock. In other words, the Federal Government pays the banks 6 percent on the safest investment in the world, which is an investment in the Government of the United States.

This Federal Reserve stock outstanding amounts to some $400 million; and banks receive an annual income of $24 million on this. This is another outright subsidy to the commercial banks of $24 million.

More than that, most of the $24 million is tax-free income to the banks. Federal law provides for this.

Mr. Chairman, it would not be possible to make an accurate dollars-and-cents total of all the Federal subsidies to the commercial banks. There are several which I have not yet mentioned. For example, there is one tremendous loophole in the tax laws which is of special benefit to the commercial banks, and it would be difficult to make a dollars-and-cents estimate of the value of this. Even more important, the commercial banks enjoy a limited monopoly in the banking business, by reason of the fact that the Federal Government maintains some stiff restrictions and barriers to keep new competitors out of the banking business. Banking is not the kind of free enterprise we know in farming, or in running a retail store, running a manufacturing business or any other kind of commercial enterprise. Any citizen can go into these businesses whenever and wherever he pleases, if he has the capital. Not so the banking business. The Federal Government keeps most of the would-be newcomers out of this field. I will come back to this protected monopoly status of the commercial banks later, and also to the tax loophole.

Let me sum up, however, those subsidies which I have mentioned so far, for which we do have dollars-and-cents estimates. Altogether, they come to more than $5 billion a year. I have recapitulated these Federal subsidies to the commercial banks in the table below.

Summary table of subsidies to commercial banks provided by Federal law and programs—(not counting tax loopholes and Federal barriers to keep out new competitors)

[In millions]

Value of interest-free use of demand deposits (computed at 2.35 percent or average rate on 90-day Treasury bills)	$3,036
On demand deposits of:	
(a) Savings and loan associations and mutual savings banks	56
(b) Federal Government	94
(c) State and local governments	278
(d) Other depositors, except banks	2,608
Interest received by commercial banks on U.S. Government obligations acquired with created money	1,800
Cost of free Federal Reserve services	120
Interest-free commitment on Treasury for $3 billion (computed at 1 percent commitment fee)	30
Interest on $400 million Federal Reserve bank "stock" (at 6 percent) (not including value of tax-free income status)	24
Total subsidies	5,010

SPECIAL TAX LOOPHOLE MAINLY FOR THE BENEFIT OF THE COMMERCIAL BANKS

As the committee knows, the general rule for taxpayers who trade in securities, or have gains or losses from the sale of other investments, is this: If a taxpayer's capital losses within the year exceed his capital gains, he can charge off the losses against ordinary, taxable income only up to $1,000 per year, regardless of the amount of his net loss.

But not so for the thrift institutions which are the subject of the present legislation and, coincidentally, the commercial banks also. These are permitted to charge off losses without limit against ordinary income.[1] This means that the commercial bankers, who are the main beneficiaries of this loophole, can, and do, engage in what are for all practical purposes "wash sales." When the market value of the securities they hold goes down, the banks can sell these securities, write off the loss against ordinary income, but immediately buy other securities which are for all practical purposes identical. Then when the value of these securities goes up again, they can sell the securities and pay only the 25-percent capital gains tax on their profits.

This loophole applies not just to Government securities. It applies to any and all types of debt obligations which the banks buy and sell. The loophole was put into the law in 1942, incidentally, on the advice of some of the bankers as to what should be done to assure the bankers' all-out cooperation in meeting the financing needs of World War II. That was almost 20 years ago and the financing needs of World War II have long since disappeared, but the loophole still remains in the law.

I wonder why the proposed legislation before the committee today makes no provision for closing this loophole.

In actual experience, the commercial banks paid last year an effective income tax rate of only 38.4 percent. Except for this loophole, the banks would have been paying more nearly in the neighborhood of the 52-percent rate.

Before leaving the matter of the bankers' taxes, Mr. Chairman, I cannot refrain from commenting on another tax angle which seems very wrong to me. This is the fact that they not only acquire the securities of the State and local governments with bank-created money, which costs them nothing, but they then pay no income tax on the interest they receive on these securities. The commercial banks now hold some $17.6 billion of State and local bonds, all acquired on bank-created money, all tax exempt.

Notwithstanding this tax loophole, and all the vast Federal subsidies to the commercial banks, the Treasury people seem to be laboring under the impression that the thrift institutions are taking lending funds away from the commercial banks, and also that the thrift institutions and the commercial banks are equally involved in the same kind of lending.

Thus, the Treasury Department's report of July 1961, titled "The Taxation of

[1] Sec. 582(b).

Mutual Savings Banks and Savings and Loan Associations," at page 3, speaks of "logical and equitable" application of taxes as between the thrift institutions and the banks as follows:

"From the viewpoint of a logical and equitable application of the Federal income tax, the mutual thrift institutions should be able to retain corporate earnings tax free only under a formula consistent with established concepts for computing bad debt reserves."

And, again at page 8, the report states:

"Moreover, other financial institutions which compete for the savers' dollars, such as commercial banks, do in fact have to depend primarily on surplus built up after taxes, rather than on access to the equity capital market, in order to obtain the protective capital cushions which all businesses need."

And finally, at page 11 of the report, we find this statement:

"It has been stated that a policy of tax neutrality toward competing financial intermediaries promotes a more efficient utilization of economic resources as established by the marketplace."

In plain words, Mr. Chairman, the Treasury people are under a misapprehension that cutting the allowable bad debt reserves of the thrift institutions will, insofar as the Federal Government's intrusions into the marketplace are concerned, better equalize competition between these institutions and the commercial banks.

But I submit, Mr. Chairman, the Federal Government's role in the marketplace is overwhelmingly on the side of the commercial banks. More than that, the thrift institutions are not taking lending funds away from the commercial banks. And they are not in the same kind of lending business to such an extent as to warrant the same ratio of reserves for bad debt, or what the Treasury calls "capital cushion."

The thrift institutions are in the long-term investment business, such as housing loans running for 20 to 30 years. Their investments are not liquid, and they are relatively high risk investments, being subject to the risks of the business cycle, relocations of population, the drying up of industry in particular areas, and even the possibility that within the next 20 to 30 years some entirely new type of shelter may be developed for both people and business. The commercial banks are supposed to be in the commercial banking business. They are supposed to be making short-term low risk loans. They have no business being in the investment business.

FEDERAL GOVERNMENT PROVIDES MONOPOLY POSITION FOR COMMERCIAL BANKS

Mr. Chairman, the commercial banks should not be aided and abetted in their effort to choke off competition from other types of financial institutions. Of course, this is a final step. They have already been extremely successful in throttling competition among themselves; and this has been achieved in large part through the assistance of the Government, particularly in setting up almost insuperable barriers to entry into the commercial banking business.

First, let us take a look at the sharp decline in the number of commercial banks in the United States. In 1920 there were nearly 31,000 banks. Today—according to the July 1961 issue of the Federal Reserve Bulletin—there are 13,465 commercial banks. In other words, there are only 43 banks today where there were 100 some 40 years ago.

But since 1920 our population has risen from 106 million to 179 million. The population per bank in the United States was only about 3,400 in 1920. Now the population per bank exceeds 13,000. So the average bank now has 3.8 times the customer potential that prevailed in 1920. That alone should put the commercial bankers in an enviable position. But that is not all that has happened.

In practically every community in this country the number of banks has been reduced to the point where only a very few control the business. Here are some figures from the 1960 annual report of the Federal Deposit Insurance Corporation:

In no less than 58 out of a total of 65 metropolitan areas surveyed, the 3 largest commercial banks have more than 50 percent of the deposits of all the banks in the area.

In 33 metropolitan areas, the 3 largest commercial banks have more than 70 percent of the deposits of all commercial banks in the area.

In 22 metropolitan areas, the 3 largest commercial banks own more than 80 percent of the deposits. And in six metropolitan areas, the three largest commercial banks hold over 90 percent of the deposits.

It is pretty hard to drum up any competition among commercial banks when so few control so much. And this concentration picture is bound to get worse before it gets better, as anyone can see by just looking at the newspapers day by day and noting the large number of bank mergers that are taking place.

Superimposed upon all these concentrations in local areas is the dominant position of the largest commercial banks in the country. The top 10 commercial banks—6 of which are located in New York City—on June 30, 1961, held $48.2 billion of deposits. This represents 21.7 percent of the $222 billion of deposits held by all commercial banks in the United States. These few giant commercial banks set the whole pattern of interest rates charged by commercial banks throughout the country.

ENTRY BLOCKADED

Nor is there much hope that the number of commercial banks will be increased in the foreseeable future, even though, as I have pointed out, there is nearly four times the potential business for the average bank there was 40 years ago. The Comptroller of the Currency and the Federal Deposit Insurance Corporation have set up more than ample barriers to new entrants. In fact, the only way you seem to be able to get into the banking business today is to be in it already.

But it has not been enough for the banks to cut down the number of competitors, increase concentration in the hands of a few of the largest banks, and to block the entry of new banks. Now they resort to the tax route to hobble the competition of the savings and loan companies and the mutual savings banks. What about the credit unions? They compete with commercial banks, and do a pretty good job of it. Will the commercial banks appeal to Congress to cripple the credit unions, too? They are probably next on their death tax list.

PROPOSAL WILL INCREASE MORTGAGE INTEREST RATES

The Treasury Department expresses concern over the impact this proposal may have on the housing program. The Treasury report states:

"The continuation of proper housing programs requires an adequate supply of funds for home mortgages. Consequently, from the viewpoint of our housing programs, any change in the current tax treatment of these institutions must be weighed in the light of its possible adverse effect on those programs."

The Treasury estimates that in a period of tight money, the proposal may cause a loss of anywhere from $500 million to $2 billion in the supply of mortgage money and that this might cause a reduction of from about 3 percent to as much as 10 percent in the volume of residential construction.

The Treasury Department does not carry its analysis to the point of the effect this proposal may have on mortgage interest rates.

We can be sure of one thing. It certainly will not contribute toward a decrease in mortgage rates, and I would remind the committee that an increase of 1 percent in mortgage interest rates can mean more than a year's pay of an average family added to the cost of a $15,000 30-year loan.

It is my prediction that this proposal will reverse the recent downward trend in mortgage interest rates.

PUBLIC INTEREST DEMANDS FAIR PLAY IN THE MARKETPLACE

There was a time when businessmen believed that the best way to get ahead was to produce a better product for a lower price. Now the technique seems to be to try to cripple one's competitors by some sort of a death tax. This is what the commercial bankers are trying to do in sponsoring legislation to increase taxes on savings and loan associations and mutual savings banks.

The commercial bankers who have over the years generated such intense hatred against thrift institutions by the use of misleading and distorted information should be ashamed of themselves.

The views of bankers' leaders in the American Bankers Association do not impress me as being in accordance with the views of bankers I know. Bankers are leaders in community life as well as in State and National affairs. It is seldom that you find them putting up such a terrific fight for something that is purely selfish and inimical to the general welfare.

If the attitude of the bankers is to be determined by their attitude in this case,

Congress must be more careful to safeguard the public interest against them. We cannot make a goose the guardian of the shelled corn.

Commercial bankers who really want to protect the public interest can find many subsidies to remove and many tax loopholes to close, without damaging the public interest as in the case of this legislation.

Forty percent—over 40 percent, Mr. Chairman—of the home loan financing is done through the institutions that the commercial banks are attempting to penalize and destroy in this attack.

My idea of bankers drawn from the image of the good bankers I have known all my life is contrary to what the leaders of the bankers are doing here. This is a bad proposal. It is a bank bonus bill. It should be rejected.

Thank you, Mr. Chairman.

ACTION ON THE CREATION OF A SPECIAL COMMITTEE ON CAPTIVE NATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, it was my privilege last March to introduce the original resolution, House Resolution 211, proposing the necessary establishment of a Special Committee on Captive Nations. Since then, over 35 similar resolutions have been submitted with the same objective in mind. I cannot thank my colleagues enough for their forceful expression of the mutual idea and common objectives in the national interest which we share alike. My deeply felt gratitude extends also to many other Members who, though they have not submitted resolutions toward this end, have nevertheless been outspoken in their full support of our proposal.

QUESTIONS AND DOUBTS TO BE RESOLVED

Since the beginning of May a number of hearings have been held on these resolutions before the Rules Committee. All the essentials of the proposal have been carefully covered and discussed. Indeed, as early as the end of May the distinguished chairman of the Rules Committee wisely suggested that final action be taken on these resolutions. Unfortunately, to this date no such action has been taken.

It is a fact that many Members and citizens throughout the country who have carefully followed these developments are mystified by this protracted delay. Many are disturbed by doubts over this inaction and numerous others are asking: "Why this delay, especially in these critical times? Is there a maneuver on to stall action on this vital proposal? Who seeks to prevent the formation of this special committee which is so necessary to our national interest? Is there a plan afoot to relegate this crucial subject of captive nations to a level of secondary importance by steering it to some subcommittee or a contrived ad hoc committee that could not possibly attend to the tasks demanded by this fundamental subject?"

These and similar questions have been put to me, as I know they have to other Members. We can resolve these questions and doubts quite easily by simply taking the long awaited action on these resolutions. And they can be best resolved by quick and favorable bipartisan action in the Rules Committee.

CONCLUSIVE EVIDENCE OF POPULAR SUPPORT

Mr. Speaker, the evidence of popular support for the formation of a Special Committee on Captive Nations is overwhelming and conclusive. Since last March, week after week letters of support have poured in from every section of the country. Week after week since last March some of these letters have been printed on the average twice a legislative week in the CONGRESSIONAL RECORD. Moreover, this widespread support was clearly crystallized in the nationwide observances of Captive Nations Week, a report of which I presented in this Chamber 2 weeks ago for all to read and analyze.

Needless to say, in these several months the addresses and statements of my many able colleagues on this tremendously important subject have rationally and empirically substantiated the urgent necessity of this special committee. Those who have read these addresses and their supporting material have quickly come to the realization that the aims and objectives of the proposed committee are solid, imaginative, and enormously promising. There can be no doubt that once the proposal is reported out of the Rules Committee, it will meet with the substantial support of this body.

IMPRESSIVE REASONS FOR THE COMMITTEE

Mr. Speaker, one need not go far to understand the basis for this general popular support and the exceedingly favorable response to the proposal among our Members. The basis rests primarily in the impressive reasons that have been advanced in behalf of a Special Committee on Captive Nations. Explicitly and forthrightly, these determining and justifying reasons are:

First. On the issue of war and peace, the moral and political principle of national self-determination is in many respects a weapon far more potent, far more determinative, than missiles, nuclear bombs, or war-equipped space satellites. This overpowering weapon is ours, not Khrushchev's. A Special Committee on Captive Nations would steadily expand the arsenal of this weapon for use either in the cold war or in a hot one.

Second. In two Captive Nations Week proclamations former President Eisenhower summoned the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations." No better medium for this popular study can be provided than a Special Committee on Captive Nations.

Third. In the last campaign President Kennedy declared:

> I am, of course, in agreement with the Presidential proclamations. The captive nations should be studied intensively. If a joint congressional Committee on the Captive Nations is the best way to insure such popular study, I would naturally not be opposed to it.

We feel that a special committee formed by the House would reflect best the popular will and would perform the demanding tasks.

Fourth. In his 1961 Captive Nations Week proclamation, President Kennedy points out that "it is in keeping with our national tradition that the American people manifest its interest in the freedom of other nations" and urges them "to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom." Mr. Speaker, by what better means can our people manifest this indispensable interest and recommit themselves than through their elected representatives, forming and working on a Special Committee on Captive Nations.

Fifth. It is an open secret that a hazardous gap exists in our official and private facilities as concerns this necessary task of studying systematically, objectively, and continuously all of the captive nations, especially those in the U.S.S.R. Nowhere is there any agency, public or private, performing this essential task. Only a special committee can do it effectively, seriously, and constructively.

Sixth. The formation of a special committee would be the first concrete implementation of the Captive Nations Week resolution passed by Congress in 1959. The fearful reaction of Moscow to this resolution shall never be forgotten. With all their missiles, satellites, and arms the Russian totalitarians show an uncanny fear of the captive nations and the idea of national self-determination. By forming a special commitee we can show in 1961 that we meant what we resolved in 1959.

Seventh. House Resolution 211 and the other resolutions are realistically based on the aggregate concept of captive nations—meaning those inside the U.S.S.R. as well as outside, in Asia as well as in Eastern Europe. It emphasizes the strategic importance—indeed, the primary strategic value—of all these nations for peace and also for cold and hot war purposes. A special committee would progressively unfold this importance and value of which Khrushchev is sensitively aware.

Eighth. As advocates of freedom everywhere, we must always realize that the cold war is not just between Moscow's totalitarian empire and the free world, but also and essentially between the captive peoples and their quisling governments. A special committee would produce results offering a necessary and prudent leverage for the captive nations in their cold war against colonial Russian domination.

Ninth. The enormous power of propaganda has long been a virtual Moscow monopoly. The studies, facts, and truths educed by a special committee would give the constant lie to the propagandized and overblown Russian image, particularly in the underdeveloped areas of Africa, Asia, and Latin America. One of the chief objects of the committee's inquiry would be the over 30 million captive Moslems in the U.S.S.R., a subject

which is almost totally overlooked in this country.

Tenth. A Special Committee on Captive Nations, which would be engaged in continuous study and investigation of the captive nations in the aggregate, would also serve as a rich reservoir of new dimensions of thought, of new and fresh ideas, about the extensive imperiocolonial system of Moscow. It would concentrate on the imperialism and colonialism of Soviet Russia and for the enlightenment of our own people as well as our friends abroad and it would demonstrate by contrasting data the colossal hoax of communism. The productive work of such a committee would serve our executive branch, our U.N. delegation, our representation in UNESCO and elsewhere.

Eleventh. The existence of a special committee would be a permanent reminder to Khrushchev that we do not now nor shall we ever write off the captive nations. This committee would give concrete evidence to the position expressed by the President in his state of the Union message:

We must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples.

Twelfth. From all of this it should be evident that a Special Committee on Captive Nations would have definite legislative intent and purpose. Its extensive studies and investigations would lead to conclusions that in turn would justify recommendations upon which specific legislative proposals would be founded. Activities ranging from propaganda to economic assistance with regard to the Red totalitarian empire would come within the purview of the committee's investigations.

Thirteenth. The existence of a special committee would, in reality and function, encroach upon no standing committee. Its unique orientation toward the captive nations in the aggregate would allow it to uncover phenomena which have been left largely untapped by existing committees, as, for example, the phenomenon of rampant economic imperialism and colonialism within the U.S.S.R. itself.

Fourteenth. The range and depth of work that this proposed committee would be engaged in would require time, effort, and dedicated application that only a special committee could undertake. No existing or simply ad hoc committee could possibly manage this.

Fifteenth. Although in each session of Congress numerous resolutions are submitted for the establishment of select and special committees of various sorts, who would deny that in these days of the Berlin crisis, the various threats posed by Moscow, and the many critical spots appearing on the globe, the captive nations have a priority of value and importance for our national interest? This priority can be best utilized by a Special Committee of Captive Nations.

Mr. Speaker, these 15 reasons more clearly justify the establishment of such an essential committee. The relatively small costs of operating this committee would be heavily overshadowed by its productive and highly profitable results, in the interest of our Nation and in the interest of freedom generally. As I have done before, I offer further examples of the interest in these resolutions and additional material which elaborate on the points I have made here. I append the following items to my remarks, and request that they be printed as such at the conclusion of my address: First, my letter of August 2, 1961, to each member of the Rules Committee; second, the communication of the National Captive Nations Committee, Inc., to all members of the Rules Committee; third, the text of the Georgetown University Forum on the Captive Nations Committee; fourth, the Fort Wayne News-Sentinel editorial of July 19 on the "Vital Import of Captive Nations"; fifth, a release of the Assembly of Captive European Nations on Moscow's reactions to the 1961 Captive Nations Week; sixth, the Captive Nations Week proclamation by the Commissioners of the District of Columbia; seventh, an editorial in Freedom's Facts on "Captive Nations Week Draws Moscow's Ire"; eighth, an article which is very pertinent to our present discussion, "The Myth of Soviet Unity"; and ninth, a penetrating editorial in the Ukrainian Bulletin on "Captive Nations Week."

Khrushchev "got the message" in President Kennedy's speech and in the foreign ministers' position in Paris.

He told his people for the first time that there is a chance of war over Berlin. He must talk himself out of that one. So, he says let us talk about Berlin and everything else. We have taken another careful step in the initiative in this very tricky business of Alfonse and Gaston and the next move now must be Khrushchev's.

What does he do? I do not think he knows.

There could be no greater error than to suppose that historical myths cannot be actually created by design, or that crudity of such special pleading necessarily always militates against its effectiveness.

The image of Soviet-Western relations now being cultivated by Soviet historians is an important part of Moscow's contemporary political appeal to the peoples of countries just emerging to national consciousness and independence. Much of it appears to these people entirely plausible and creditable.—Quotation from "Russia and the West," by Mr. George Kennan, 1961.

The communications referred to are as follows:

AUGUST 2, 1961.

DEAR COLLEAGUE: In London last week, Lord Home, the British Foreign Secretary, said diplomatic negotiations are the way to settle the Berlin problem. The United States, in a note to Moscow, said the American people will defend their legal rights in Berlin, rights which "derive absolutely from the unconditional surrender of Nazi Germany." The U.S. note added, however, that the United States is always prepared to consider any "freely negotiated settlement" of German problems. In Moscow, the Communist newspaper Pravda said: "The sooner Western politicians agree to an international conference, the sooner will the black war clouds disappear from the horizon."

It seems clear, then, that those in authority in the major capitals of East and West see nothing inevitable about the threat of war, but look to diplomacy to find a solution. It is recognized that Khrushchev has made a diplomatic settlement difficult by putting a time limit (the end of this year) on Soviet toleration of the present situation in Berlin. Nevertheless, in the presence of appropriate counterpressure, a diplomatic solution is not impossible.

These counterpressures are building up now. The notes to Moscow by the Western leaders, stating they will not yield the freedom of West Berlin to the threat of Communist force, are an essential part of the picture. The tangible defense buildup now underway in the United States is another. The restiveness in East Germany, whose residents are seeking asylum in West Berlin at a rate of 30,000 a month, is another. The Communists cannot be sure that, in event of hostilities, the East Germans would not be fighting on the side of the free world. There also are legitimate Communist doubts about the safety of Soviet supply lines across Poland, if Poles sensed a chance for successful revolt.

In diplomatic negotiation, the West appears prepared to let Khrushchev save face. He wants a separate peace treaty with East Germany. We think it unwise. We will not fight over it. We would prefer a peace treaty with all the Germans, reunified on the basis of free elections. In the months ahead, increasingly, the West presumably will challenge the Communists to accept such an arrangement, in devotion to the cause of self-determination. That, in fact, will be the rallying cry of the free world as it seeks to regain the propaganda initiative in the cold war. A worldwide campaign for national self-determination can weaken none of the props of the Western alliance. It can, however, gnaw at the vitals of the Communist empire, particularly in the satellite states of Eastern Europe.

In view of the above, it is clear we are gradually and carefully assuming the initiative and forcing Khrushchev on the defensive. And instead of merely counterpunching, we are now clearly leading at different points in different ways.

Under all the circumstances, one of the most effective weapons in our new arsenal should be the creation of a Special Committee on the Captive Nations, the operation of which persistently, consistently and effectively, will do much to emphasize the principle of self-determination in the captive nations of Europe, and in this way gnaw at and weaken the whole satellite structure behind the Iron Curtain. This, as much as any military effort will make it clear to Khrushchev he dare not move against the Western World—this with our military might will permit our diplomatic negotiators to speak from strength on both sides of the Iron Curtain.

I would hope the Rules Committee would see fit to report out House Resolution 211 without delay, so as to add this additional string to our bow—vis-a-vis the Soviet.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

AUGUST 7, 1961.

Hon. HOWARD W. SMITH,
Chairman, House Rules Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR JUDGE SMITH: On May 16 we addressed ourselves to you, seeking your support of the original House Resolution 211 and similar resolutions calling for the creation of a Special Committee on Captive Nations. We now urge that this vital proposal be favorably and expeditiously reported out of committee. It is mystifying to us that, although you wisely suggested final determination of this proposal back in May, action on it has been stalled.

With the Berlin crisis, Moscow's propaganda buildup of the 20-year plan, and further Soviet space achievements, the necessity of such a committee is greater than ever. Methodically uncovering the facts

about our natural allies, the captive nations—particularly those in the U.S.S.R. itself—the committee would provide not only the necessary enlightened perspective for our people but also the equally necessary hope of eventual freedom for these allies. It would be a watchdog committee on Moscow's colonial exploitation of the captive peoples, both within and outside the U.S.S.R. It would find ways and means to magnify the crucial asset of these natural allies to our national interest and, unquestionably, its new findings would lead to concrete legislative recommendations.

The utter necessity of this special committee is even borne out by these random items: (1) the President's fantastic statement in an otherwise excellent address on Berlin: "We recognize the Soviet Union's historical concerns about their security in central and eastern Europe, after a series of ravaging invasions." Since 1920 who invaded whom? (2) the chairman of the Senate Foreign Relations Committee laboring under the impression that there are "200 million Russians" (only about 100 million); and (3) the UNESCO Courier of October accusing the United States and other free nations of racism and anti-Semitism, but overlooking entirely the heinous crimes being committed in the Red totalitarian empire. When such misinformation persists on these levels, what can be expected elsewhere?

As shown week after week in the RECORD and during Captive Nations Week, popular support of these resolutions is widespread. It is generally recognized that only a special committee can devote the time and resources required and warranted by this vital subject. The captive nations, as a formidable weapon of free world security, deserve nothing else. We have no doubt that once reported out by the Rules Committee, this proposal will be overwhelmingly supported in the House. Many rightly view it as the first concrete implementation of the Captive Nations Week resolution for which they voted and which incited unprecedented fear in Khrushchev.

Trusting that you will not allow this invaluable opportunity to slip by and with grateful thanks for your wisdom in expediting this matter, I am,

Sincerely yours,

LEV E. DOBRIANSKY,
Chairman.

WHY A CAPTIVE NATIONS HOUSE COMMITTEE?

(The Georgetown University Forum broadcast, Washington, D.C.)

(Panel: Hon. Daniel J. Flood, Member of Congress from Pennsylvania; Hon. Silvio O. Conte, Member of Congress from Massachusetts; Dr. Lev E. Dobriansky, Economics Department, Georgetown University.)

Moderator MATTHEW WARREN. You will recall that in July 1959, the Congress of the United States unanimously passed the captive nations resolution. The act, now Public Law 86–90, authorized the President to issue a proclamation on the occasion, which he did. As a result, Captive Nations Week was celebrated nationally.

Two months ago, Congressman FLOOD, one of today's panelists, introduced a resolution in the House in which he proposed the formation of a House Captive Nations Committee for the purpose of "conducting an inquiry into and a study of all the captive non-Russian nations."

This is a new approach. Questions naturally arise. Why a special continuing committee? How would it get its information? What use could be made of results?

Today's panel will attempt to expound the nature of the proposed committee and to answer questions concerning its desirability and feasibility in relation to foreign policy and national security.

Congressman FLOOD, to begin, what prompted you to introduce such legislation?

Mr. FLOOD. Well, the success, the extraordinary success that we experienced when the resolution of which you spoke was passed by the Congress. By the way, that was 1959. Then in 1960 a second resolution was passed. President Eisenhower spoke favorably and strongly in support of both of these resolutions, and President Kennedy, to written inquiry made by me, indicated that he too would support such an idea—such a resolution. Well, the response not only in America but throughout the world, and the violent attacks made upon the resolution by Khrushchev himself and by the Russian Soviet generally, made it very clear that we should take the next step from the resolution, and that was to ask the House to create a select committee.

Mr. WARREN. Was it necessary to reintroduce these resolutions each time?

Mr. FLOOD. Yes. Because one Congress does not bind the last one, or the next one, don't you see. It was necessary to act independently in each Congress. The life of a resolution is specified in the purpose clause of the resolution itself.

Mr. WARREN. Congressman CONTE, what's your interest in this resolution?

Mr. CONTE. Well, I filed the resolution, along with Congressman DAN FLOOD. I feel, as DAN does, that this will focus the attention upon the Soviet Union throughout the world, that they are the real imperialists, and it will bring to light to the new building nations throughout the world what has happened to these people, these captive nations all over the world. The Republican platform committee, of which I was a member—I was vice chairman of the foreign policy subcommittee in the platform committee—came out very strongly in favor of such a resolution, as did the Democrats in Los Angeles during the campaign. I think both parties had pledged that they would form such a committee, made up of Members of the House, to investigate the captive nations and how they became captive nations.

Mr. WARREN. Dr. Dobriansky, you were personally involved, I believe, in Captive Nations Week, to a degree, and I know you support the captive nations resolution now before the House or which has been passed. But let me ask you what you propose to do with this resolution. Aren't we stepping on the toes of the Foreign Affairs Committee? Isn't this one of their functions?

Dr. DOBRIANSKY. Well, I don't know that this question should be directed to me rather than to the two congressional Members here. I'm just an outsider. But since you raised it, my feeling is that the resolution as it is stated makes allowances, you see, for members of the Foreign Affairs Committee to join this committee. Now one of the primary reasons for this resolution, as I understand it——

Mr. FLOOD. As a matter of fact, the resolution calls for 10 men, 10 people, 10 members, and 5 of them are to be from the Foreign Affairs Committee:

Dr. DOBRIANSKY. That is correct. But, as I was saying, one of the main reasons for this resolution, as it appears to me, is the fact that here in the United States—and I say this unequivocally—here in the United States we do not have a single agency in Government or in the private realm that carries out a study as contemplated by this resolution. What kind of a study? A study based first on the aggregative concept of the captive nations. Now this resolution expresses that aggregative concept. That same concept is in the Captive Nations Week resolution. And it means simply this: that the captive nations in central Europe are not the only captive nations. You have captive nations in Asia. But, in my opinion, primarily, the most important type of captive nations is within the Soviet Union itself.

Mr. FLOOD. Of course, what I think our moderator has in mind—the idea, and I know you agree—is to have the investigation conducted by a select committee as distinguished from a subcommittee of the Foreign Affairs Committee, so that it will be consistent, systematic, continuous, instead of just a shotgun, on just this one subject itself. The jurisdiction of the Foreign Affairs Committee embraces the entire spectrum of foreign affairs, and we think this subject is so important and so valuable that it should be dignified by a select committee.

Mr. WARREN. It seems to me that it would be a rather expensive function. You can't sit back and expect to get anything volunteered, anything sent to you from these captive nations. You will have to have investigations and inquiries. This should cost quite a good bit of money.

Mr. FLOOD. Oh, no, I had the Katyn Massacre Investigating Committee a few years ago, and we sat all over, we sat in Europe, and we sat in the United States, for many months. We were sitting for almost a year. We conducted elaborate, extensive hearings here and abroad and, as a matter of fact, turned back half the money appropriated. No, the only expenses incident to this sort of hearing investigation would be those directly concerned with the expenses of the operation of the committee; and if you are thinking of astronomical figures, that would not be the case at all. The best example I could give you is my own experience with the extremely successful Katyn Massacre Investigating Committee.

Mr. WARREN. What are the captive nations we are referring to, Dr. Dobriansky?

Dr. DOBRIANSKY. Well, the captive nations would be all the non-Russian nations that have been overrun, either directly or indirectly, by Russian imperialism and colonialism. Most Americans are familiar with the captive nations in what we call satellite Europe, meaning Poland, Czechoslovakia, Hungary, Bulgaria, Rumania, Lithuania, Latvia, Estonia—although I might say that too many Americans have already forgotten that there are three Baltic States which have been submerged in the Soviet Union. We are familiar, too, with North Korea, with North Vietnam, with Tibet, with mainland China, but some aren't familiar with Outer Mongolia or with Singkiang. And when we come to the Soviet Union, I think in this particular instance a committee of this sort can be vitally important in terms of American public enlightenment. Most of our people, unfortunately, are thoroughly unfamiliar with many of the captive nations within the Soviet Union. Their idea of the Soviet Union is that it is Russia, that it is made up largely of Russians, with a few ethnic groups, just as we have here in the United States. Whereas actually a study along these lines will reveal distinct groups, national groups—one, for example, Georgia, going as far back as 4,000 years.

Mr. FLOOD. May I suggest this, Doctor? You're an expert on this. I think if you make it clear that there are two distinct categories of captive nations. For instance, how many people who are listening to this broadcast ever heard of the Idel-Ural as a homogeneous nation? I'm sure only a very few. There are external and internal captive nations, two separate, distinct groups. The external, so to speak, is the one about which most of us are pretty conversant today. For instance, Poland, Czechoslovakia, Hungary, North Korea, North Vietnam and so on. But the internal captive nations are perhaps the most important for the purposes of this resolution. We must identify within what is known as the U.S.S.R. the existence of distinct, internal captive nations, homogeneous indigeneous nationals in race, custom, mores,

religion, culture, and ethnically and in every other way distinct. For instance, say, to walk up to one of these people—any one of a half dozen Lithuanians, or an Estonian, a Latvian, a Ukrainian, a man from Turkistan—and say he is a Russian, that's like saying to my Grandfather McCarthy that he's an Englishman because he came from Ireland, in the British Isles. You can't do this, and it makes no more sense. But this is not understood.

Mr. WARREN. Mr. CONTE, how would you get the information?

Mr. CONTE. Oh, we'd get it by having hearings here, and we'd have hearings over in Europe. Just recently—I'm on the Appropriations Committee, as DAN FLOOD is on the Defense Subcommittee and I'm on Foreign Aid. I happened to visit Austria, and while I was there I went up to the border of Czechoslovakia and Hungary. I took a great many pictures there, colored slides, which I brought back, and have given many speeches back home concerning them. I think that people back home and throughout the world wouldn't believe what I saw there. These poor, unfortunate human beings in Hungary, living behind this barbed wire fence in rows and rows of land mines, like animals. And these Russians stand on these high plateaus with police dogs and machineguns. In fact, while I was there I read an article in the Vienna paper in Austria that some of the Hungarians had tried to escape through these land mines and through this barbed wire fence, and two young Austrian boys saw them hooked up on the barbed wire fence and ran to them to help them.

Everytime they would approach them and reach down to grab the Hungarian boys the Soviets would open fire with their machineguns, and this lasted for about 36 hours until these unfortunate souls bled to death, underneath this barbed wire fence.

I think that we should expose these incidents, and we could hold hearings in countries surrounding the Iron Curtain, and bring out many facts that are unknown to the public.

Dr. DOBRIANSKY. I'd like to supplement the Congressman's remarks by pointing out that when I went through the Middle East, actually from Tunisia all the way over to India, and had an excellent occasion to speak to many heads of state, including Bourguiba and numerous others, I constantly posed the question as to how they felt about the 30 million Moslems in the Soviet Union. Much to my surprise, they expressed definite affinity. And, of course, once you get into areas such as Pakistan and Turkey you have areas where there is a great deal of information that has been untapped. In this instance you might recall, Mr. Warren, that Georgetown University was connected with the Select House Committee To Investigate Communist Aggression. We prepared many of the studies conducted by that committee in 1954 and 1955. And I can say this, on a basis of sheer empirical evidence, that there is still much work to be done. And in a sense this committee will take up the work left undone.

Mr. FLOOD. Let's go back to the purpose of this Captive Nations Committee. What is one of the first things that we must do? In military tactics or strategy, the first thing you do is you must identify the enemy. Now who is the enemy? Who is the target? What is the problem here, and why is there a problem? Well, the chief problem here is that the world does not know, and especially the new nations coming into being do not know, that there is no such thing as the U.S.S.R. as a homogeneous entity, similar to France or Italy or the United States or Japan, that the U.S.S.R. is a conglomeration of many—not tribes, not clans, but—ancient, independent, sovereign states who have been captured, who have been brutalized, and who have been destroyed in a political sense, by imperialistic, Bolshevist communism.

The great weapon, the one weapon, of Khrushchev in his appearance before the United Nations was to point the finger of scorn to the United States and say that we were a colonial power, or that we were the friends of a colonial power—colonialism became a very bad word.

The point is that we have never exposed the Soviet as the real top-dog colonial tyrant in the world. And what we must do, in this investigation, if and when this committee is born, is to unmask Khrushchev as the leading colonialist—strip naked the U.S.S.R. as the real dominant, colonial, tyrannical power in the world today. International communism is the chief exponent and practitioner of all the evils of colonialism. Now that's what must be done.

Mr. WARREN. We will assume, then, that this could embarrass or infuriate the Soviet Premier. Coming at this time, don't you suppose it might embarrass the President of the United States?

Mr. FLOOD. No——

Mr. CONTE. May I interrupt, DAN, to add to what you have said? There's another important point here, and that is the people of the captive nations themselves. It will show them that we haven't forgotten them, and that we're interested in them and in their cause.

Mr. WARREN. How will they be able to know about it?

Mr. CONTE. Oh, they'll be able to know about it. Through Radio Free Europe and what's the other program, DAN?

Dr. DOBRIANSKY. Through the select House committee several years ago they heard about it day in and day out—via their own radios, via their own publications.

Mr. WARREN. What caused the Hungarian revolt?

Dr. DOBRIANSKY. The Hungarian revolt is a case in itself. If you want a disposition on it I'd be more than glad to give it—that was a spontaneous affair. It wasn't premeditated in any way and it wasn't precipitated by the type of propaganda or dissemination of information that we had in this country.

Mr. FLOOD. Our purpose is not to stir up revolt and rebellion or to induce overt acts. However, as Mr. CONTE made very clear, it is important that the people in these countries are firm in their understanding that they are not abandoned by the United States, that this is a positive and affirmative act. We will make very clear what this program is.

If you think for one moment that there does not exist effective and good underground operations in all these nations, let me assure you that they do exist and these things will continue, so this is a means of sending words to our friends in these nations that they must not abandon hope, and that we would use every means, every weapon in our arsenal of propaganda. And this is propaganda. This is turning the Devil against himself in this case. And we propose to proceed in well-planned and well-authenticated investigatory methods.

Dr. DOBRIANSKY. Now, let me just give one illustration of what a committee of this sort could do. Recently Premier Khrushchev went down to Tiflis, Georgia, and into the area of Armenia, commemorating the 40th anniversary of both states. Now in Tiflis, Georgia, he almost talked himself hoarse telling these people how independent they are. In other words, a good deal of the internal propaganda within the U.S.S.R. repeats these things about being independent, about being in the happy coexistence of nations. Now, to the extent that we come out with the truth—in a true course, if you will, of developing a diplomacy of truth—to that extent we furnish definite leverage to these many captive non-Russian nations within the U.S.S.R. to assert themselves, to try to get as much as they possibly can out of colonial Moscow, and, as a consequence, you will have friction, but nothing in the nature of a Hungarian revolt, I'm sure.

Mr. FLOOD. Well, I remember when Mr. Nixon was behind the Iron Curtain—that was right after we passed this resolution in the House, you recall—and Khrushchev spent most of the time talking to Mr. Nixon, complaining about it being done, and explaining at great length that Russia was not a colonial power. And then he went to the United Nations, and we are convinced that the only reason he spent most of his time at the United Nations pointing out that they were not colonialists and that we were the bad guys, was because of the effect this resolution had, not only on the captive nations but upon his own people all through the world who are very upset about this.

Mr. CONTE. He spent a great deal of time trying to tell Nixon that these people were free.

Mr. FLOOD. And when you say for a moment that he would be upset or annoyed by anything like this and that this would embarrass Mr. Kennedy in any conversations he might have with him, well, you are simply suggesting that we are interfering with the domestic affairs of, say, a brigand, or bandit who objects to anybody who interferes with his domestic banditry. But we can't accept this, morally or any other way.

Mr. CONTE. And may I supplement here that during the campaign John F. Kennedy said that we must never, at any summit, in any treaty declaration, in our words or even in our minds recognize Soviet domination of Eastern Europe. Later, he said, "The Democratic platform speaks my own mind on this subject when it declares: 'We will never surrender positions which are essential for the defense of freedom. Nor will we abandon people who are behind the Iron Curtain through any formal approval of the status quo.' "

Mr. FLOOD. Can you imagine what Mr. Kennedy will say to Mr. Khrushchev if Mr. Khrushchev takes up too much time trying to point out to Mr. Kennedy that he is not a colonial power. Can you imagine what Mr. Kennedy will say, coming from Massachusetts, knowing all about the Poles, the Ukrainians, the Czechs, and the Slovaks, Lithuanians and the groups that he, like you and I, have been born and raised with? I just can't imagine that Mr. Khrushchev would expose himself to what he certainly would receive if he ever vehemently denies to Mr. Kennedy the colonial attributes.

Mr. CONTE. He may also say to Mr. Kennedy, DAN, that he shouldn't be interfering in Cuba. And at that point Mr. Kennedy could say to him, "How about Hungary, and all the other captive nations—Lithuania, Estonia, Rumania, Bulgaria, Armenia—all the other captive nations? You have interfered, you have not only interfered but you have captured these people, and you have strung an iron curtain around their land.

Mr. FLOOD. Suppose Mr. Kennedy would just say, "Very well. Let's have the U.N. conduct an open election in all of the captive nations—not only the external captive nations of Poland and Hungary and so on, but in the Ukraine." Can you imagine what the vote would be in the Ukraine?

Dr. DOBRIANSKY. I hope he would. As a matter of fact, he has adequate basis for such a suggestion. Right after the Captive Nations Week resolution was passed Mr. Khrushchev wrote that article, you remember, which appeared in Foreign Affairs, in which he raised the question, how would the American people and legislators supporting this resolution have felt if the Mexican Parliament has passed a similar resolution seeking the liberation of Americans from the slavery of capitalistic America. And then he referred to Texas, and to Arizona and

California. Now the question raised at that time was, let's challenge him on this, provided you have comparable areas within the Soviet Union subject under United Nations auspices to a plebiscite.

But I'd like to mention this, Congressmen. I think, from the point of view of a private American citizen, that it was most dismaying last autumn when Mr. Khrushchev took the floor up in the U.N. and carried on that onslaught against us, against Britain and others, on the matter of colonialism, putting us completely on the defensive. Not one of our spokesmen got up and actually put him where he belonged.

Mr. FLOOD. The Canadians and the Chileans, and the Filipinos, of course, did point that out—I don't think, Dr. Dobriansky, you could have done any better yourself, and that's going pretty far. They did answer him pretty well. And I believe it was by gentlemen's agreement that the so-called big powers did not attack, especially the United States did not attack, at that time. But there was considerable attack made against Khrushchev, although I wondered at the time why much more was not made of it than was.

I think one of the reasons why we should go ahead with very elaborate hearings by this proposed committee, is that I don't believe that the people of this Nation or the people of the new nations of Asia or the Mediterranean basis, or of Africa, especially of black Africa, have any idea that there is in the Soviet Union the most shocking exhibition of colonialism that the world has ever seen since the days of Rome—if you will pardon, Mr. CONTE.

Mr. CONTE. DAN, I think we ought to get a shot in here for our resolution. It is before the Rules Committee now. And I was one of the 22 Republicans that bolted my party to enlarge the Rules Committee so that these bills, such as this Captive Nations Committee bill, could come before the House and let the House work its will. And I hope that this Rules Committee will give us that opportunity, to bring this bill to the floor, at least let us work our will. And I'm sure that the House of Representatives, if the Rules Committee releases the bill, will vote in favor of this committee.

Mr. FLOOD. I hope that you get your hopes.

Dr. DOBRIANSKY. Judging by the display last March 8, when you brought this up on the floor of the House and over 25 or so Congressmen joined in that wonderful discussion, I think judging solely by that, my feeling is that if it should come before the House it would probably be passed.

Mr. FLOOD. And you will remember, Doctor—you were sitting in the balcony, as I recall—not only did 25 or 30 of our colleagues on both sides of the aisle participate in this, others were eager to. But may I have you recall the temper and tone of the speeches made by my colleagues—the great strength and power and belief in the idea of this resolution, to expose—I repeat for emphasis that we must expose—the Soviet as the arch-colonialist imperialist on the face of the earth today. This must be exposed.

Mr. WARREN. Why limit such a proposal to a study of captive nations? Why not a committee on the exposure, say, of Soviet tactics in general.

Mr. FLOOD. Well, because we believe that many of the standing committees are working on this all day and night all the time. But we think this element of colonialism is the Achilles' heel of the entire Soviet structure. This is the crack in their armor, and we must drive a wedge in there, and unravel the whole mess, from that standpoint. This calls for a rifle, not a shotgun.

Dr. DOBRIANSKY. The matter of tactics would come up anyway, in the course of the study. I might just suggest this, and I know this to be correct, on the basis of what has been said to me by many peoople in various parts of our administration, that nowhere in our administration is any study being carried out on the matter of economic colonialism within the U.S.S.R. Now we get a great deal of talk about relative rates of growth between the U.S.S.R. and the United States, and yet, if this is brought out, it would again deflate the overblown Russian image.

Mr. WARREN. Thank you very much, gentlemen, for your discussion of the topic, "Why a Captive Nations House Committee?" The Honorable Daniel J. Flood, Member of Congress from Pennsylvania; the Honorable Silvio O. Conte, Member of Congress from Massachusetts; and Dr. Lev. E. Dobriansky, Economics Department of Georgetown University.

This program has been presented in the interest of public education by Georgetown University. Your moderator, Matthew Warren.

[From the Fort Wayne News-Sentinel, July 19, 1961]

VITAL IMPORT OF CAPTIVE NATIONS

This is Captive Nations Week, but it is not just another of our many "weeks." Indeed, the ultimate fate of the captive nations could well determine the fate of the entire free world, including most importantly (to us, at least), the fate of the United States, and all of our own personal freedoms. And ironically, the eventual fate of the captive nations also holds the key to the future of Soviet Russia and the Communist world conspiracy that it embodies.

Captive Nations Week was born 2 years ago this week, when both Houses of Congress, without a dissenting vote passed what was called the captive nations resolution. No lesser authority than Dr. Clarence Manion, director of the nationwide Manion Radio Forum of the Air, and former dean of the Law College of the University of Notre Dame, evaluates this action as follows:

"Nothing that has happened—before or since—has served the cause of world freedom so spectacularly as this unanimous declaration of the American Congress. At long last our anti-Communist guns were 'on target' and hundreds of millions of enslaved people throughout a third of the world were inspired with new hopes for freedom."

But Dr. Manion cites that lamentably "we haven't followed through" but that there is hope that we might now soon do so, that the captive nations are still determined to be free, and that Khrushchev admits as much when he tells us that West Berlin is "a bone in the Communist throat."

In order to lend timely accentuation to Captive Nations Week this year, Dr. Manion brought to the Manion network at week's end, one whom he describes as "an ardent, eloquent champion of the captive nations, who is resolved to exploit this weakness in the Communist slave system with another congressional resolution, one which provides for continuous constructive action."

This man is Congressman DANIEL J. FLOOD, of Pennsylvania, who has introduced a resolution in the House of Representatives providing for the creation of a Special Captive Nations Committee which would provide a means of systematically and methodically reporting on these nations in the aggregate, and would maintain the spotlight of free world attention and opinion on Moscow's iniquitous colonial system. Congressman FLOOD pointed out how most importantly:

"A full-scale exposure of Moscow's extensive colonial rule is in the highest interest of securing peace with justice. Khrushchev's attempt to conceal the colonial and captive status of the many non-Russian nations within the U.S.S.R. must be exposed. Nothing can contribute more to a genuine and solid improvement of relations with the U.S.S.R. than an intelligent expression of our live awareness of Moscow's colonial and imperialist domination over nations both within and without the Soviet Union."

FLOOD said that such a committee engaged in continuous work based on the aggregate captive nations concept would become "a rich reservoir of new dimensions of thought, of new fresh ideas, of solid and grounded recommendations for positive and constructive action against the traditional imperialism and colonialism of Moscow."

FLOOD added that the functioning of such a committee would serve as a permanent reminder to Khrushchev that "we shall not now, nor shall we ever, write off the captive nations."

Both Dr. Manion and Congressman FLOOD indeed have added a lot to the vitally important meaning of Captive Nations Week. The enactment of Mr. FLOOD's resolution and the functioning of the Special Captive Nations Committee it would create, should add still more meaning to it in the years to come.

CAPTIVE NATIONS WEEK ATTACKED IN PRESS AND RADIO OF COMMUNIST BLOC

Captive Nations Week, 1961, promptly resulted in violent attacks behind the Iron and Bamboo Curtains both on President John F. Kennedy, the U.S. Congress, and the exile organizations. Examining the press and radio dispatches, it becomes evident that the campaign in all Communist bloc countries was centrally directed. Most articles and commentaries referred to the "poor lot of the Negroes" in the United States, to the desire of the Senate to restore capitalism in east-central Europe, and to the American support of dictatorships. Many of the dispatches spoke of the indifference of the American press and public toward the week, little knowing that Captive Nations Week would result in scores of editorials and hundreds of articles in the Nation's press, besides mass rallies and other observances in many major cities of the United States.

Izvestia, July 19, strongly criticized the "American ruling quarters" for starting Captive Nations Week. It said that the "filthy and dangerous game" can arouse only indignation: "It should be said clearly from the start: the whole idea of the week is a clear violation of basic international law—the doctrine of noninterference and consequently of the principles on which the U.N. is built. Who gave the American rulers the right to butt their noses into the internal affairs of other countries with whom, moreover, they maintain diplomatic relations?" After attacking the United States for its treatment of 20 million Negroes and for its support of dictatorships, Izvestia concluded: "No, the spurious American propaganda bout, Uncle Sam's alleged concern for the peoples of the Socialist countries, will fool no one. Only those who are politically blind or ignorant can fail to understand the meaning of the irreversible historical transformations in the Socialist countries of Europe and Asia. No one will succeed in dictating to the peoples what social system to choose."

The Bulgarian paper Zemedelsko Zname, July 19, reported that for several days now "the knights of cold war and the emigrant scum in the United States of America are again blowing their slanderous fanfares and engaging in a malicious campaign against the Socialist countries." The paper continued: "It is indeed difficult to find in the history of our times another instance of similar impudence and cynicism: the defenders of dictatorships, the chief organizers of subversive activities and espionage, the instigators of the arms race to amuse themselves in the role of freedom fighters. As much as it is mean, this campaign is no less foolish, because the peoples of the enslaved countries for whom the United States of America is shedding tears, know well enough the intentions of those who are praying for them

beyond the Atlantic." In conclusion the paper claimed that a "considerable number of bourgeois publishers must be realizing the absurdity of this 'farce' and prefer to pass over in silence the week."

Radio Tirana, July 19, said in a long commentary that the week concealed in fact the intention to restore capitalism in the Socialist countries and it also concealed war preparations. Kennedy's promise to the people that the United States of America would free them from Communist rule was another provocation of the U.S. imperialists. The week was, however, the paper said, not supported by the American people. Kennedy thus made himself a laughingstock. The week would be a shame for him and would show that the Kennedy administration was even worse than Eisenhower's.

Radio Sofia, July 19: "The whole campaign was arrogant and cynical. It was impertinent to speak about the enslaved East European peoples because they had freed themselves from capitalist oppression."

The Bulgarian paper Trud on July 16, in a political article by Apostolov said that the week was proclaimed by the President because of the necessity "to rescue the shattered foundations of the American position of strength." The writer said: "The winds Mr. Kennedy is sowing are not accidental—the time has come when the peoples should admonish the American rulers and their allies in London, Paris, and Bonn that 'He who sows winds will reap storms.' "

Nepszabadsag, Budapest, July 16, reported that by issuing the proclamation, the President "dealt a blow to the New Frontier policy" and the policy of the United States of America based upon "new and more realistic views." The organizing of Captive Nations Week proved that it contains "everything which is old and bad." Therefore it is a "hostile and provocative" gesture toward the countries of People's Democracy. "Many probably remember the new President's statement in which he expressed his desire to normalize U.S. relations with the countries of Eastern Europe. Well, the launching of the 'week' is a new proof that the deeds of today are different from the words of yesterday."

Tribuna Ludu, July 16: Its Washington correspondent, Z. Broniarek, said "For some years the most reactionary American Congressmen and Senators have been eager to worsen the relations between the East and West in this manner (Captive Nations Week), to poison the international atmosphere, and to hinder the search for a common language on the subject of a peaceful solution of controversial problems of international policy." The "propaganda week," the writer said, does not enjoy any execessive popularity in the American community, continuing "Its character is too well known, as well as the moral criteria of many of its organizers. The ill-famed Senator DODD, of Connecticut, former FBI cooperator, is one of its leading spokesmen."

Mlada Fronta, the Czechoslovak youth paper, on July 16, disputed the right of the imperialist countries to fight for the liberation of the nations of Eastern Europe and recalled the year 1938 when the people of Czechoslovakia were thrown at the mercy of Hitler by the British and French allies who acted under the patronage of the United States.

Radio Budapest said on July 15 that the "obsolete weapons of the cold war have been set in motion again."

Hsinhua agency, of Communist China, on July 15, blamed President Kennedy for the provocative proclamation recalling that Captive Nations Week was created under a resolution of the U.S. Senate of 1959 with the outright wish to restore capitalism in the East European countries.

Radio Tirana, on July 15, said in a commentary that President Kennedy, by proclaiming the week against the Socialist camp, followed the Eisenhower pattern.

Radio Prague, said on July 15 that the Captive Nations Week campaign had been condemned by the world public and by the progressive circles in the United States as an attempt at interference in the internal affairs of countries which had gotten rid of the capitalist rule. These same circles had also urged the U.S. Government that instead it should pay attention to the poor situation of the colored population in its own country, and to the terrorist regimes of its own satellites which were merely preserved through the aid of American dollars and armed forces at foreign bases.

Radio Peiping, on July 17, in Serbo-Croat beamed to Yugoslavia, criticized the President for his proclamation, emphasizing that President Kennedy had inherited from President Eisenhower the hostile policy against socialist countries. The week has a provocatory aim, the broadcast emphasized.

Radio Moscow, July 17, said "the most inveterate knights of the cold war, the rabble of anti-Communist emigrants, had started a wicked campaign against the Socialist countries." The commentator referred to the rallies and meetings organized by various anti-Communist organizations and said that the provocative shouting in connection with the week of captive nations supported and backed by official American Government circles evaluate as an attempt aimed at kindling the cold war and poisoning the international atmosphere.

A PROCLAMATION BY THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA ON CAPTIVE NATIONS WEEK, JULY 16–22, 1961

Whereas by a joint resolution approved July 17, 1959, the Congress authorized and requested the President of the United States of America to issue a proclamation designating the third week in July as "Captive Nations Week," and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all captive nations of the world; and

Whereas the chairman of the Washington Committee on Captive Nations Week has requested the Commissioners of the District of Columbia to designate the week commencing July 16, 1961, as "Captive Nations Week," to be observed with appropriate ceremonies and activities; and

Whereas there is a strong belief that the observance of Captive Nations Week throughout our country and our community will serve the cause of America and the entire free world; that the keeping alive of the spirit of liberation is the West's most effective instrument in the cold war and the chief deterrent to a shooting war; and that it will, in particular, strengthen the hand of the West with respect to the ever present critical situation facing Berlin; and

Whereas it is deemed appropriate and proper to extend to the peoples of the captive nations the support and sympathy of the people of our community for their just aspirations for freedom and national independence:

Now, therefore, we, the Commissioners of the District of Columbia, do hereby proclaim the week beginning July 16, 1961, as "Captive Nations Week," and invite the people of the Nation's Capital to participate in the observance of this period by offering prayers in their churches and synagogues for the peaceful liberation of the subjugated peoples from the godless tyranny which oppresses them.

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
WALTER N. TOBRINER.
ROBERT E. MCLAUGHLIN.
F. J. CLARKE.

JUNE 29, 1961.

[From Freedom's Facts, August 1961]

CAPTIVE NATIONS WEEK DRAWS MOSCOW'S IRE

Moscow's answer to the millions of Americans who observed Captive Nations Week, July 16–22, was a violent charge that the United States was poking her nose into the internal affairs of other countries.

Alick de Montmorency, in the Washington Star, July 16, came much closer to the truth. He wrote: "A remarkable experiment, pitting the power of moral force against the military might of Soviet Russia, enters its third year today."

All over the Nation Americans representing many women's clubs, veterans organizations, trade unions, youth groups, and nationality associations took part in this effort. Special masses and prayers were said in churches. Special prayers were offered in synagogues. Everywhere there was an outpouring of support for the self-determination and national independence of countries now held captive by Communist power. They are:

Albania, Azerbaijan, Armenia, Bulgaria, mainland China, Cassakia, Croatia, Cuba, Czechia, East Germany, Estonia, Georgia, Hungary, Idel-Ural, Latvia, Lithuania, North Korea, North Vietnam, Poland, Rumania, Slovakia, Tibet, Turkestan and Ukraine. Total population, 910,698,000.

RED CONTROL—PERSUASION PLUS FORCE

Communists control all of these captive peoples by means of the Communist Parties backed up by the force of Communist-controlled arms. Arms alone are not enough to keep 910,698,000 people captive.

To succeed, Communists must convince at least a working minority of the captive peoples that they have no chance of victory if they do revolt, that their lives aren't so bad after all, that Communist world victory is inevitable, and that Communists have some right to rule because they are leading the people toward a better life.

Such have been the arguments Communist propagandists have put before the captive peoples. In the few months prior to Captive Nations Week this year the line was expanded. Khrushchev and others tried to convince the captive peoples that they "are the freest people in the world" and that the only enslaved peoples are those unfortunates outside of the Communist bloc.

The Kremlin's worry is that a great moral attack against the right of Communists to rule the captive nations, against the justice of their rule, against the oppressive political nature of their rule will have an effect. Communist leaders fear that effect will be to strengthen and crystallize opposition to Communist rule. At some moment of weakness, that opposition can change into action and the Communists era will be ended in revolution as it began.

The intensive propaganda attack against Captive Nations Week inside the Communist bloc is aimed to morally disarm captive peoples, to convince at least some of them that those outside who want to free them from Communist rule are mere troublemakers who, in any case, cannot succeed.

KHRUSHCHEV SOONER OR LATER WILL FAIL

Napoleon, who was the most feared tyrant of his day, the man seeking to rule the entire world, said that he had to keep delivering victories in order to satisfy the greed and ambition of those supporting him. Khrushchev is in the same position today. If he suffers a serious defeat, and the Communist position of invincibility is shattered, we can expect peoples in the captive nations to seek in action, the national and individual freedom they now nurture in their hearts.

Captive Nations Week observances in Washington, New York, Chicago, Buffalo, Syracuse, South Bend and in many other cities and in thousands of churches and synagogues throughout our Nation are the

means for strengthening captive peoples' will to be free. By so doing these observances are preparing the ground for the eventual total victory of freemen over Communist tyranny with a weapon which the Communists fear most—man's innate will to be free.

[From the Sign magazine, May 1960]

THE MYTH OF SOVIET UNITY

(By Lev Dobriansky)

The U.S.S.R. is a giant with clay feet—a restless conglomeration of many unwilling nations held in bondage by masters of deceit in Moscow. Soviet strength depends largely on hiding this fact from the world.

POPULATION FIGURES

The U.S.S.R.

Russians, 96 million.
Non-Russian, 114 million.

Non-Russian Nations Within U.S.S.R.

Estonia, 1,200,000.
Latvia, 2,100,000.
Lithuania, 2,700,000.
Byelorussia, 10,800,000.
Ukraine, 42 million.
Cossackia, 10 million.
Idel-Ural, 15 million.
Georgia, 4 million.
Armenia, 1,800,000.
Azerbaijan, 3,700,000.
Uzbek, 8,100,000.
Turkmen, 1,500,000.
Tadzhik, 2 million.
Kazakh, 9,300,000.
Kirghiz, 2 million.

Figures based on U.S.S.R. census, 1959.

Propaganda is the Russian Communists' most important weapon in the cold war. Out of a strange mixture of truths, half truths, and bald lies, they have cunningly devised an amazing system of deception. Chief among their deceits is the myth of Soviet unity.

This myth is kept alive only as long as we remain ignorant of the facts. It is high time we exploded the myth with knowledge of the truth.

What Americans do not know about Russia came to light painfully last July when a joint resolution, unanimously passed by Congress, called for the observance of Captive Nations Week. Now Public Law 86-90, this congressional act is the first official recognition which our Government has made of the existence of non-Russian nations within the Soviet Union.

The act of Congress mentions many captive nations without and within the U.S.S.R. borders. Deceived by Russian propaganda, Americans had long thought of captive nations only in terms of the satellites in eastern and central Europe.

When the resolution was made public, reporters, commentators, and the public inquired, "Where is White Ruthenia? Where is Cossackia?" Many admitted that they had never heard of Idel-Ural or Azerbaijan or even Turkestan. Meanwhile, a number of writers and analysts continued along their merry but blind way to apply this act of Congress solely to those minority captive nations in central Europe.

Those who investigated the situation were astonished to discover that there are more captive nations within the U.S.S.R. than there are without. They were surprised to learn that the people of those captive nations within the Soviet borders outnumber all the Russians combined.

When the joint resolution was passed, few Americans appreciated this fact. But Khrushchev did. Knowing the implications of President Eisenhower's proclamation of Captive Nations Week, he exploded.

Khrushchev was aroused because he wants to hide from the free world the fact that Russia, although a political giant, is a giant with clay feet—a giant whose framework is made up of many different strands.

We must understand some important distinctions between tribes, nations, states, voluntary federations, and tyrannically constructed empires.

The state, it should be noted, is simply the political aspect of the nation. Sometimes you have several nations voluntarily existing in one state, as in Switzerland. Again, you may have one nation being ruled, in separate parts, by two governments, as in Ireland. Again, many nations, against their will, may be politically and tyrannically controlled by one superimposed government, as in the Soviet Union.

After World War I, the present captive nations within the U.S.S.R., were newly independent states. In the collapsing Russian empire, after World War I, Lithuania, Georgia, Armenia, and other non-Russian nations, declared their political independence. They were free of czarist control. Furthermore, they had no mind to submit to Communist control from Moscow. They established themselves as free democratic republics. Ukraine and Georgia were even recognized as separate states by Lenin's Soviet Russia.

We remember well the tragic fate that overtook independent Lithuania, Poland, Hungary, and others in the forties. But what most of us forget is that similar tragedies befell Georgia, the Ukraine, White Ruthenia, and others in the early twenties. Trotsky's Red Russian Army had picked them off one by one after softening them up by infiltration, subversion, propaganda, etc.

By 1923, following the first wave of Red Russian imperialism, these non-Russian nations were forced into the spurious federation called the Union of Soviet Socialist Republics. Because of their large populations and their natural resources, these non-Russian nations formed the base for Moscow's further imperialist thrust into central Europe. Currently, they form the base for Russian colonial designs in the Middle East, Asia, and Africa.

Yet—and here is a basic point which Americans must grasp—these non-Russian nations within the U.S.S.R. have not passively accepted the Soviet yoke. Each decade, since the twenties, has been serious friction, resistance, even open rebellion, scald the hand of their Moscow masters.

This struggle continues. Not a month goes by that Moscow does not launch a fresh attack against this nationalistic trend. Indeed this opposition to Moscow pressured Stalin to bid for the inclusion of Ukraine and Byelorussia as original members of the United Nations. From time to time, Moscow finds it expedient to pretend that the non-Russian republics are independent. Amendments to the U.S.S.R. Constitution provide for these republics to have their own war ministries and to enter into direct diplomatic relations with other states. Moscow clearly does not underestimate the reality of these restless nations.

In December 1957, Khrushchev addressed the Supreme Soviet in Ukraine. He referred to Ukraine as "a truly free and independent nation."

But Nikita Khrushchev is not fooling the Ukrainians—and he dreads their genuine nationalism. Even during the illusory "spirit of Camp David" his agents in Munich assassinated the Ukrainian nationalist leader, Stefan Bandera, and, under the economic disguise of "voluntary resettlements," Khrushchev is currently engineering the deportation of families from western Ukraine to central Asia and the Crimea.

These non-Russian nations within the Soviet borders are ancient peoples with long histories and periods of national freedom. Ukraine has 42 million people, the biggest non-Russian nation within the U.S.S.R. The 3 Baltic nations number 6 million; White Ruthenia (Byelorussia), 10.8 million; Georgia, 4 million; Armenia, 1.8 million; Azerbaijan, 3.7 million; and Turkestan, purposely divided by Moscow into 5 "republics," (Kazakh, Tadzhik, Kirghiz, Turkmen, Uzbek), 22.9 million. Add to these some 10 million ethnic and nationally conscious Cossacks located above the Caucasus, and about 15 million Moslems concentrated in the Idel-Ural (Volga-Ural) country, and you wind up with the sizable figure, of about 114 million people. This figure covers only 11 compact ethnic and national non-Russian units. There are many small tribal units besides. The Russians number 96 million. Kremlin propaganda concerning the economic progress of the U.S.S.R. would take on a different color if it were subjected to the searching light of reality.

Moscow is supervising an uneasy conglomeration of many nations within the borders of the U.S.S.R. and a restless system of additional colonies outside its borders.

An economy based on extensive captive resources can hardly be compared with a free national economy. Most of the resources within the U.S.S.R. are concentrated in non-Russian areas: agriculture in Ukraine, Turkestan, and Georgia; coal in Ukraine and Turkestan; oil in Azerbaijan and Idel-Ural; 90 percent of the manganese in Georgia and Ukraine; iron ore in the Caucasus and Ukraine. Turkestan, three times the combined size of Britain, France, and Germany, alone accounts for about half the copper, lead, zinc output, and is also rich in bauxite and silver.

Soviet propaganda concerning the military might of the U.S.S.R. also acquires a different shade of meaning when confronted with facts. Forty-three percent of the Armed Forces of the U.S.S.R. is non-Russian. Even apart from likely Russian defections, ths is most significant. As for potential Ukrainian, Russian, and other defections, Hungary has furnished the most recent example of what may happen.

Despite their inner weaknesses, the Russians have not only manufactured a myth of unity and invincible strength but they have managed to have the myth accepted by America. The myth has been swallowed not only by the public but by newsmen, commentators, columnists, and political leaders in high levels of Government. A few examples:

The New York Times, October 21, 1958: "Cardinal Agagianian is Russian by birth, having been born near Tiflis." This statement makes about as much sense as asserting that "Cardinal D'Alton is English by birth, having been born in the British Empire." Cardinal D'Alton is Irish and Cardinal Agagianian is Armenian.

Returning from a visit to the U.S.S.R., Adlai Stevenson wrote: "Russia is still a land of sharp and vivid contrasts." He meant the U.S.S.R.

Last July the Governors report on the Soviet visit was issued. Referring to the United States and the U.S.S.R., the report stated: "Ways must be devised for the people of these two major nations to understand each other." Even Khrushchev, speaking to various peoples within his empire, would not go so far as to call the U.S.S.R. a nation.

We would expect the U.S. Office of Education would be correctly informed. Yet, in its "U.S. Mission's Report on Education in the Soviet Union," we read: "The one fact that most impressed us in the U.S.S.R. was the extent to which the nation is committed to education as a means of national advancement." Actually, our Government still recognizes the free governments of Latvia, Lithuania, and Estonia.

I can almost hear my readers complaining that I am indulging in semantics. But this is not merely semantics. Senator John F.

Kennedy would resent it very much if people kept calling him Richard M. Nixon and vice versa. Everyone likes to retain his own identity, his own background, character, and intentions. So do peoples and nations.

The cold war today is being waged basically on the propaganda level. Hearts and minds of men are the primary targets. This has always been Russia's empire-building mode of attack. But Moscow's lies will eventually smash themselves against the hard reality of truth. Truth makes men free—and we can begin to triumph over imperialist Russian totalitarianism once we replace our misconceptions of Russia with knowledge of the truth. The captive nations resolution was a start. It is tragic that Moscow knows this better than we.

[From the Ukrainian Bulletin, July 15, 1961]

CAPTIVE NATIONS WEEK: BEACON OF FREEDOM

In his Captive Nations Week proclamation, President Kennedy invited Americans "to observe this week with appropriate ceremonies and activities" and urged them "to recommit themselves to the support of the just aspirations of all peoples for national independence and freedom."

Thus, in implementation of Public Law 86-90, Americans throughout the country observed Captive Nations Week, beginning July 16 through July 22, with mass rallies, concerts, special observances, as well as church services and public manifestations.

This year's observance of Captive Nations Week took on a special meaning and significance, as it took place at a time when a grave international crisis has developed as a result of the threats and blusterings of Khrushchev.

THE WEAPON OF FREEDOM

Two years ago, when the Captive Nations Week resolution was enacted by the U.S. Congress, it created a fury of violent protests and remonstrations in Moscow. For Khrushchev, more than Americans anticipated, felt the blade of this powerful psychological weapon.

The resolution, in effect, became the first American official document which bluntly characterized the Soviet Union as a predatory and wanton empire, built on the conquests and loot of the non-Russian nations and territories. It fearlessly pointed to Moscow as a center of slavery, when it described the enslavement of 22 countries:

"Since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

"The imperialistic policies of Communist Russia have led, through direct or indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam and others."

In his proclamation President Kennedy stated that the joint resolution of July 17, 1959, authorizes the Chief Executive of the United States of America to issue "a similar proclamation each year until such time as freedom and independence have been achieved for all in the captive nations of the world."

Thus the plight and suffering of the captive nations has become the concern of the American people and the U.S. Government as well.

It is as yet too early, at this writing, to assess the reaction, if any, of Moscow, against the Presidential proclamation. In 1959 and in 1960 Moscow raged violently and indignantly, when President Eisenhower issued similar Captive Nations Week proclamations.

Today, we may expect that Moscow will not keep silent and that sooner or later it will react against the Presidential proclamation as it reacted the two previous years.

In espousing the cause of the enslaved nations trapped behind the Iron Curtain of Europe and Asia, we are hitting the most vulnerable spot of the Russian slave empire. The proclamation reminds the American people and the world at large that America has not accepted as final the enslavement of the captive nations.

SUPPORT OF SILENT ALLIES

In conclusion, by observing Captive Nations Week we are serving notice to Moscow that we are not giving up hope for the eventual liberation of all the captive non-Russian nations.

Let us relentlessly keep driving home the point that the Communists of Moscow are for self-determination only in those parts of the world which are not under their control and supervision, and the Russians, while waving a banner of liberation among the African and Asian peoples, are denying the most elementary rights to the peoples whom they conquered and over whom they exercise a despotic rule.

Let us make sure that the concern over the captive nations is part and parcel of our foreign policy, and that it is not limited solely to speechmaking and other ceremonial manifestations, but that it is one of the basic tenets of our foreign policy objectives, one on which we cannot afford to compromise without losing our self-respect and our moral fiber.

For the captive peoples are our silent allies in the common struggle against the enemy of mankind.

The continued resistance of the enslaved nations is a great deterrent to any aggressive adventures which Khrushchev might foolishly undertake.

Therefore, firm U.S. support of the cause of liberation of all the captive nations would strengthen the will and determination not only of the German population of West Berlin, but the millions of our secret allies behind the Iron Curtain.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain communications.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OF THE INTERNAL REVENUE CODE TO RESTORE CERTAIN PAST ADMINISTRATIVE PRACTICES IN COMPUTING GROSS INCOME FROM MINING FOR PERCENTAGE DEPLETION PURPOSES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. KNOX] 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. KNOX. Mr. Speaker, I introduced, on August 2, a bill, H.R. 8474, to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes. In my opinion, this bill represents a reasonable solution to certain important problems that Congress, in all fairness, should solve. In order to help my colleagues understand these problems better, I would like to present for the record a brief summary of the historical background.

Effective for the year 1932, percentage depletion was substituted by Congress for discovery depletion in the case of coal, sulfur, and metal mines. The percentage depletion deduction—like the discovery depletion allowance before it—represents an allowance for the exhaustion of a wasting asset, somewhat similar in nature to the capital gains treatment afforded to a taxpayer who disposes of a capital asset. In addition, it represents an incentive taxation policy which is designed to make available to the Nation a plentiful supply of the minerals which we need to maintain our high standard of living.

Percentage depletion is computed as a fixed percentage of the gross income from mining, with an additional percentage limitation based on taxable income from mining. The "income from mining" was not defined in 1932, and the lack of definition resulted in various problems which Congress solved by enacting a statutory definition of "income from mining" in the Revenue Act of 1943.

The 1943 definition was reasonably satisfactory, and resulted in very little litigation, until Congress added a number of additional minerals—including nonmetallics such as brick and tile clay, refractory clay, limestone, dolomite, and so forth, in 1951 and 1954. Faced with a 1943 definition of income from mining that was not particularly designed to deal with some of these nonmetallics, the district courts and the courts of appeal relied upon the statutory language that "mining" was meant to include all processes normally applied by mine-owners or operators in order to obtain the commercially marketable product or products. In interpreting this language, the lower courts held that "mining" went beyond the concept of mining which had been incorporated in Treasury Department rulings and administrative practices. They said, for example, that producers of calcium carbonates were entitled to include within mining the processes necessary to produce cement, whereas the Treasury had always maintained the position that crushing and grinding, which have traditionally been considered as part of the mining operation, were the "mining" processes in the production of cement. The courts also held, in view of the express language of Congress, that brick and tile clay producers were entitled to include within "mining" the processes necessary to produce their first commercially marketable product—finished brick. This went further than the Treasury's historical position, which was that brick producers were entitled to include within mining the crushing, grinding, and separating from waste. Other examples could be given. It is perhaps well to point out that all of the lower courts agreed upon "end product" interpretation of the congressional language.

In 1957 the Supreme Court of the United States denied the Government's request for certiorari in the two leading cases which interpreted the statutory

language as meaning "end product"—*Merry Bros. Brick and Tile Co.*, 242 Fed. (2d) 708 (CA 5), certiorari denied 355 U.S. 824, and *Dragon Cement Co., Inc.*, 244 Fed. (2d) 513 (CA 1), certiorari denied 355 U.S. 833.

When the Supreme Court refused to review these cases, a reasonably prudent man was entitled to believe that the courts had with finality interpreted the language of the law to mean in the case of brick to mean that the producers were entitled to compute their depletion allowance on the income from finished brick. Indeed, the Internal Revenue Service published Technical Information Release No. 62, on October 18, 1957, advising taxpayers that, in view of the Supreme Court's action in these two cases, the service would dispose of brick and tile clay claims in accordance with those decisions, and would amend its regulations accordingly. This published statement also applied to cement when produced from "cement rock."

There is no question that the service meant, in issuing Technical Information Release No. 62, that it was giving up the long judicial battle on brick and tile clay, and in the future would agree that depletion on brick and tile clay was to be computed on the basis of the selling price of brick and kindred products. This meaning was understood throughout the industry, and brick producers relied upon the Government's word in their financial planning. For 2 years after the issuance of Technical Information Release No. 62, the Government abided by its word—settling a large number of tax cases on the basis of finished brick.

In 1958 the administration asked Congress for a change in the law with respect to the meaning of "gross income from mining" for brick and tile clay and cement—again showing to the brick industry that it understood the judicial interpretation of the existing law to mean finished brick. No action was taken by Congress that year, so in 1959 the Treasury repeated its request for remedial legislation—this time on a much broader scale, affecting all minerals, to forestall the possibility that judicial interpretations might upset administrative precedents with respect to many other minerals. Hearings were held by the Ways and Means Committee in 1959, but no action was taken on the Treasury's request that year.

On December 14, 1959, the Supreme Court granted the Government's request for certiorari in Cannelton Sewer Pipe Co., involving the definition of gross income from mining for fire clay and shale. That was the first date on which a prudent man would have been justified in doubting the judicial interpretation that income from bricks formed the basis for depletion on brick and tile clay. It is important also to remember that, on that date, the Government was still living up to its word in Technical Information Release No. 62—it was computing depletion for brick and tile clay on the basis of income from brick.

Subsequently, in June 1960, two important things happened, almost simultaneously. On June 20 the Senate adopted, as an amendment to the Public Debt and Tax Rate Extension Act of 1960, the Gore amendment which was, word for word, identical to the Treasury Department's 1959 legislative proposal—spelling out in the law the Treasury's historical interpretation of the 1943 statute. The Gore amendment was adopted by Congress and approved by the President on June 30, 1960, but not until it had been substantially rewritten in conference. It was applicable only to 1961 and future years, and did not purport to cover the situation for past taxable years.

During debate on the Gore amendment, Congress was put on notice that the extreme haste with which the amendment was rewritten and passed might well result in unintentional inequities that would have to be corrected in the future, a prophecy that has proven all too correct. It is to certain major inequities that my bill is addressed.

On June 27, 1960—while Congress was in the process of adopting the Gore amendment as rewritten in conference—the Supreme Court of the United States handed down its decision in *U.S.* v. *Cannelton Sewer Pipe Co.*, 364 U.S. 76. This decision was a narrow one on its merits—holding that a producer of fire clay and shale was not entitled to depletion on its finished product merely because it could not sell its raw minerals at a profit. Nevertheless, the Supreme Court used very broad language in its opinion—language which touched upon many important principles which were not at issue and which were not argued before the Court. Lawyers realize that obiter dicta of this nature, not essential to the decision and promulgated without the benefit of argument before the Court, are not supposed to furnish guidelines for subsequent cases. As a practical matter, however, the district courts and the courts of appeals will generally follow the Supreme Court's obiter dicta when, as in this instance, they are not contradicted by statements of the Court in other cases. The net result, then, is that we find the lower courts in a position where they feel bound to follow statements of the Supreme Court which were not well considered, being issued gratuitously and without benefit of argument by counsel. Already, lower court decisions are being rendered which indicate quite clearly that the Supreme Court's decision will be used to disallow, as a part of "mining," some processes, such as crushing and grinding, which have always been considered as part of "mining" and which the Treasury has always allowed by regulation and by administrative practice before the Cannelton decision.

Late in 1960 the President approved Public Law 86-781, which contained, among other things, a special provision allowing the producers of minerals used in making cement to elect to apply, retroactively, the provisions of the Gore amendment. This option permitted the settlement of open taxable years prior to 1961 on the basis of kiln feed, which was the historical administrative position of the Treasury prior to the end-product cases. In this manner, the special legislation permitted the settlement of a large number of court cases, on a basis which conformed to the meaning which Treasury historically ascribed to the 1943 congressional definition of "mining." Almost all of the cement producers elected to use this settlement, resulting in additional tax collections running into the hundreds of millions of dollars.

The time has come when Congress should face the problem of correcting unintended inequities with respect to minerals generally, and also the problem of keeping the Government's word with the brick producers. The pendulum has swung too far, and we should correct the situation before it gets any worse.

With respect to minerals generally, legislation is needed to restore historical and well-founded administrative practices. In view of the sweeping statements contained in the Supreme Court's Cannelton decision, the lower courts are disallowing some processes that the Government always previously recognized as mining processes within the intent of the 1943 act.

In explaining the conference agreement on the Gore amendment to the Senate, Senator BYRD stated, in part, that—CONGRESSIONAL RECORD, volume 106, part 11, page 14514:

> The bill will, however, generally continue the treatment provided under the law prior to the court cases in recent years which have expanded the depletion base.

When our distinguished colleague from Arkansas who is chairman of the Committee on Ways and Means [Mr. MILLS] was explaining the conference agreement on the Gore amendment to the House, he was asked what the bill would do in the case of limestone producers who crush, grind, sort, screen, wash, dry, store, and load the material. Congressman MILLS stated, in response—CONGRESSIONAL RECORD, volume 106, part 11, page 14548—that:

> There is no change in the processes allowed under present law with respect to that operation.

Thus, it is clear that Congress in passing the Gore amendment intended to maintain historical interpretations and administrative practices. Yet in some important respects—primarily "crushing" and "grinding" of minerals which are "customarily sold in the form of a crude mineral product"—the Gore amendment has unintentionally cut back on previously allowed processes.

In the 1959 hearings before the Ways and Means Committee on the Treasury Department's proposals, the Treasury witness stated—page 9—that "processes such as crushing, grinding, and loading for shipment are recognized as mining processes when applied to a crude material."

Crushing and grinding were always allowed by the Treasury Department, in its administration of the 1943 act, as "mining" processes in the case of all minerals. Those processes would have been allowable as a part of "mining" under the 1959 Treasury proposal, and under the Gore amendment as it passed the Senate. However, the last-minute revision of the bill in conference, which I have already referred to, resulted in

changes which eliminated from the bill the allowability of crushing and grinding in the case of minerals customarily sold in the form of a crude mineral product. Moreover, the lower court interpretations of the Cannelton decision indicate that the allowability of these processes will be lost retroactively in the case of some taxpayers.

In 1960, when the House was considering the conference agreement containing the Gore amendment, my esteemed committee colleague from Wisconsin [Mr. BYRNES] stated—CONGRESSIONAL RECORD, volume 106, part 11, pages 14550–14551—that:

We have been denied the opportunity to have the benefit of the views of expert and knowledgeable individuals on this very technical subject of depletion. We must stand ready next January to approve promptly any corrective legislation that may prove necessary as a consequence of the hasty action we are forced to take at this time on this important subject to depletion. * * * We can all hope that what we are doing is correct and equitable, but we must stand ready to correct any shortcomings that may develop in the light of more thorough examination in this area.

Mr. Speaker, I submit that serious and unintended shortcomings have developed from that hasty action, and I submit that the time has come to correct those shortcomings.

Turning now to the special case of brick and tile clay, I submit that Technical Information Release No. 62 should be followed for taxable years beginning before December 14, 1959—the date when the Supreme Court granted certiorari in Cannelton, and the first date when any brick producer had any reason to suspect that the Government would not keep its word as set forth in Technical Information Release No. 62. The question has been raised, from time to time, why brick and tile clay producers should get the full benefit of Technical Information Release No. 62 for those years, when the 1960 special legislation for cement gave cement producers much less than the full benefit. There is a very logical and practical answer.

First, cement is produced from several sources—including "cement rock" and "calcium carbonates." In Technical Information Release No. 62 the Government dealt only with "cement rock," a rather indefinite term subject to varying interpretations. As a result, the producers of cement were not in a position to prove that the Government had conceded the finished cement cutoff point for all of their minerals, and hence the compromise reached in 1960 was a reasonable one. On the contrary, Technical Information Release No. 62 was not subject to different interpretations in the case of brick and tile clay—the Government clearly stated it was conceding the computation of depletion based on finished brick.

In addition, it is important to note that the cement industry was treated as a unit for depletion purposes, while there will be great discrimination between members of the brick industry if the situation is not corrected. In a large number of cases members of the brick industry have closed many taxable years on the basis of finished brick, while others are unfortunate enough to have years clear back to 1951 subject to recomputation. The total revenue involved for all open years is somewhat less than $15 million, but the brick and tile clay industry is composed of large numbers of very small taxpayers, many of whom will be forced into bankruptcy if these additional sums are collected by the Government after all these years.

Under previous consent I include the text of a short memorandum I have had prepared explaining my bill, H.R. 8474, to be printed at this point in the RECORD:

EXPLANATION OF H.R. 8474

(1) The bill would allow, for 1961 and future years, crushing, grinding, separating the ore or mineral from waste, in the case of ores or minerals which are customarily sold in the form of a crude mineral product.

Under the Gore amendment, which is applicable to 1961 and future years, crushing and grinding are allowed only in the case of minerals not customarily sold in the form of a crude mineral product. Prior to the court decisions which culminated in the Cannelton decision, the Treasury always allowed crushing and grinding to all minerals—whether customarily sold in the form of the crude or not. In fact, the 1959 Treasury legislative proposal would have allowed crushing and grinding for all minerals. The Gore amendment as it passed the Senate would have allowed crushing and grinding for all minerals. In conference, when the Gore amendment was revised, changes were made which dropped crushing and grinding in the case of minerals customarily sold in the form of the crude mineral product.

The crushing and grinding provisions are necessary for the restoration of past practices, primarily in the case of refractory clay and nonmetallic minerals such as limestone, road stone, etc., which might otherwise be deprived of crushing and grinding if it is decided that they are customarily sold in the form of the crude mineral product.

(2) The law disallows fine pulverization unless it is necessary or incidental to some other process. H.R. 8474 would not change this provision, but it would define fine pulverization. At the present time no one—Treasury, industry, or the courts—knows what fine pulverization means, and there should be some definition in the law to avoid uncertainty and disputes.

(3) The bill would let any taxpayer (except cement producers, who were given a similar option in 1960 legislation) elect to have the Gore amendment, as changed by this bill, apply to all open years prior to 1961—the effective date of the Gore amendment.

This would be beneficial to the following groups of taxpayers:

(a) Taxpayers who are being denied crushing and grinding for past years, under the judicial interpretations of Cannelton. By electing retroactive application, they would get their crushing and grinding—as they always did under the Treasury's administration of the law prior to Cannelton. This group will include primarily the refractory clay and nonmetallic minerals.

(b) Taxpayers who are being challenged on processes named in the statute as mining, because of the possibility of a market for their mineral prior to the application of such processes. When a process is named in the law as a mining process, that should end it—but there is a threat that such processes will not be allowed for back years if the Government can show a market somewhere. By electing retroactive application, the marketability test will be eliminated and named processes will be allowed without litigation.

(4) The bill would treat as mining any process which would have been treated as mining under a published statement of the Internal Revenue Service which was not revoked prior to December 14, 1959. This has application only to brick and tile producers. In Technical Information Release No. 62, issued October 18, 1957, the Service publicly announced it would dispose of pending brick and tile clay and cement rock claims in accordance with the decisions in *U.S.* v. *Merry Brothers Brick & Tile Co.*, and *U.S.* v. *Dragon Cement*, and that it would amend its regulations accordingly. The cement problem has already been settled, by 1960 special legislation. However, it is clear the Service meant, in Technical Information Release No. 62, that it was going to allow depletion on income from brick—and this was well understood by the entire brick industry. For those years prior to December 14, 1950, when the Supreme Court granted certiorari in Cannelton, the brick producers were entitled to rely on the Government's word, and this reliance should not be upset by retroactive application of the Cannelton decision.

In effect, therefore, H.R. 8474 would confirm the allowance of brick for open years through 1959; for 1960 it would provide, as does the existing Gore amendment, that brick producers would be allowed "crushing, grinding, and separating the mineral from waste." The allowance of these processes for 1960 would follow from the retroactive election provisions of the bill.

In summary the bill would settle vexing administrative problems and would end substantial litigation, by restoring to the law the processes which were always granted by the Treasury Department prior to the end product cases which caused so much trouble to everyone.

In addition, it would provide that, in the case of brick, the Government would stand by its word—as Government should.

CASTRO—PROTECTOR OF PIRATES

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. JOHANSEN] 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. JOHANSEN. Mr. Speaker, as matters now stand, in the plane hijacking affairs, Fidel Castro is obviously a receiver of stolen property and a protector of aerial pirates.

In the latest plane hijacking incident, he has compounded these offenses by a deliberate and studied insult to the U.S. Government. He did so by announcing that speedy release of the Pan American jetliner last night was granted in deference to the Colombian Foreign Minister, who was a passenger aboard the plane.

The U.S. Government should deliver an ultimatum for immediate return of the Eastern Air Lines Electra plane still held in Cuba and the hijackers of both planes, and military force should be used if necessary to back up this ultimatum.

We should recognize, of course, that Castro and his Communist regime are also the kidnapers of the people and island of Cuba and that there is going to be no end either to this Communist threat to the security of the United States and the Western Hemisphere or to the international brigandage centered in Cuba, until we take all necessary measures, including military force, to liberate Cuba.

SUGAR LEGISLATION DELAYED

Mr. LANGEN. 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 Minnesota?

There was no objection.

Mr. LANGEN. Mr. Speaker, the Agriculture Department has made it official. It will not recommend expansion of U.S. beet sugar acreage until at least 1962. Secretary Freeman told a news conference that his Department will make no recommendations on sugar to Congress this year, but it is reasonable to expect that recommendations which will be made to Congress at its 1962 session will favor an expansion of beet sugar acreage.

It comes as a great disappointment that the American farmer must once more take a back seat to foreign producers. Secretary Freeman's statement comes despite all our requests to the Agriculture Department to make a recommendation now.

The delay will have a twofold effect on the Red River Valley sugar growers and on other domestic sugar interests. First, the failure of Congress to act this year leaves no planning time for next year's crop. The producer and processor alike suffer when there is no time to get ready. But, more important, Congress will again be faced with a deadline in 1962—the Sugar Act will expire June 30 of that year—and may be forced once more to act in a temporary manner that does not adequately solve the many sugar problems.

The Secretary of Agriculture says it is reasonable to expect that the recommendations made in 1962 will favor an expansion of beet sugar acreage. If it is reasonable in 1962, it should be reasonable right now. American farmers have already demonstrated the need, desire, and ability to produce a greater share of the Nation's sugar crop, and we should give them the chance to prove it with enough advance notice to be ready for it. I suggested as far back as May of this year that American farmers should be given a fair share of the increased market made possible by the termination of the Cuban quota and the increased consumptive needs of the American people. But the administration and Agriculture Department show increasing tendencies to give the "plum" to foreign interests. Secretary Freeman told newsmen that the Department is "prepared to cooperate fully with whatever proposals concerning agriculture may be approved at the Inter-American Conference at Punta del Este, Uruguay." We hope the U.S. farmer is being considered with at least equal cooperative intent.

Congressman HAROLD D. COOLEY, chairman of the House Committee on Agriculture, wrote to me 8 days ago; said he had previously been assured that he would receive sugar legislation recommendations by the middle of June 1961. But, Congressman COOLEY continues:

> On account of the uncertainties existing in many of the sugar-producing areas of the world, I doubt very much if the administration will submit recommendations during the present session of Congress.

The administration and the Department of Agriculture apparently could not care less about the uncertainties such a delay fosters upon the American farmer. We have no assurance that the world uncertainties will miraculously be cleared up anyway; and further delay is a disservice to the American farmer, who should be given first consideration.

The American farmer deserves to produce a larger share of the sugar consumed in this country. Increased domestic production of sugarbeets would be a relief to the taxpayer as well. In our Red River Valley area of northwestern Minnesota and eastern North Dakota, for example, every additional acre planted to sugarbeets will mean almost invariably 2 less acres planted to crops which are in surplus.

Time is rapidly running out for this session of Congress. It is apparent that no sugar legislation will be enacted unless the American people insist on it. There is still time before adjournment, but the action must be immediate.

THE RECORD OF REOPENING THE NSLI PROGRAM AND INCREASES FOR SERVICE-CONNECTED VETERANS

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] 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. SAYLOR. Mr. Speaker, on last June 5 the House passed by unanimous vote the bill, H.R. 879, which provides for an increase in the rates applicable to veterans with service-connected disabilities. In addition to providing for an increase for this group of veterans based on changes in the cost of living, the last increase having been in 1957, the House, following the leadership of the Committee on Veterans' Affairs, continued its general policy of providing the greatest increases for those veterans who had the most severe service-connected disabilities.

This was not a bill which was hastily considered but, in effect, represented months of work prior to its being reported and approved by the House. The Committee on Veterans' Affairs informally and formally received considerable information and numerous proposals before the bill was finally reported in the fashion passed by the House. Prior to that time, the leaders of the major veterans' organizations were consulted and advised of the limitations likely to be in the bill and the reasons why greater increases were not provided. Hearings were held for 3 days, in which testimony was received from all the major veteran organizations, the Veterans' Administration and, in addition, the author of each bill relating to service-connected compensation was invited to testify on his or her proposal. Many Members of the House took advantage of the opportunity.

Shortly after the convening of the 87th Congress, the chairman of the committee had a conference with the President concerning the needs of service-connected disabled veterans and expressed his hope that the administration would support a reasonable and equitable bill involving changes in the compensation structure. Following that conference, the President did include in the budget message an item indicating he would approve a bill raising the rates of compensation for service-connected veterans.

The bill, as I have indicated, passed the House on June 5 by unanimous vote and remained in the Senate Committee on Finance for a number of weeks where it was considered in executive session without any public hearings, but with closed-door testimony from representatives of the Veterans' Administration. Thereafter, the Senate Committee on Finance proceeded to reduce the rates for the 10-, 20-, and 30-percent disabled, adversely affecting approximately 1,300,000 veterans and saving approximately $12 million. The committee also struck from the bill a 7-year presumption for multiple sclerosis. The present limitation is 3 years and the House Veterans' Affairs Committee had acted only after receiving advice from the Director of the Neurological Institute of the National Institutes of Health that a 7-year presumption was entirely warranted. I think most Members will agree as to the standing and the integrity of the National Institutes of Health and the action of the House in this regard was based on solid fact and responsible representation.

The Senate Committee on Finance then proceeded to do what it had done in a number of instances before. It added as a rider to the compensation bill the so-called national service life insurance reopening amendment, advocated and sponsored by the junior Senator from Louisiana [Senator LONG]. This rider has an interesting history and is worth summarizing here. It has never been passed or reported in the Senate as a separate bill where it could be considered on its merits. Apparently its sponsor is so uncertain of his standing on this question that he feels he must have the support of other legislation if this matter is to be enacted into law. In the 84th Congress, the Long rider was added to H.R. 8079, which subsequently became the Survivors' Benefits Act, Public Law 881, 84th Congress. The rider was eliminated by the conference committee. In the 85th Congress, it was proposed as a rider to another insurance bill and here again the House rejected it and the Senate receded. In the 86th Congress, Senator LONG was successful in adding it to the pension bill which subsequently became Public Law 86-211. The House again rejected it and the Senate receded. In the 86th Congress, the Senate Finance Committee again added it to another insurance bill and when the chairman of the Veterans' Affairs Committee requested unanimous consent to take up this matter for consideration, it was blocked by an objection on the floor.

He, thereafter, asked for a rule from the Rules Committee to permit consideration of the proposal but a hearing on this question was not granted prior to adjournment of the 2d session, 86th Congress.

It will be noted from the above recital that on one occasion the House and the Senate voted affirmatively by adopting a conference report to strike out the Long rider. In the other instance, unanimous consent was required to take the action indicated. Thus it is not correct, as some proponents of the Long rider are charging, that the House of Representatives has never had an opportunity to vote on this question.

Strange as it may seem from all this activity, the Senate Committee on Finance has never held hearings on the question of reopening the national service life insurance program, except in the 87th Congress when the hearings were held 10 days after the committee had already reported the compensation bill with the Long rider attached. For a matter which has the merit its sponsor believes it to have, it is indeed strange and an unusual legislative procedural quirk that a responsible committee of the Senate has never held full-scale hearings on this question. In contrast to this procedure, the Committee on Veterans' Affairs in the 82d, 83d, 84th, 85th, and 86th Congresses has held hearings on this proposal. In each instance the bills seeking to accomplish this objective have been rejected by the Subcommittee on Insurance. In the present Congress, hearings have been held and the full committee, as well as the subcommittee, participated in these hearings. Every person wishing to be heard on this subject was invited to testify. The Veterans' Affairs Committee will meet in executive session in the near future to make a decision on this question.

It should be emphasized, too, that the Long proposal has never received the endorsement of any administration since it has been presented. In other words, the Truman, Eisenhower and Kennedy administrations have all opposed this proposal.

Aside from any merits that the so-called Long amendment might have, there are many serious questions in this problem which logic would seem to indicate would have long ago been solved by an interested sponsor. For example, the present proposal provides for a 2-year period within which veterans of World War II and the Korean conflict would have the right to reinstate or receive for the first time national service life insurance, but this would not apply to service-connected, impaired risk veterans of World War II—only to service-connected, impaired risk veterans of the Korean conflict. Why Senator LONG of Louisiana, makes this sharp distinction I do not know. It does not seem logical or equitable to me. Another discrepancy is that Senator LONG of Louisiana, continues to use an outmoded table of mortality, one which we cannot change insofar as past policies are concerned but which the Congress has changed insofar as the issuance of new insurance is involved. In my opinion, no useful purpose is served by requiring the veteran to pay higher premiums and then refunding a considerable portion in the form of dividends. If new insurance is to be provided, logic would seem to dictate the best thing to do from the standpoint of the veterans as well as the Government is to provide low-cost insurance for all those interested in having it. Another discrepancy in Senator LONG of Louisiana's proposal is the fact that the new group would bear the administrative cost of maintaining their policies. Nevertheless, this would require an immediate appropriation of over $7 million which would later be repaid by the policyholders. World War II and Korean policyholders do not have to pay their administrative cost and, while there are constitutional doubts as to whether or not this could be changed even if the Congress desired to do so, Senator LONG of Louisiana's proposal makes "fish" of one group of veterans and "fowl" of another.

From a personal standpoint, the thing that a veteran should realize and consider is how much of a favor Senator LONG of Louisiana is doing him by permitting this reopening. A few facts will suffice.

Approximately 14,000 World War I veterans are maintaining their policies on a term basis. Assuming that their average age is 67, which is the average age for World War I veterans, they are paying $55.87 a year for each $1,000 of insurance. At age 70 this will increase to $72.77 and at age 75 to $111.16. In other words, a veteran of World War I, who has kept his policy on a term basis, at age 75 would be paying more than $1,100 a year for a $10,000 policy.

The World War II veteran today is approaching an average age of 42 and the annual premium for $1,000 of insurance for this age is $10.54. When this veteran was discharged in 1945, 16 years ago, he was paying $8.05. When this veteran reached age 45, he will be paying $11.72; at age 50, $15.05; at age 55, $20.95; at age 60, $30.78; and at age 65, $47 annually for each $1,000 of insurance.

Many veterans apparently are under the misapprehension that they will pay the same rates they paid 15 years ago. I hope these figures will prove what is involved.

We are now spending on the veterans' program for compensation, pension, medical care, and other similar benefits just slightly under $5 billion. The program is under attack from time to time and any program of that magnitude has to be watched constantly to keep it in line and to see that it is administered as reasonably and efficiently as possible. It also has to be considered from the standpoint of "basics" and many Members do not consider insurance a basic veteran benefit. No Member, so far as I know, is carrying any torch for the private insurance companies. No Member has any objection to the maintenance of the present program or any strong criticism of it, but there is a real question as to why we should adopt a new program which some can and do charge with complete accuracy as being a gigantic socialistic step—directly in competition with private business. In view of such a charge, it is rather surprising that the conservative Senate Committee on Finance would so casually approve a measure of this type.

Insurance is available from private sources for the men who would be eligible under the Long proposal. True, the dividend experience from private companies has been and would be nothing like what the veteran could expect under the Long proposal, but I do not believe we are required or have any obligation to provide insurance dividends to veterans as a part of the veterans' program. An insurance dividend is not a basic veteran benefit.

Regardless of the above questions which I have endeavored to present and which I think are meritorious and warrant the closest consideration, I think that all reasonable men will agree that the question of reopening the national service life insurance program has no relation to meritorious increases for service-connected disabled veterans. The House of Representatives passed a bill which would have provided nearly $88 million the first year in additional benefits for these veterans and many millions of dollars over the next few years. There should be no doubt in the minds of Members of Congress or the veterans of this country as to who is responsible for the delay in receiving a worthwhile increase in service-connected compensation rates. The blame lies squarely with those individuals, both in and out of Congress, who are insisting on inclusion of unrelated and nongermane items to this compensation bill, H.R. 879.

I ask unanimous consent to include at this point a history showing the bills which have been passed by the House and Senate, beginning with the 80th Congress and down to the present time in the 87th Congress, and which have failed to become public laws. Also, I ask unanimous consent to include a recent memorandum prepared on this subject by the chairman of the Veterans' Affairs Committee.

	Committees	Congresses							
		80th	81st	82d	83d	84th	85th	86th	87th
House bills which died in Senate	Finance	3	13	8	1	17	10	5	6
	Labor and Public Welfare.	------	5	3	1	------	1	------	4
	Other	3	------	------	------	------	------	1	1
		6	18	11	2	17	11	6	[1] 11
Senate bills which died in House	Veterans' Affairs	4	7	4	2	------	3	2	[1] 1

[1] 1st sess. to Aug. 7, 1961.

Total number of bills which died in Senate, 80th–87th Congs., to date:

Committee on Finance	63
Committee on Labor and Public Welfare	14
Other	5
Total	82

Total number of bills which died in House, 80th–87th Congs., to date 23

EIGHTIETH CONGRESS

House bills which died in Senate:

H.R. 3814, authorizes $5,000,000 for Negro hospital at Franklin County, Va.

H.R. 4160, amended National Service Life Insurance Act extending application for waiver of premiums, Committee on Finance.

H.R. 4651, amended National Service Life Insurance Act to extend reinstatement of 5-year term insurance, Committee on Finance.

H.R. 5680, amended National Service Life Insurance Act to exclude beneficiary parents who abandoned family after 7 years, Committee on Finance.

H.R. 6439, directed VA Administrator to make investigation of West Virginia plan for low-cost housing.

H.R. 6958, authorized VA Administrator to transfer property at Naval Training Station, Great Lakes, Ill., to Navy Department.

Senate bills which died in House:

S. 86, naming hospital at Americus, Ga.

S. 1056, amend World War II GI bill of rights to reduce benefits for U.S. citizens who had allied service and comparable allied benefits.

S. 2772, amend administrative provisions for Veterans' Canteen Service in VA.

S. 2807, authorized VA Administrator to contract services for investigation reports on insurance claims.

EIGHTY-FIRST CONGRESS

House bills which died in Senate:

H.R. 1941, provide limiting participation as beneficiary under National Service Life Insurance Act, Committee on Finance.

H.R. 2108, redefine term "wife" to include "dependent husband," Committee on Finance.

H.R. 4617, liberalize payment for pension certain veterans and dependents, Committee on Finance.

H.R. 5853, relating to full-time institutional trade and industrial training, Committee on Labor and Public Welfare.

H.R. 5965, hospital construction, Committee on Labor and Public Welfare.

H.R. 6034, Negro hospital, Franklin County, Va., Committee on Labor and Public Welfare.

H.R. 6374, liberalize pension laws, Spanish War, Committee on Finance.

H.R. 6559, minimum compensation for arrested tuberculosis, Committee on Finance.

H.R. 6560, increased disability benefits under National Service Life Insurance Act, Committee on Finance.

H.R. 6561, benefits dependent husbands and widowers of female veterans, Committee on Finance.

H.R. 6562, additional compensation for loss of creative organ, Committee on Finance.

H.R. 6673, treble damage action under loans of GI bill, Committee on Labor and Public Welfare.

H.R. 7534, 3-year presumption for psychosis, Committee on Finance.

H.R. 7739, count service academy service as active service, Committee on Finance.

H.R. 8236, apply dividends to premium payments under NSLI, Committee on Finance.

H.R. 8576, burial benefits, Philippine veterans, Committee on Finance.

H.R. 8848, study physical effects of suffering of prisoners of war, Committee on Labor and Public Welfare.

H.R. 9911, gratuities indemnity payment, Committee on Finance.

Senate bills which died in House:

S. 372, naming hospital at Americus, Ga.

S. 672, educational benefits enlistees prior to October 1, 1945.

S. 745, naming hospital at Chicago, Ill.

S. 928, naming hospital at Wilmington, Del.

S. 1387, naming hospital at West Haven, Conn.

S. 3254, naming hospital at Buffalo, N.Y.

Senate Concurrent Resolution 107, interpretation of Public Law 610, 81st Congress, re education costs.

EIGHTY-SECOND CONGRESS

House bills which died in Senate:

H.R. 301, benefits dependent husbands, widowers of female veterans, Committee on Finance.

H.R. 302, redefine requirements for pharmacists in VA, Committee on Labor and Public Welfare.

H.R. 304, provide study physical effects of prisoners of war, Committee on Labor and Public Welfare.

H.R. 313, hospital construction, Committee on Labor and Public Welfare.

H.R. 316, minimum rate arrested tuberculosis, Committee on Finance.

H.R. 317, increased disability benefits under NSLI, Committee on Finance.

H.R. 318, additional compensation loss of creative organ, Committee on Finance.

H.R. 2384, count service academy service as active, Committee on Finance.

H.R. 4108, service connection less than 40 percent, Committee on Finance.

H.R. 5891, further presumption for psychosis, Committee on Finance.

H.R. 6167, prohibit reduction of rating in effect 25 years, Committee on Finance.

Senate bills which died in House:

S. 306, naming hospital at Birmingham, Ala.

S. 645, naming hospital at Seattle, Wash.

S. 2729, transfer hospital from VA to Army.

S. 2731, transfer of hospitals between VA and Defense.

EIGHTY-THIRD CONGRESS

House bills which died in Senate:

H.R. 3685, furnish space and facilities in VA to State agencies, Committee on Finance.

H.R. 9866, limitations on outpatient dental care, Committee on Labor and Public Welfare.

Senate bills which died in House:

S. 631, suspend or delay education while serving as missionary.

S. 2719, subversive activity bar to education benefits.

EIGHTY-FOURTH CONGRESS

House bills which died in Senate:

H.R. 735, increase pension for Medal of Honor recipients, Committee on Finance.

H.R. 1614, increase compensation for eye and limb loss, Committee on Finance.

H.R. 1821, authorize checks forwarded to addresses, Committee on Finance.

H.R. 2867, pension increase Spanish War widows, Committee on Finance.

H.R. 5055, count service academy service as active, Committee on Finance.

H.R. 7144, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 7886, increase pension rates, Committee on Finance.

H.R. 8458, marriage dates liberalized for Spanish War widows, Committee on Finance.

H.R. 9841, raise income limitation for certain widows, Committee on Finance.

H.R. 9922, permanent-total rating active tuberculosis while hospitalized, Committee on Finance.

H.R. 10046, uniformity in compensation laws, Committee on Finance.

H.R. 10238, land for cemetery use in North Carolina, Committee on Labor and Public Welfare.

H.R. 10477, ban pension to prisoners after 60 days, Committee on Finance.

H.R. 10478, disposition of benefits unpaid at death of beneficiary, Committee on Finance.

H.R. 10542, liberalize criteria for eligibility of widows, Committee on Finance.

H.R. 12038, increase compensation and dependency allowances, Committee on Finance.

House Joint Resolution 110, wartime status service in Moro Province, etc., Committee on Finance.

EIGHTY-FIFTH CONGRESS

House bills which died in Senate:

H.R. 65, benefits VA employees in Philippines, Committee on Finance.

H.R. 67, increase pension for Medal of Honor recipients, Committee on Finance.

H.R. 76, increase compensation for eye and limb loss, Committee on Finance.

H.R. 413, presumption for leprosy extended, Committee on Finance.

H.R. 1143, presumption for arthritis, psychosis, multiple sclerosis extended, Committee on Finance.

H.R. 1262, land for cemetery use in North Carolina, Committee on Labor and Public Welfare.

H.R. 1264, permanent-total active tuberculosis while hospitalized, Committee on Finance.

H.R. 2770, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 4214, increase compensation for deafness, Committee on Finance.

H.R. 12927, apportion compensation for missing veterans, Committee on Finance.

House Joint Resolution 110, wartime status for service in Moro Province, etc., Committee on Finance.

Senate bills which died in House:

S. 2467, contract sewage facilities at VA hospital, Sturgis, S. Dak., Committee on Labor and Public Welfare.

S. 4031, education change of program, Committee on Labor and Public Welfare.

S. 4213, vocational rehabilitation for 30 percent disability or more, Committee on Labor and Public Welfare.

EIGHTY-SIXTH CONGRESS

House bills which died in Senate:

H.R. 268, additional compensation for defense, Committee on Finance.

H.R. 283, increase compensation for eye and limb loss, Committee on Finance.

H.R. 5996, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 8098, credit service in two wars for pension purposes, Committee on Finance.

H.R. 9792, salary of managers in VA hospitals, Committee on Post Office and Civil Service.

H.R. 12556, findings of fact and conclusions of law in appeals, Committee on Finance.

Senate bills which died in House:

S. 1138, readjustment benefits for peacetime veterans.

S. 2201, definition of "Veterans' Administration facilities."

EIGHTY-SEVENTH CONGRESS

House bills pending in Senate:

H.R. 846, additional compensation for deafness, Committee on Finance.

H.R. 848, vocational rehabilitation peacetime veterans, Committee on Labor and Public Welfare.

H.R. 856, new modified plan NSLI term insurance, Committee on Finance.

H.R. 858, salary of managers VA, Committee on Post Office and Civil Service.

H.R. 859, repeal mustering out payment provisions, Committee on Labor and Public Welfare.

H.R. 860, repeal unemployment provisions, Committee on Finance.

H.R. 861, no application statutory awards prior to August 1, 1952, Committee on Finance.

H.R. 873, increase compensation for loss of eye and limb, Committee on Finance.

H.R. 3587, outpatient treatment Indian wars, Committee on Labor and Public Welfare.

H.R. 4539, dividend certain Korean NSLI policies, Committee on Finance.

House Joint Resolution 73, study problems of elderly and ill veterans, Committee on Labor and Public Welfare.

Senate bills pending in House:

S. 2051, education benefits children in Philippines.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS AFFAIRS,
Washington, D.C., August 3, 1961.

MEMORANDUM

To: All Members of the House of Representatives.

Subject: H.R. 879 (service-connected compensation increase bill, with national service life insurance amendment attached).

H.R. 879 has been passed by the House, amended by the Senate, and is now lying on the Speaker's table. This bill was developed through consultations with the President and the President agreed to recommend a cost-of-living increase in service-connected compensation. The bill as passed by the committee provided a minimum cost-of-living increase to all categories, with increased amounts to the high disability groups. The bill, passed on June 5, 1961, by the House, had a first year additional cost of $87,933,144.

On July 17, 1961, it was taken up by the Senate. The Senate Finance Committee held no hearings; however, it did hear statements by the Veterans' Administration and the Bureau of the Budget in a closed-door session. After considering the bill briefly, the Senate Finance Committee cut the increases of the House bill for the 10, 20, and 30 percent groups in half which effected a savings of approximately $12 million, added the national service life insurance reopening amendment advocated by Senator LONG of Louisiana, and ordered the bill reported.

During the same session the committee also voted to hold hearings on the insurance portion of H.R. 879 and one other insurance bill, despite the fact that the committee had already voted to report the bill. During this executive session it is understood that an attempt was made to add the national service life insurance amendment to all of the veterans' bills under consideration. This idea was rejected by the committee.

The cuts in compensation made by the Senate Finance Committee adversely affected 1,300,000 veterans with service-connected disabilities. The Veterans' Administration estimates that approximately 1 million veterans would avail themselves of the opportunity to reenter the national service life insurance program. This would require an immediate appropriation of $7,252,000, although most of this would be repaid later by the policyholders. This $7 million requirement would be an additional demand on the Veterans' Administration budget and is significant when it is realized that floor action was necessary this year to restore $5 million which had been cut from the Veterans' Administration budget for hospitals. The Bureau of the Budget, speaking for the administration, strongly recommended against enactment of the national service life insurance feature of the bill.

There are few pieces of legislation which have received as much consideration as the proposals to reopen the national service life insurance program, despite the claims of its Senate sponsor that the bill has not had fair consideration. The Committee on Veterans' Affairs has in the 82d, 83d, 84th, 85th, and 86th Congresses held hearings on proposals to reopen the national service life insurance program. In each instance these bills have been rejected by the Subcommittee on Insurance. The Veterans' Affairs Committee has held hearings on these proposals this session of Congress and all interested groups were afforded an opportunity to present their views. It is expected that the Veterans' Affairs Committee will meet in executive session to vote on this issue in the near future. Such a meeting would have been held earlier had not the Senate action on H.R. 879 complicated the picture.

The Senate Finance Committee has never held hearings on this insurance bill, with the exception of the one held several days ago by the committee after it had ordered the bill reported. In the 84th Congress the insurance reopening proposal was added by the Senate Finance Committee, without hearings, to H.R. 7089, an entirely unrelated bill having to do with service-connected benefits for surviving widows and children. In the 85th Congress, the proposal was added, without hearings, to H.R. 11382, an unrelated bill pertaining to another insurance question. In the 86th Congress, the national service life insurance reopening proposal was added to H.R. 7650, without hearings, an entirely unrelated bill making certain changes in the veterans' pension program. In the 2d session, 86th Congress, it was added to H.R. 11045, without hearings. This bill was an unrelated insurance proposal. In three instances the insurance rider was removed by a vote on the floor of the House and the bills to which they were attached were referred back to the Senate for consideration. In one case it was removed in conference.

The compensation increases for service-connected disabled veterans had the approval of the administration. The proposal to reopen the national service life insurance program is opposed by the administration. The two issues are entirely unrelated. Apparently the Senate Finance Committee has had such little interest in the national service life insurance reopening proposal over the years it has declined to hold hearings on these proposals. There is no merit in this attempt to saddle a worthwhile compensation increase bill for disabled veterans with an unrelated and controversial program, such as the national service life insurance reopening proposal. There are no plans at this time for further consideration of H.R. 879.

OLIN E. TEAGUE, *Chairman.*

TIME VOICE OF AMERICA REALLY SPEAKS FOR US

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FASCELL. Mr. Speaker, the Miami News—an outstanding newspaper in my district—has categorically stated that it is time to transform the whisper of America into the Voice of America.

In the battle for men's minds, our voice of freedom has carried its message to the peoples of Latin America about as well as my message is being heard by you here today. However, the voice of Radio Moscow and the voice of Radio Peiping reaches these people loud and clear 167 hours and 40 minutes a week, compared to only 73 hours and 30 minutes a week for the whisper of America.

In the battle against communism in the Western Hemisphere, we must speak up with a clear and loud voice. Congress must back the plans of USIA Director Murrow and the Voice of America.

Mr. Speaker, an editorial from the Miami News, entitled "Time Voice of America Really Speaks for Us," spells out our responsibility. It is so pertinent I would like to read it:

[From the Miami News, July 29, 1961]

TIME VOICE OF AMERICA REALLY SPEAKS FOR US

The cold war battle is not just one to come to terms with the Soviet Union. It is also—and certainly equally so—a battle to prevent further inroads of Communists in regions wavering still between East and West.

Thus, it must be fought not only over Berlin and other trouble spots but also over the uncommitted nations. The nations waiting to be won.

It is not merely a military contest and a political chess game. It is also, particularly on the very soil of those nations, a battle of ideologies. A battle for men's minds. For the minds of millions of men—in Asia, Central America, South America.

Our enemies have long understood that. Consequently, their voice in these regions has been strong.

We have never understood that; consequently our voice has been weak.

Evidently we still don't understand it.

While China and Russia and even Castro's Cuba are spending untold sums to broadcast to these nations in their native languages, we have either failed to do so altogether or done so at a trickle.

Why? Because our Congress has refused to appropriate the proper funds for the Voice of America operation which is part of the U.S. Information Agency.

Even now a request for little over $2 million, needed to step up our Spanish broadcasts and to begin broadcasting in Portuguese, is bottled up on Capitol Hill.

Yet, as the President told Congress when he made his request for the money, "Communist China alone does more public information broadcasting in our hemisphere than we."

Yet countries like Brazil—dominating Latin America in size and population—are waiting to hear from us.

It is urgent and imperative for Congress to provide the defense tools the President asked for.

It is equally urgent and important for Congress to transform the whisper of America into the Voice of America.

We have little time left to begin speaking up and being heard.

RESETTLEMENT PROGRAM FOR CUBAN REFUGEES

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FASCELL. Mr. Speaker, now that it appears a major resettlement program for Cuban refugees, who have fled Castro's Communist tyranny, is about to be undertaken by the Federal Government, I would like to take this opportunity to call the attention of the Congress to the many fine individuals, business firms, civic organizations, State and Federal agencies that have done such a splendid job—under the most trying of circumstances—in the

State of Florida, and particularly in Miami, in assisting these homeless people—victims of a terrible Communist betrayal.

First our thanks must go to President Kennedy and Secretary of Health, Education, and Welfare Abraham Ribicoff who immediately recognized the Cuban refugee problem as a national problem and undertook to immediately implement recommendations for the tremendous job of receiving, screening, feeding, clothing, and caring for these needy people.

However, notwithstanding this excellent work by the Department of Health, Education, and Welfare, the people of south Florida initially faced and continue to have a tremendous responsibility for the Cuban refugees.

I am very proud of the outstanding manner in which our citizens and our organizations met this challenge and responded to the needs of the men, women, and children fleeing their homeland and entering a new land of freedom.

The part which these people and organizations played is a message which should be brought to the people of the United States and the world.

It would be an impossible task for me to name every individual in Miami who has opened his heart to the Cuban refugees since they first fled to this country seeking safety—I would have to read the entire Miami telephone directory and still add several thousand names.

Mr. Chairman, since Castro came to power in Cuba in January 1959, over 130,000 citizens of that country have fled the Communist oppression which seized their homeland. Some 65,000 of these homeless, but courageous people, have sought the shelter of freedom in the Dade County area of Florida. Approximately 50,000 persons have been registered as refugees in the Cuban Refugee Center in Miami. They are still pouring into Miami at the rate of 1,200 weekly.

To any city—regardless of how prosperous it might be—such an influx of terrorized, heartsick people, most of whom had little, if any, funds, can bring tremendous problems. To a city such as Miami, Fla.—which has been gripped in the throes of unemployment—it could have been a backbreaker except for the hearts and courage of the citizens of Miami.

Late in 1959, the churches of Miami, recognizing this problem, opened centers to provide medical outpatient care, food, used clothing distribution, and home visits to serve the needs of the refugees who had begun arriving from Cuba.

Faced with thousands of Cuban citizens—many of whom had never traveled out of their native country—the Miami Herald and the Dade County Bar Association, in October 1960, cosponsored a Latin Legal Forum, which was conducted in the Spanish language at the Dade County Auditorium.

These two fine organizations realized that the Cuban refugees were confused by immigration laws, traffic laws, and many other new and strange daily events. They saw the immediate need for integrating these homeless people into the community and took positive action.

The Federal Government took cognizance of the enormity of the problem and on December 12, 1960, the Cuban Refugee Center was opened in Miami, with the local government officials, as well as Bazel Crowe, the city manager of Key West, Fla., and Dr. Joe Hall, the superintendent of the Dade County public school system promising the fullest of cooperation.

Private agencies came to the assistance and located at the center. Among these fine organizations are the Catholic Relief Services, an activity of the National Catholic Welfare Conference; the Protestant Latin-American Emergency Committee, affiliated with the Church World Service; the United HIAS Service, Inc., which is the Hebrew Immigrant Aid Society cooperating with the Greater Miami Jewish Federation; and the International Rescue Committee, a nonsectarian agency.

Other organizations which came to immediate assistance included the National Committee for Resettlement of Foreign Physicians and the Community Services division of the AFL–CIO.

The U.S. Employment Service established offices at the Cuban Refugee Center to promote job opportunities for employable refugees.

The U.S. Public Health Service, operating through the facilities of the Dade County Public Health Department, began medical care and treatment of these homeless, destitute people. Assisting these agencies in this fine job were such outstanding hospitals as Jackson Memorial, St. Francis, Mercy, Mount Sinai, and Gesu Medical Clinic.

The American Red Cross, of course, as it always is in a time of disaster, was on hand to deliver more than 16,000 men's, women's, and children's toilet article kits and over 6,000 blankets.

On January 27, 1961, President Kennedy formally instructed the Secretary of Health, Education, and Welfare Abraham Ribicoff to express his concern and sympathy for the Cuban refugees and to assure them that the United States would do everything possible to expedite their voluntary return to Cuba as soon as conditions there would permit.

By Presidential authority, over $5 million has been allocated to support the various cooperative programs of assistance relating to the health, education, and welfare of Cuban refugees in the United States. The estimated cost for a year of operation is between 20 and 30 millions of dollars.

The Federal Government has done a splendid job of utilizing these funds to administer a wide variety of programs, to wit: Operation of the Cuban Refugee Center; resettlement of refugee families; financial assistance to needy families in the Miami area and to resettled families in other areas; hospitalization and medical care of the sick; consultations and advisory services to the private agencies; the care and protection of unaccompanied children; distribution of surplus food commodities; emergency welfare services for American citizens repatriated from Cuba; educational loans to deserving Cuban students; an adult education program, as well as elementary and secondary education programs for the children; the retraining of Cuban refugee physicians, attorneys, and other professionals; and, finally, the establishment and operation of a Cuban Refugee Research Center.

At the State level, the Florida State Department of Public Welfare has been the principal agency for administering immediate relief to these refugees in the form of financial assistance, child welfare services, and distribution of food.

In January 1961 I proposed that a program be initiated for Cuban students to continue their college education in the United States and to utilize the skills of the Cuban professionals who had fled the Communist tyranny of Castro.

An immediate program along these lines was announced in January by Dr. Ralph Jones, the head of the medical department, and Homer F. Marsh, the dean of the school of medicine, at the University of Miami. They announced that a medical school training program was being set up to train the Cuban doctors and listed several generous, private, business organizations that were making it possible.

Among these public-spirited organizations were such firms as the Upjohn Co. and the Eli Lilly Co. Also assisting in the financing of the medical training program were the American College of Surgeons and the International Society for Cardiology.

Dr. Wright, at the University of Miami, began developing a program whereby members of the American College of Physicians came to Miami to present medical lectures to the Cuban doctors.

At the same time, Jay F. W. Pearson, president of the University of Miami, announced receipt of a $7,500 Federal grant to initiate a national defense education language development program, and a $75,000 Federal grant to aid Cuban scholars.

Miami television station WTVJ began a daily news program in January in the Spanish language to keep the Cuban refugees abreast of the latest developments and ran a highly successful TV marathon to raise money for the Cuban Refugee Children's Fund.

In February of 1961, the Dade County Bar Association established an eight-man committee to assist the Cuban refugees. The citizens who have devoted many hours of their time to this project are Jonathan Ammerman, Juan Carreras, Judge Frederick Barard, Oscar White, William Steel, Charles Kimbrell, John Hoehl, and Emery Dougherty, Jr.

A home economist from the Florida Power & Light Co. wrote a Spanish-language cookbook and the church groups began holding cooking classes to show the Cuban women how to eliminate waste in their cooking. Miami social workers, such as Mrs. Ana Andres, spent many hours—and still are—on this and many other projects.

M. T. Kelly, director of teacher education, certification and accreditation, of the Florida State Department of Education, began a program for relocation of Cuban teachers.

By February of 1961, pharmaceutical firms and professional organizations had contributed more than $60,000 to the Cuban refugee relief program, and the International Telephone & Telegraph Co. added another $40,000 during that month.

Also in February, President Kennedy spelled out his nine-point Federal program for assisting the Cuban refugees—an accounting program conducted by Cuban public accountants led by Hector de Lara and Manuel J. Coya was launched, and Nicholas Duke Biddle, chairman of the Caribbean refugee program of the International Rescue Committee, announced the commencement at the University of Miami, of training for physicians, lawyers, accountants, and dentists.

This broad program was financed by the generous contributions of two hotel companies, a pharmaceutical firm, and two book publishing houses.

The first Federal checks to the needy Cubans were distributed in February and the ICA began to investigate the possibility of employing Cuban refugees on U.S. aid programs in Latin America.

John Stadnick, the Miami Springs representative of the Board of Pharmacy for the State of Florida, and the American Pharmaceutical Association started a program to create employment opportunities for Cuban pharmacists.

Theodore Kischler, dean of the technical division of the Dade County Junior College, announced the opening of a course for Cuban civil engineers.

In March of 1961, the Miami Dental Society announced plans for a graduate course in dentistry for their Cuban counterparts in cooperation with the University of Miami. Organization of this program was handled by two Miami dentists, Dr. Charles Holt and Dr. Norman Alley.

Dr. Anthony R. Joffre, of the Dade County Dental Society, set up a dental clinic, staffed it with Cuban dentists, and the People-to-People Committee of Coral Gables passed a resolution urging steps be taken in the training and relocation of Cuban physicians in cooperation with the American Medical Association and the American Hospital Association.

The Du Pont Co. made a $5,000 grant to the chemistry department at the University of Miami, and the Miami Housing Authority acquired 64 downtown apartment units as housing for the Cuban refugees.

The story goes on and on, Mr. Speaker. Miami's citizens, churches, civic, and business organizations have generously opened their hearts and pocketbooks to the Cuban people.

Just 2 weeks ago, an aviation program, financed by an outstanding international businessman and citizen of Miami, Mr. William Pawley, was started at the Embry-Riddle School of Aviation in Miami. Through Mr. Pawley's fine effort, some 44 Cuban citizens will now be able to obtain aircraft operators' licenses and prepare themselves for future careers.

We are not through yet. Miami will continue to open its arms to the Cubans as it has done in the past.

Miami will remain a haven to people everywhere from Communist oppression of tyranny of any type.

In the past 6 months, alone, Mr. Speaker, some 24,000 Cubans have been helped financially in the amount of $2.5 million; about 40,000 have been given medical assistance and surplus food has been made available to many thousands.

In addition to this, some 6,000 refugees have been resettled in every State of the Union and Puerto Rico at a cost of approximately $600,000.

In closing, Mr. Speaker, I wish to say that there have been some complaints of abuses of the program by Cuban refugees; however, I wish to point out to the Congress that in the past 2 months—in Miami alone—more than $25,000 in relief checks have been spontaneously and voluntarily returned to the center by the Cuban refugees.

These people have made statements, such as in the case of a 60-year-old grandmother, who wrote:

> I've found a housekeeping job for $23 a week—there are others who may be in need of this aid.

Another Cuban refugee returned his check saying:

> I beg your generous people to stop my economic aid. I have found a small job to support myself in your great city of freedom.

The Federal Government is paying out about $600,000 a month to these victims of Communist tyranny—but this investment is paying off in dividends that we could not buy anywhere for any price at any time.

I am certain that you are all aware of the great number of Cubans who rushed to the recruiting centers to join the Army following President Kennedy's recent speech. These people were asking for a chance to help to defend the United States and the cause of freedom everywhere.

As these Cubans now begin leaving the Miami area for resettlement in other parts of the country, I wish to take this opportunity to express heartfelt thanks to the many individuals and organizations throughout the country—and in the Miami area especially—which have made the symbol of American humanitarianism and freedom under our system a living thing.

In conclusion, I wish to assure the Cubans—and the victims of oppression everywhere—that they have our deep concern and sympathy, and that the gateway of Miami, which has truly become the gateway to freedom, will always be open.

HIJACKING OF U.S. PLANE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that the gentleman from New Mexico [Mr. MORRIS] may extend his remarks at this point in the RECORD and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORRIS. Mr. Speaker, all of us are completely stunned by the recurrence of hijacking of our U.S.-owned plane yesterday. The fact that this DC-8 was released by Cuba does not alter the Castro pattern of confiscation and retention of American-owned planes and property. Castro-controlled Radio Havana announced release of this plane "out of deference to the Colombian Foreign Minister, Julio Cesar Turbay," one of the passengers.

The patience of our Nation with the pirateering actions of Fidel Castro must come to an end. Our lack of official action has lent completely disproportionate importance to the arrogant moves of a pipsqueak Cuban gangster. We have permitted a gnat to assume the magnitude of a giant and must take positive action immediately to show the entire world that America can and will protect American lives and property.

In my opinion, there is very little difference between an organized military campaign and this organized campaign of determined harassment of our country by Communist agents from Cuba, only 90 short miles from our shores. We have allowed this insignificant Red lackey, Fidel Castro, to expropriate millions of dollars in American property. That confiscation can only be the beginning unless immediate action is taken to curtail his activities. The hijacking of our planes is showing a definite pattern and we must realize there is no way to predict to what other American industry this type of banditry will spread.

We must take concrete action without further delay to put a stop to this international piracy. In my opinion, we must immediately invoke an embargo and blockade on Communist Cuba, obtaining the fullest possible support of the Organization of American States. However, regardless of the decision of that group of states, the United States must move now to protect the very security of our Nation which is in grave danger. I sincerely hope the administration will use whatever means required to eliminate the Castro threat, including military might, if necessary.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. YATES (at the request of Mr. LIBONATI), for Thursday, August 10, 1961, on account of official business.

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. HARVEY of Indiana (at the request of Mr. LANGEN), for 15 minutes, on August 15.

Mr. PELLY (at the request of Mr. LANGEN), for 15 minutes, on August 14.

Mr. DEVINE (at the request of Mr. LANGEN), for 30 minutes, on August 16.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL

RECORD, or to revise and extend remarks, was granted to:

Mr. MICHEL and include an editorial.

Mr. PELLY and to include a copy of a letter from Mr. FORD to the New York Times.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. FINO.

Mr. KEITH.

Mr. MACGREGOR.

Mr. MORSE.

(The following Members (at the request of Mr. FLOOD) and to include extraneous matter:)

Mrs. GRANAHAN.

Mr. ANFUSO.

Mr. MULTER.

Mr. ALFORD.

Mr. DENT.

Mr. DELANEY.

Mr. GREEN of Pennsylvania.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled 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;

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; and

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, 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;

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.

ADJOURNMENT

Mr. FLOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p.m.) under its previous order, the House adjourned until Monday, August 14, 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:

1215. A letter from the Acting Secretary of State, transmitting the ninth report on the extent and disposition of U.S. contributions to international organizations for the fiscal year 1960, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 222); to the Committee on Foreign Affairs and ordered to be printed.

1216. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the 41st report on property acquisition for the Office of Civil and Defense Mobilization, for the quarter ending June 30, 1961, pursuant to subsection 201(h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1217. A letter from the Deputy Secretary of Defense, transmitting the semiannual report showing no necessity for transfer of funds for air defense missile installations as authorized in section 402 of Public Law 85-685; to the Committee on Armed Services.

1218. A letter from the Director, Executive Office of the President, Office of Civil and Defense Mobilization, transmitting a report of a claim paid under the Federal Tort Claims Act pursuant to section 2673 of that act; to the Committee on the Judiciary.

1219. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens pursuant to the provisions of section 212(a) 28(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1220. A letter from the Deputy Administrator, Veterans' Administration, transmitting a draft of proposed legislation, entitled, "A bill to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration"; to the Committee on Veterans' Affairs.

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. TEAGUE of Texas: Committee on Veterans' Affairs. S. 2051. An act to afford children of certain deceased veterans who were eligible for the benefits of the War Orphans Educational Assistance Act of 1956 but who, because of residence in the Republic of the Philippines, were unable to receive such assistance prior to enactment of Public Law 85-460, additional time to complete their education; without amendment (Rept. No. 874). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 1098. A bill to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of the Mexican border service; with amendment (Rept. No. 875). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 5939. A bill to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphans' educational assistance program shall be by State approving agencies; with amendment (Rept. No. 876). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 6969. A bill to amend section 417 of title 38, United States Code, to provide that death pension may be paid in lieu of dependence and indemnity compensation in certain cases involving service-connected deaths occurring after December 31, 1956; with amendment (Rept. No. 877). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H.R. 8414. A bill to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8399. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; without amendment (Rept. No. 879). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 1873. An act to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses", approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK: Committee on Interstate and Foreign Commerce. House Joint Resolution 438. Joint resolution to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations; with amendment (Rept. No. 882). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 3879. A bill to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo.; without amendment (Rept. No. 883). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4821. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.; without amendment (Rept. No. 884). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 6360. A bill to authorize an additional Assistant Secretary of Commerce; without amendment (Rept. No. 885). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4939. A bill to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education; with amendment (Rept. No. 886). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 6193. A bill to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.; without amendment (Rept. No. 887). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7622. A bill to amend section 1176 of the Revised Statutes of the United States relating to the District of Columbia to permit certain gift enterprises in the District of Columbia; with amend-

ment (Rept. No. 888). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8032. A bill to amend Healing Arts Practice Act, District of Columbia; with amendment (Rept. No. 889). Referred to the House Calendar.

Mr. FRIEDEL: Committee on House Administration. House Resolution 392. Resolution to provide for the further expenses of the investigation and study authorized by House Resolution 49; without amendment (Rept. No. 890). Ordered to be printed.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 256. A bill to amend the District of Columbia Alcoholic Beverage Control Act; with amendment (Rept. No. 891). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 6836. A bill to amend the Policemen and Firemen's Retirement and Disability Act; without amendment (Rept. No. 892). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8074. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; without amendment (Rept. No. 893). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8344. A bill for restoration of home of John Philip Sousa in the District of Columbia; with amendment (Rept. No. 894). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8444. A bill to amend the act of August 12, 1955, relating to elections in the District of Columbia; with amendment (Rept. No. 895). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 2470. A bill to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes; with amendment (Rept. No. 896). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 3920. A bill to authorize an exchange of land at the Agricultural Research Center; without amendment (Rept. No. 897). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 414. Resolution providing for the consideration of H.R. 8400, a bill 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; without amendment (Rept. No. 898). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE 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. COOLEY: Committee on Agriculture. H.R. 1375. A bill to provide for the conveyance of certain real property of the United States to the former owner thereof; without amendment (Rept. No. 880). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr BOYKIN:

H.R. 8632. A bill to amend section 510(i) of the Merchant Marine Act, 1936, relating to the exchange of vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. GARLAND:

H.R. 8633. A bill to authorize the improvement of Portland Harbor, Maine; to the Committee on Public Works.

By Mr. GLENN:

H.R. 8634. 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 Mrs. GREEN of Oregon:

H.R. 8635. A bill to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities, and to authorize scholarship grants for undergraduate study in such institutions; to amend Public Laws 815 and 874, 81st Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 8636. A bill to amend section 601(a) of the Federal Aviation Act of 1958 so as to require air carriers to maintain route maps in conjunction with certain weather information for the benefit of their passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. HOFFMAN of Illinois:

H.R. 8637. A bill to provide that until the national debt is retired, not less than 10 percent of the net budget receipts of the United States for each fiscal year shall be utilized solely for reduction of the national debt; to the Committee on Government Operations.

By Mr. IKARD of Texas:

H.R. 8638. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. KEITH:

H.R. 8639. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for one-half of the expenses incurred by him in the construction of a civil defense shelter of approved type and design; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 8640. A bill to amend title 10 of the United States Code to permit the loan of certain rifles to veterans organizations recognized by the Department of Defense; to the Committee on Armed Services.

By Mr. SAYLOR:

H.R. 8641. A bill to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 8642. A bill to amend section 3203(d) of title 38, United States Code, to provide that there shall be no reduction of pension otherwise payable during hospitalization of certain veterans with a wife or child; to the Committee on Veterans' Affairs.

By Mr. TUPPER:

H.R. 8643. A bill to amend section 501 of title 38, United States Code, to provide medical care for veterans of service in Mexico after January 1, 1914, and before April 6, 1917, on the same basis as such care is provided for veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SLACK:

H.R. 8644. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of California:

H.R. 8645. A bill to prohibit shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H.R. 8646. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 so as to provide that certain surplus property of the United States shall be offered for sale to the States; to the Committee on Government Operations.

By Mr. ADDONIZIO:

H.R. 8647. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include investments in corporations organized and solely owned by such associations for the furtherance of their development; to the Committee on Banking and Currency.

By Mr. CORBETT:

H.R. 8648. A bill to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945 in lieu of certain compensation at a saved rate, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8649. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 to provide for escheat of amounts of insurance to the insurance fund under such Act in the absence of any claim for payment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DIGGS:

H.R. 8650. A bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 8651. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to provide for the issuance of rules and regulations pertaining to the elimination or minimization of aircraft noise nuisance and hazards to persons or property on the ground, and to require the Administrator of the Federal Aviation Agency to issue certain regulations concerning air traffic at New York International (Idlewild) Airport in the State of New York, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H.R. 8652. A bill relating to the income tax treatment of certain losses sustained in converting from street railway to bus operations; to the Committee on Ways and Means.

H.R. 8653. A bill to provide that a foreign tax credit need not be adjusted where a difference between taxes accrued and taxes paid resulted from a difference in the rate of exchange and where the taxpayer was not permitted to convert the amount of the tax; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 8654. A bill to amend the Home Owners' Loan Act of 1933 to broaden the investment powers of Federal savings and loan associations to include investments in corporations organized and solely owned by such associations for the furtherance of their development; to the Committee on Banking and Currency.

By Mr. FASCELL:

H.R. 8655. 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. PILLION:

H.R. 8656. A bill to reduce nondefense personnel by 10 percent; to the Committee on Post Office and Civil Service.

By Mr. SAYLOR (by request):

H.R. 8657. A bill to amend section 359 of title 38, United States Code, to provide that such section shall become effective as of the date of its enactment; to the Committee on Veterans' Affairs.

By Mr. POFF:

H.J. Res. 528. 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. HIESTAND:

H. Con. Res. 367. Concurrent resolution expressing the sense of the Congress with respect to the recovery of the aircraft seized and taken to Havana, Cuba, on July 24, 1961; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 8658. A bill for the relief of Mrs. Reiko Nakashima McIntyre; to the Committee on the Judiciary.

By Mr. BRUCE:

H.R. 8659. A bill for the relief of Jackie Bergancia Smith; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 8660. A bill for the relief of George C. Katsileros; to the Committee on the Judiciary.

By Mr. DULSKI:

H.R. 8661. A bill to exempt from taxation certain property of the American War Mothers, Inc.; to the Committee on the District of Columbia.

By Mr. LANE:

H.R. 8662. A bill for the relief of Jose Fuentes; to the Committee on the Judiciary.

H.R. 8663. A bill for the relief of Gurthrie Loyd Jones; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 8664. A bill for the relief of Martynas Vytautas Glasze; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 8665. A bill for the relief of A. A. Lindley; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

204. By Mr. BEERMANN: Petition of Mrs. Rudy Schacher of Monroe, Nebr., concerning congressional responsibility for the future of our Nation and our children; to the Committee on Foreign Affairs.

205. By Mr. RIEHLMAN: Petition of the Board of Supervisors of Onondaga County, N.Y., expressing the board's support for the President of the United States in his stand on the Berlin crisis; to the Committee on Foreign Affairs.

SENATE

THURSDAY, AUGUST 10, 1961

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

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

Our Father God, into the calm and confidence of Thy waiting strength we would bring our drained resources that the benediction of Thy peace may fall upon our restless lives. For another day and for another chance to serve a world whose wounds are grievous and which so loudly calls for help, we are truly thankful.

We beseech Thee this day to free us from the hindering faults that so easily beset us. Deliver us from dread of the future, from the paralyzing fear of failure, from cowardice in face of danger, and from all compromise or appeasement with evil.

Grant us faith strong enough for the darkness through which we grope our way.

We pray, in the name of the Captain of our salvation. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of the legislative day of Tuesday, August 8, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 6302) to establish a teaching hospital for Howard University, to transfer Freedmen's Hospital to the university, and for other purposes, in which it requested the concurrence of the Senate.

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 Vice President:

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;

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; and

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

HOUSE BILL REFERRED

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, was read twice by its title and referred to the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

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

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

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

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

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

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

George A. Bukovatz, of Montana, to be U.S. marshal for the district of Montana.

By Mr. JACKSON, from the Committee on Armed Services:

Finn J. Larsen, of Minnesota, to be Assistant Secretary of the Army.

By Mr. CASE of South Dakota, from the Committee on Armed Services:

Col. Roy E. Cooper, Wyoming Air National Guard, and sundry other officers, for appointment as Reserve commissioned officers in the U.S. Air Force.

By Mr. BYRD of West Virginia, from the Committee on Armed Services:

Brig. Gen. Thomas Patrick Carroll, Army National Guard of the United States, for promotion to major general, as a Reserve commissioned officer of the Army; and

Col. Thomas Joseph Donnelly, and sundry other officers, for appointment as Reserve commissioned officers of the Army, in the Adjutant General's Corps, Army National Guard of the United States.

EXECUTIVE REPORT OF COMMITTEE ON ARMED SERVICES

Mr. CASE of South Dakota. Mr. President, from the Committee on Armed Services, I report favorably 599 promotions to the grade of colonel in the Regular Air Force. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

The nominations are as follows:

Ben M. Adams, and sundry other officers, for promotion in the Regular Air Force.

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

U.S. REPRESENTATIVE TO THE EUROPEAN COMMUNITIES

The Chief Clerk read the nomination of W. Walton Butterworth, of Louisiana, to be representative of the United States of America to the European communities.

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

INTERNATIONAL MONETARY FUND

The Chief Clerk read the nomination of Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund.

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

COLLECTORS OF CUSTOMS

The Chief Clerk proceeded to read sundry nominations of collectors of customs.

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

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

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

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

LEGISLATIVE SESSION

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON TRANSFER OF FUNDS AUTHORIZED FOR AIR DEFENSE MISSILE INSTALLATIONS

A letter from the Deputy Secretary of Defense, reporting, pursuant to law, that the establishment of missile installations which have been required as a part of the Department of Defense air defense plan, has not necessitated the transfer of funds, during the 6-month period ending June 30, 1961; to the Committee on Armed Services.

AMENDMENT OF TITLE 38, UNITED STATES CODE, RELATING TO WAIVER OF INDEBTEDNESS IN CERTAIN CASES

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

REPORT ON U.S. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on the extent and disposition of U.S. contributions to international organizations, for the fiscal year 1960 (with an accompanying report); to the Committee on Foreign Relations.

REPORT ON EDUCATIONAL EXCHANGE PROGRAM

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on the educational exchange program, for the calendar year 1960 (with accompanying papers); to the Committee on Foreign Relations.

AUTHORIZATION FOR ANY FEDERAL AGENCY TO WAIVE PERFORMANCE AND PAYMENT BONDS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting a draft of proposed legislation 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 (with an accompanying paper); to the Committee on Government Operations.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

SHRIMP IMPORTS—RESOLUTION OF TEXAS HOUSE OF REPRESENTATIVES

Mr. YARBOROUGH. Mr. President, I present, for appropriate reference, a resolution adopted by the House of Representatives of the State of Texas, relative to the importation of shrimp into the United States. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 47

Whereas bills have been introduced in the Congress of the United States seeking to curb excessive imports of shrimp and to bring some measure of stability to the domestic shrimp market, such bills being exemplified by H.R. 6168 and S. 1571; and

Whereas the shrimp fishery of the State of Texas constitutes one of its most important industries and provides a wise utilization for this valuable natural resource; and

Whereas the shrimp fishery of the State of Texas has been adversely affected and financially crippled by unstable market conditions brought about in whole or in part by uncontrolled foreign imports of shrimp; and

Whereas it is the understanding of this legislature that it is unable to cope with the problem and afford to the shrimp fishery protection which it needs and that such remedial measures are within the power and the purview of the Federal Congress and the Executive: Now, therefore, be it

Resolved, That the House of Representatives of the 57th Legislature of the State of Texas, assembled in special session in Austin, Tex., does hereby petition the Congress of the United States and the departments of the executive branch of the Federal Government to exert their best efforts to bring about a measure of stability to the domestic shrimp market by a regulation of imports of shrimp so that the domestic shrimp industry may survive and prosper, giving employment to Americans, utilizing fully this valuable natural resource, and preserving and maintaining the individual and independent seamen and producers who wrest their living dangerously from the sea; and be it further

Resolved, That copies of this resolution be provided to the President and Vice President of the United States, the Secretary of each department of the executive branch, and to the Texas Members of the Congress of the United States.

JAMES A. TURMAN,
Speaker of the House.
DOROTHY HALLMAN,
Chief Clerk of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CASE of South Dakota, from the Committee on Armed Services, without amendment:

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve Center and never used by the United States (Rept. No. 701).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill. (Rept. No. 702).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of

certain minority service for the purpose of determining eligibility for retirement, and for other purposes (Rept. No. 703).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives (Rept. No. 704).

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

H.R. 7391. An act to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes (Rept. No. 705).

By Mr. HUMPHREY (for Mr. FULBRIGHT), from the Committee on Foreign Relations, with amendments:

S. 2000. A bill to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower (Rept. No. 706).

VETERANS' READJUSTMENT ASSISTANCE ACT OF 1961—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 700)

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 349) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963, and I submit a report thereon. I ask that the report be printed, together with the minority views of Senators GOLDWATER, PROUTY, and TOWER.

The VICE PRESIDENT. 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 Texas.

BILLS INTRODUCED

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

By Mr. HART:

S. 2399. A bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. PASTORE (by request):

S. 2400. A bill to amend the Communications Act of 1934 in order to provide for the regulation of networks; to the Committee on Commerce.

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

By Mr. CASE of South Dakota:

S. 2401. A bill to amend the National Labor Relations Act to provide that it shall be an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in such industry would threaten or impair the national security; to the Committee on Labor and Public Welfare.

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

By Mr. BIBLE (by request):

S. 2402. A bill to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia; to the Committee on the District of Columbia.

RESOLUTION

RECOVERY OR RETURN OF AMERICAN AIRPLANES ILLEGALLY HELD IN CUBA

Mr. KERR submitted a resolution (S. Res. 194) concerning action to be taken to secure the recovery or return of American airplanes illegally held in Cuba, which was referred to the Committee on Foreign Relations, as follows:

Resolved, That 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 forty-eight 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 crew to the United States.

PROPOSED FREDERICK DOUGLASS NATIONAL MEMORIAL IN DISTRICT OF COLUMBIA

Mr. HART. Mr. President, one of our American traditions is to give honor to those men and women in our history who have stood for something strong and valuable and truly American. Such a man I should like to honor today. Born a slave, Frederick Douglass rose to a high position in our country, serving as Recorder of Deeds in the District of Columbia, and as our Minister to Haiti. He was the friend of Abraham Lincoln.

The house in Southeast Washington where Mr. Douglass lived for many years still stands, cared for with loving devotion by the National Association of Colored Women's Clubs through voluntary contributions. In 1916, this organization paid off a $4,000 indebtedness on the mortgage. In addition, it has built a caretaker's cottage at a cost of $10,000 and over the years has spent several thousand more on repairs and upkeep. I suggest it is fitting, Mr. President, that this house at 1411 W Street SE., which contains in Mr. Douglass' library an important source of historical documents for the period in which he lived, should now be made a national historic shrine. Here in our Nation's Capital, where come people not only from all over the United States but all over the world, such a national historic shrine would bring home to countless thousands of visitors the true meaning of democracy, and make us even more its showcase.

The National Association of Colored Women's Clubs, now headed by a distinguished citizen of Michigan, Mrs. Rosa L. Gragg of Detroit, has rendered a wonderful service in preserving the house and grounds. But more is needed. More should be done.

Mr. President, I send to the desk, for appropriate reference, a bill to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia. Also, I should like to include in my remarks portions of a biography of Mr. Douglass prepared for me by the Legislative Reference Service of the Library of Congress.

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

The bill (S. 2399) to provide for the establishment of the Frederick Douglass National Memorial in the District of Columbia, and for other purposes, introduced by Mr. HART, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The statement presented by Mr. HART is as follows:

EXCERPTS OF BIOGRAPHY OF FREDERICK DOUGLASS

(Prepared by Phyllis T. Piotrow)

Frederick Douglass was born sometime in February 1817 in Tuckahoe, Talbot County, on the Eastern Shore of Maryland. The child was brought up by his grandparents, Isaac, a free Negro, and Betsey Bailey, until the age of 7 when he was taken to the Lloyd Plantation run by his master, Capt. Aaron Anthony.

Although he always remembered the kindness of individual slaveowners, like his master's daughter, Mistress Lucretia Auld, he began to hate the system with a burning passion.

In 1825, the slave was sent to a relative of his master in Baltimore. There for 7 years he worked first as a house servant and then as a laborer in the shipyards. Being in Baltimore opened new horizons for the boy. His mistress finally agreed to teach him to read, but the master, upon discovery, forbade the practice completely. Nevertheless Douglass persevered, bought the Columbia Orator, and continued to observe and meditate upon cruelties of slavery.

In 1833, Captain Anthony's death brought him to a new master, Thomas Auld, who returned Douglass to the plantation, forbade his teaching Sunday school classes for the colored children, and hired a professional slavebreaker to teach him his place again. Douglass finally turned on him and beat him up. The struggle was a turning point in Douglass' thinking. As he later declared, "I now resolved that, however long I might remain a slave in form, the day had passed forever when I could be a slave in fact."

After an escape attempt had failed, Auld decided to try kindness and sent Douglass back to Baltimore with the promise of freeing him at the age of 25 if he behaved well. Douglass quickly became an expert caulker in the shipyards. He persuaded his master to let him hand over $3 a week and keep the remainder. Here Douglass came into contact for the first time with white laborers who hated Negroes because they worked for nothing as slaves and as a result depressed the wages of all. He also took a great interest in the various Baltimore societies for free Negroes and began to desire his own freedom most urgently. After a quarrel with Auld, Douglass planned his escape and left Baltimore and slavery on September 3, 1838.

At first, living was not easy for the former slave, but he soon came into contact with other free Negro groups, who sent him on to New Bedford, Mass. His first step was to change his name from Bailey to Douglass, after the hero in Sir Walter Scott's Lady of the Lake. He then married Anna Murray, a free Negro from Baltimore, and together they struggled to overcome the prejudice

against Negroes which even in the North made white workers reluctant to work beside black ones.

Gradually, Douglass began to attend the abolitionist meetings in the town. He was deeply moved by William Lloyd Garrison and finally, in 1841, he was summoned himself to the platform to describe his personal experiences as a slave. Although wholly inexperienced, he managed a creditable performance. The Massachusetts Anti-Slavery Society offered him a temporary position as lecturer, which he rather timidly accepted.

From this point on, Douglass devoted himself to the problems of his race and of all persecuted groups, becoming in America and in Europe, the most outstanding Negro spokesman of his race. In addition to the initial advantage which he claimed in being himself "a graduate from the peculiar institution with his diploma written on his back," Douglass rapidly became a very effective speaker, waxing eloquent over the wrongs of slavery, and illustrating very effectively that all slaves were not inferior.

When people suspected that he was too well read and intellectual to be convincing in his role of former slave, he wrote a "Narrative of the Life of Frederick Douglass." The book had a very wide sale in the North, but since it mentioned names and places, it put Douglass in danger of recapture and return to Auld as a runaway slave. To avoid this fate, his friends persuaded him to undertake a lecture tour in Europe. Speaking in Ireland, Scotland, and England, he was heard everywhere by large and sympathetic audiences. He came into some conflict with other American abolitionist groups and with temperance societies because of his passionate criticisms of American morality on the slave question and because of his insistence that freeing the slaves should take precedence over temperance activities. But on the whole, his trip was a great success, and he returned to America in 1846 with a greatly enhanced reputation.

On his return, against Garrison's advice, he first purchased his freedom from Auld and then decided to undertake an antislavery paper of his own to aim particularly at the free Negroes. The first issue of the North Star, which Douglass had decided to publish in Rochester, N.Y., came out on December 3, 1847, with the slogan, "Right is of no sex—truth is of no color—God is the Father of us all, and we are all brethren." For 13 years, Douglass edited the North Star, and took the lead in denouncing segregation practices of the North, slavery in the South, and urging Negroes themselves to take a more active role. Eventually, despite a large circulation, the paper was overcome by debt.

In his editorial columns Douglass supported innumerable reform movements—including pacifism, chartism, temperance, universal peace, land reform, abolition of capital punishment, and women's rights. Douglass also took an active part in the Negro convention movement, which aimed to eliminate all legal restrictions upon free Negroes, and was instrumental in persuading its supporters to forswear violence in their efforts to help enslaved brothers. He continually denounced churches which practiced segregation, but he did favor a separate Negro press and sought support and subscribers for his own paper.

Douglass was at the head of the group within the national convention movement to set up an industrial college for free Negroes which could prepare them for the difficult problem of finding work; but lack of funds, personal jealousies, and the fear that the new fugitive-slave laws might endanger the safety of those publicly associated with the struggle for Negro rights hampered his efforts.

The new fugitive slave laws of 1850 were a frequent target of Douglass' attacks. Both before and after their passage he took an active part in the Rochester Underground Railway activities.

During the early 1850's Douglass unfortunately became involved in a bitter conflict with his former associate, William Lloyd Garrison. After leaving the heatedly abolitionist atmosphere of New England and conferring with New York abolitionists like Gerrit Smith, Douglass altered his former opposition to the Constitution and to the churches because they appeared to condone slavery. Douglass decided it was wiser to work with existing forces, especially since the issue of slavery was beginning to divide the country more clearly on North-South lines, leaving northern churches and institutions more free to take an independent position. The Massachusetts abolitionists denounced this shift and also blamed Douglass for starting his own newspaper. Both Douglass and his foes were bitter and acrimonious in their dispute.

In political affairs, Douglass was becoming more and more active during the fifties. Originally a supporter of the Liberty Party, he turned in 1848 to the Free Soil Party, pledged to support the Wilmot Proviso. In 1852 he was elected secretary of the Free Soil convention. But the failure of that party to play a continuously strong role led Douglass in 1856 to welcome the founding of the Republican Party, even though he did not think that its desire to stop only the extension of slavery went far enough. Thus he continued to work for the radical abolitionists whenever they appeared to have a chance.

In 1859 Douglass was forced to return to England for a while because his name had been connected with John Brown and the raid on Harpers Ferry. The State of Virginia was preparing to try him for treason when he escaped into Canada and thence to Great Britain to renew old friendships and contacts. Actually, although John Brown had explained his plan to Douglass, the Negro had been somewhat skeptical and had tried to discourage the Harpers Ferry raid.

The outbreak of war roused Douglass from a growing discouragement. Even though the abolitionist greatly deplored Lincoln's hesitation in freeing the slaves, he personally was convinced that northern victory would inevitably have that result. Douglass lectured and toured the country trying to raise Negro interest and direct participation in the struggle. Resenting Lincoln's refusal to provide equal pay and equal treatment for Negro volunteers in the Union armies, Douglass finally secured an interview with the President in July 1863. He came away impressed by the President's sincerity, but impatient with Lincoln's desire to move slowly. Nevertheless, he took an active role in recruiting Negro fighters for the celebrated 54th and 55th Massachusetts Regiments, also sending his own two sons. In August 1864, he had a second interview with Lincoln, and continued to press for granting the franchise and all other rights of citizenship to Negroes in both the North and the South.

After the conclusion of the war Douglass refused to be satisfied just with the liberation of the slaves. He had an interview with President Johnson and was highly dissatisfied with the latter's tendency to appease the former slaveowners. Thus he refused an offer to head the Freedman's Bureau which he interpreted as a purely political move on Johnson's part. He was active with the radical Republicans in working for the election of General Grant and the passage of the 15th amendment. He also undertook another journalistic endeavor, the New National Era, which had only a brief career.

In the clash between Grant and Sumner over the annexation of Santo Domingo, Douglass was appointed by Grant an assistant secretary to the three commissioners sent there to investigate possibilities of annexation. During the trip, he was won over to Grant's policy.

In 1872, although himself nominated for Vice President on a woman's suffrage ticket headed by Victoria Claflin Woodhull, Douglass took an active part in backing Grant. At the same time the burning of his Rochester, N.Y., house convinced him that he should move to Washington. His first political assignment after being the official messenger of the New York electoral commission to the Senate was as president of the Freedmen's Bank. The bank, already thoroughly corrupt, collapsed shortly thereafter, causing all its investors, including Douglass, considerable loss.

Douglass continued to lecture throughout this period, emphasizing above all the need for Federal protection of the newly won Negro rights. He accepted the appointment in 1877 of the U.S. marshal of the District of Columbia when it was offered to him by President Hayes, but he continued to criticize the Government. In 1881 President Garfield requested that he take instead the office of Recorder of Deeds, to which Douglass agreed.

In 1882 Anna Douglass died. Two years later he married his secretary, Helen Pitts.

Upon his return from a trip with his new wife through Europe, he was offered the position of Minister-Resident and Consul General to the Republic of Haiti and Chargé d'Affaires for Santo Domingo. Douglass retained this position until a controversy with Secretary of State Blaine and others, who were trying to get possession of the harbor of Mole St. Nicolas as a naval base, led him to resign in opposition to a policy which he believed could only rouse Haitian nationalism.

Back in America, he continued to agitate for the protection of Negro rights, and most specifically, for a Federal antilynching law. He was still lecturing on the rights of women and of oppressed groups when he was stricken on the afternoon of February 20, 1895, with a heart attack at his home in Anacostia. The body lay in state in the Metropolitan African Methodist Episcopal Church, and then was transported to Mount Hope Cemetery in Rochester for burial.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, TO PROVIDE FOR THE REGULATION OF NETWORKS

Mr. PASTORE. Mr. President, recently, I submitted to the Federal Communications Commission a series of questions concerning television operations and other practices affecting the broadcasting industry.

In addition to responding to the specific questions, the Federal Communications Commission submitted a progress report indicating the various steps and the status of pending proceedings resulting from the Commission's continued study of network practices.

One of the recommendations contained in the Federal Communications Commission report involved the need for legislation to regulate the radio and television networks.

Therefore, at the request of the Federal Communications Commission I am introducing today such legislation and ask unanimous consent that the contents of the bill be made part of the RECORD at this point, together with the letter from the Federal Communications Commission to me under date of August 1, 1961.

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

The bill (S. 2400) to amend the Communications Act of 1934 in order to provide for the regulation of networks, introduced by Mr. PASTORE, by request, was received, read twice by its title, referred to the Committee on Commerce, 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 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended by adding at the end thereof the following:

"(hh) 'Network' means a person or organization which, as a part of its regular business, by contract or agreement, express or implied, with two or more affiliated broadcast stations, offers or supplies program service to such stations under prescribed conditions for the purpose of effecting a coordinated broadcast of identical programs by such stations."

SEC. 2. Title III of the Communications Act of 1934 is amended by adding a new part as follows:

"PART III—NETWORKS

"Information statements

"SEC. 380. Each network shall file an information statement with the Commission which shall contain such information and set forth such facts regarding (1) the ownership and (2) the operational policies, practices, and activities of such network which affect the ability of broadcast licensees to operate their stations in the public interest, as the Commission shall require; and each such network shall file with the Commission amendments to such statement, from time to time, as the Commission shall deem to be necessary to keep current the facts and information required in such statement. The Commission, at any time after the filing of such statement, may require the filing of further written statements of fact by each such network to assist the Commission in the enforcement of this Act and in determining whether such network has complied with the provisions of this Act and the rules and regulations thereunder. Each such statement, amendment thereto, or further statement shall be in writing and shall be signed by the principal officer of such network under oath or affirmation.

"Network ownership

"SEC. 381. No network shall be owned or operated by—

"(1) any alien or the representative of any alien;

"(2) any foreign government or the representative thereof;

"(3) any corporation organized under the laws of any foreign government;

"(4) any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives thereof or by any corporation organized under the laws of a foreign country; or

"(5) any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the capital stock is owned of record or voted after June 1, 1935, by aliens or their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country.

"Classification and rules and regulations

"SEC. 382. The Commission shall, from time to time, as in its judgment, the public interest, convenience, or necessity may require (1) classify television and radio networks, and (2) issue such rules and regulations with respect to each such class of networks, as the Commission may determine to be necessary or appropriate to assure that the policies, practices, and activities of such networks shall not adversely affect the ability of broadcast licensees to operate their stations in the public interest. Such rules and regulations may include, but shall not be limited to, rules and regulations (A) to require networks to exercise supervision and control over the preparation of, and to prohibit discriminatory practices in the selection of, all matter supplied by such network to any licensee for broadcasting; (B) to prohibit any network from giving unfair advantage, by means of any matter supplied to any licensee for broadcasting, to any person affiliated with, controlling, controlled by, or under common control with such network or in which such network has any direct or indirect financial or beneficial interest, in connection with promoting the sale or distribution of any product or service of such person; (C) to prohibit networks from entering into a contract or understanding with any broadcast station licensee which would limit the ability of such licensee to operate his station in the public interest, including, without limitation, provisions relating to exclusive affiliation or territorial exclusively arrangements; the duration of affiliation agreements; the optioning of station broadcast time; the acceptance or rejection of network programs; or the controlling or influencing of nonnetwork rates; (D) to limit ownership of stations by networks; (E) to restrict the number of networks that may be owned or operated by any person; (F) to prohibit or limit network practices or activities in the representation of stations in the sale of nonnetwork time; (G) to require networks to make reasonable distributions of their programs to stations; (H) to prohibit discriminatory practices by networks in the selection of affiliates; (I) to require networks to provide equal opportunities to legally qualified candidates for public office in accordance with the provisions of section 315 of this Act; (J) to require networks to provide a fair opportunity for presentation of differing views concerning public issues; and (K) to require networks to identify the sponsor of and disclose the fact of payment with respect to matter supplied to any licensee for broadcasting, in accordance with the provisions of section 317 of the Act.

"Definition by Commission of certain terms

"SEC. 383. The Commission, as to matters within its jurisdiction, shall have power by rules and regulations to define technical, trade, accounting, or industry terms used in this Act insofar as such definitions are not inconsistent with the provisions of this Act.

"Enforcement provisions

"SEC. 384. Where any network has violated or failed to observe any of the provisions of this Act or of any rule or regulation of the Commission authorized by this Act, the Commission may issue either affirmative orders or cease and desist orders to any such network, to compel compliance with this Act or any regulations issued thereunder. Such process shall be instituted by the Commission by the issuance of an order to show cause to the person or persons affected to appear before the Commission at a time and place stated in the order, but in no event less than thirty days after receipt of such order, and give evidence upon the matters specified therein. The burden of proceedings with the introduction of evidence and the burden of proof shall be upon the Commission, except that the burden of proceeding with the introduction of evidence and the burden of proof shall be upon a network to establish that the contents of an information statement filed under section 380 of this Act are not materially false or misleading or incomplete."

The letter presented by Mr. PASTORE is as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., August 1, 1961.

Senator JOHN O. PASTORE,
Chairman, Communications Subcommittee of the Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of April 12, 1961, in which you quote from the April 18–24, 1961, issue of Television Guide, focuses attention on some of the most urgent and basic problems before the Commission.

Each of these matters has been the subject of testimony in the public proceedings of our program inquiry (docket No. 12782). Although much progress has been made, the record of that inquiry is not yet complete so that we are not, at this time, in a position to submit our final report and recommendations with regard to all the matters under inquiry. However, we have taken a number of remedial actions, detailed below, as a result of the information and data obtained thus far.

As you know, the Commission's network study, for which funds were provided by Congress, was conducted by a special staff under the direction of Dean Roscoe Barrow of the Law School of the University of Cincinnati. The network study staff report was filed with the Commission at the conclusion of that study in October 1957 and the special staff was disbanded. The Commission then formed the Office of Network Study as a division of its Broadcast Bureau. One of the duties of that office is to carry forward projects which had been initiated or suggested during the network study.

The Commission's program inquiry (docket No. 12782), while to some degree an outgrowth of the network study, is a separate proceeding initiated by order of the Commission on February 27, 1959, and is conducted by the Office of Network Study. Unlike the network study, it involves extensive public proceedings before the Commission's Chief Hearing Examiner sitting as presiding officer. I would like to call your attention to the fact that Dean Barrow has recently returned to the Commission on a temporary basis to act as consultant with regard to the various problems involved in network broadcasting.

Before the inquiry is complete we shall hear detailed testimony from representatives of all the principal components of the network television industry as to the part they play, and the responsibilities they assume in the network program process. As you can appreciate, to accomplish this task on a comprehensive basis and to afford all interested groups the opportunity to be fully heard is a large undertaking. Thus far the record of the public proceedings consists of 7,804 pages of transcript and includes 287 exhibits. We are making every effort to complete the record at the earliest feasible date.

Thus far public testimony has been taken (1) from the networks on a pro forma basis; (2) from certain of the principal advertising agencies engaged in national television; (3) from the main Hollywood film producers, as well as labor organizations, talent agents and other persons involved in west coast television program production; (4) certain of the New York elements of television program creation and production. Beginning on September 26, 1961, we shall hear from representatives of major national television advertisers and soon thereafter the three national television networks will be recalled to testify fully with regard to the maters under inquiry. It is our purpose to complete this public testimony early in 1962. Copies of the transcripts of the record to date have been made available to both the staff of your

committee and that of the House Committee on Interstate and Foreign Commerce.

Also, during a 3-month period beginning in December 1959, the Commission sat en banc as a part of the program inquiry and heard approximately 100 witnesses representing virtually all informed segments of our population, including representatives of the broadcast industry, to obtain their views as to the present state of television broadcasting and the proper regulatory role of the Government, represented by this Commission, in relation to the industry.

As a result of the earlier phases of the program inquiry, a number of actions have been taken:

1. In May 1960, the Commission submitted proposal legislation to the House Committee on Interstate and Foreign Commerce which, if enacted, would empower the Commission to make rules and regulations to govern those policies, practices, and activities of networks which affect the ability of station licensees to provide broadcast service in the public interest. This proposed legislation will be discussed later in this letter.

2. In June 1960, the Chief of the Office of Network Study submitted an interim report to the Commission, entitled "Responsibility for Broadcast Matter." This report traced the history of broadcast regulation particularly with regard to broadcast service, considered the evidence in the record of the program inquiry to that time, and made a number of recommendations to the Commission designed to make more effective the Commission's policies and procedures affecting licensee responsibility for broadcast matter.

3. In July 1960, the Commission issued its statement of policy with regard to station responsibility for broadcast matter in which, among other things, it (a) reaffirmed the Commission's authority and duty to review overall station performance in its licensing process; (b) clarified the Commission's policy in regard to station responsibility for broadcast matter; and (c) announced its intention to propose revision of its broadcast license application forms to provide the Commission with more pertinent information regarding the efforts of licensees to seek out and serve the needs and desires of their communities or service areas for broadcast programing. At the same time, the Commission made public the interim report referred to above.

4. On February 21, 1961, the Commission issued a notice of proposed rulemaking—which was revised and reissued on July 7, 1961—the objective of which is to encourage more effective action by licensees to seek out and serve the broadcast needs and desires of their audiences. This rulemaking proceeding is presently in process and will be concluded as promptly as possible.

5. Recently the Commission served notice on all broadcast licensees of the seriousness of their responsibility to seek out and serve the program needs and desires of their communities. On July 31, 1961, the Commission directed that its opinion and order in connection with the renewal of the license of KORD, Inc., in which this responsibility was restated and emphasized in detail, be mailed to all broadcast licensees. (In particular, see pars. 8, 9, and 10 of the attached opinion and order, FCC-61-878, docket 14003.)

For your information and files, copies of the above documents are included as attachments to this letter.

With these preliminary statements, the statements contained in Television Guide's open letter will now be considered in order and attention will be called to the consideration given in the program inquiry to the areas to which each such statement refers:

(a) "Program quality during peak viewing hours is supervised by networks, which are not directly licensed to operate in the public interest. Only stations are so licensed, and in practice they have no control over the network programs they carry."

The Commission recognized in its policy statement (see attachment), that the practical realities of modern commercial television broadcasting materially affect the ability of individual licensees effectively to make and implement program decisions involving their network offerings. Station licensees take no significant part in the decisional processes through which network programs are created, produced and selected for broadcast. Also, in the usual course of network-affiliate relations, licensees have little or no opportunity to see and judge such programing in advance of transmission.

On the basis of the information received during the earlier phases of the program inquiry, including the en banc proceedings before the Commission itself, we concluded that the present statutory pattern which places the entire responsibility for broadcast matter on individual station licensees has been so affected by the realities of network broadcasting that it no longer is adequate to provide reasonable assurance, solely through regulation of station licensees, that the airways will be used in the public interest. As a result, in May 1960, in commenting on H.R. 11340 (the Harris bill) and H.R. 5042 (the Bennett bill), 86th Congress, the Commission recommended to the Interstate and Foreign Commerce Committee of the House of Representatives that the Communications Act be amended to provide for the proper regulation of networks in the public interest. (See pp. 8 through 16 and app. B of the Commission's comments dated May 4, 1960, attached hereto.)

The amendments as proposed would give the Commission authority (a) to classify networks; (b) to require networks to file informational statements to advise the Commission of relevant network policies and operations (the information to be in accord with detailed requirements to be set out in rules); and (c) to make rules and regulations to regulate policies, practices, and activities of networks which adversely affect the ability of broadcast licensees to operate their stations in the public interest. This legislation would provide broad authority for the Commission to regulate networks in various areas, including those now covered in its chain broadcasting rules, and would enable the Commission to apply corrective rules directly to networks. In addition, it would permit appropriate regulation to place responsibility for broadcast matter on the network in those situations where the local licensee cannot effectively act. It is not the Commission's intent that the present responsibilities of station licensees under the act should, in any way, be diminished. Rather, the responsibilities which would be placed on networks under the proposed amendments would be designed to complement, and not displace, the existing responsibilities of broadcast stations.

In this connection, it should be pointed out that the Harris and Bennett bills would provide systems of network licensing. The Commission, while agreeing with the general objectives of these bills, believes that necessary regulation can be achieved without licensing. We will appreciate anything you and your committee can do to further adoption of legislation to that end.

FURTHER PURPOSE OF THE INQUIRY IN THIS AREA

With the adoption of the recommendations as to network regulation, a major question presented for consideration in the program inquiry was resolved.

The continuing purpose of the inquiry in this area is to provide the Commission with an adequate factual basis on which proper rules and regulations affecting the general area of responsibility for broadcast matter may be framed and adopted. Much additional work needs to be done to lay the groundwork necessary to enable the Commission to determine upon a regulatory pattern within the confines of the proposed legislation which will, at the same time, preserve the advantages of diversified responsibility for broadcast subject matter without substantially impairing essential network service. This presents a complex problem in poise and balance. Its solution requires detailed understanding of the many delicate relationships present in the creative and economic functioning of the industry. The regulatory pattern ultimately devised must provide adequate insurance that the public interest will again become paramount in the choice of broadcast matter at the national level. It must be sufficiently realistic and elastic to avoid stultification of a dynamic network industry, but at the same time, should insure the maximal community control of broadcast subject matter compatible with the realities of modern commercial broadcasting.

(b) "Tribute in the form of part ownership of shows is being paid to networks by producers in order to get their shows on the air."

NETWORK OWNERSHIP OF PROGRAMS

One of the problems which gave rise to the inquiry was that of program "tie-ins." In congressional hearings and in prior information obtained by the network study staff, there were several instances where the networks had apparently used the economic leverage derived from their control over broadcast time and facilities to acquire financial or proprietary interests in programs carried on their networks. The allegation had frequently been made that networks, as a general rule, acquired financial or proprietary interests in programing—on the basis of little or no consideration—from independent producers as a condition precedent to acceptance of programs. This allegation was vigorously denied by the networks.

Networks create and produce some of the programs they distribute to their affiliates. Others are produced in some form of joint venture between the networks and independent producers. Still other programs are produced independently and brought to the network by a sponsor. In such a situation the network merely provides time and facilities. It has been asserted by the networks that the amount of creative control they may exercise over their programs is related to their proprietary interest in the show. One purpose of our inquiry has been to explore the various relationships involved in the production, financing, and selection of television network programs to make an objective analysis of this matter. Much testimony has been taken from producers and other interested persons in this regard.

The extent to which network proprietary and financial interests in independently produced programs may be necessary or desirable to enable the networks to exercise a proper amount of control over the type, quality, subject matter, and scheduling of their programs and the extent, if any, to which the networks use the leverage of their control of the time and facilities of licensees as a means of acquiring such interest is actively being explored. Before the program inquiry is complete, we shall make a detailed study and analysis to determine the extent and relation to the public interest of the acquisition of proprietary interest in their programing by networks and the means through which such interests are acquired. If abuses exist in this area, we will take steps to remedy them through the adoption of appropriate rules.

(c) "Television violence is making our youth callous and damaging America's image abroad. Despite network efforts to curtail the violence there is still a cumulative emphasis of violence on television."

In the Commission's program inquiry, a number of responsible persons expressed alarm at the excessive depiction of crime and violence as regular fare on television.

Network representatives, program producers, and others concerned with program production stated that they seek to avoid unnecessary use of crime and violence in television programs. However, they point out that a certain amount of crime and violence is inherent in all literature and drama and that they cannot exclude all crime and violence without excluding large areas of legitimate drama, including the classics, from television.

This entire subject, as you know, is presently being considered by the Senate Committee on Juvenile Delinquency. We are following those hearings with care and have colaborated with the committee in this area.

In view of the provisions of section 326 of the Communications Act, it is uncertain, on the present state of the record, how the Commission can effectively deal with this problem. It is one thing to assert generally that excessive crime and violence in television programs is undesirable and perhaps socially damaging. In is quite a different thing for the Commission to attempt to establish processes for making the nice literary distinctions which apparently would be necessary to regulate crime and violence in television programing. It is difficult to see how this matter can be dealt with except on a program-by-program basis. In order to determine which programs involve excessive or unnecessary depiction of crime and violence it would be necessary to examine the detailed subject matter of each program and to make the appropriate literary judgments. For the Commission to do so would certainly involve grave questions of censorship in a form of direct prior restraint which it is specifically prohibited from doing by section 326 of the Communications Act.

While there does not appear to be any formal action which the Commission should take at this time, the fact remains that an increasing number of responsible persons feel that constant depiction of crime and violence in television programing produces damaging social effects, especially among the young, the unstable, and the impressionable. It is the Commission's view that in preparing television program schedules, networks and licensees should take careful account of the responsible opinions which have been expressed regarding this subject.

In the interim report, the attention of the industry was directed to the testimony regarding crime and violence which was received in the Commission's program inquiry, and it was strongly suggested that the industry should not ignore or reject these views without the most careful consideration. Since that time, we are informed that the National Association of Broadcasters has intensified its efforts to screen out excessive crime and violence from television programing. Also that the three national networks are taking similar steps. We believe that the self-interest of the industry requires that these efforts should be continued and expanded. The Commission will continue to follow developments in this area.

(d) "Informational shows have increased in quantity and quality on the networks this season but many of these programs are not carried by local stations."

This matter has been the subject of considerable testimony in the Commission's program inquiry. One indirect result in our inquiry has been the increase in prime evening hours of public affairs programs dealing with matters of concern to the national television audience. The networks have intensified their efforts in news and public affairs and have projected plans to continue and expand their informational service. However, the networks assert that in many instances their information programs—especially if carried on a sustaining basis—fail to clear many of their affiliates.

It has not been the Commission's policy to seek to require its licensees to exhibit any particular programs or particular types of programs. However, as stated earlier, the Commission is intensifying its efforts to see to it that the program proposals made by an applicant for a broadcast license are based on bona fide, diligent, and continuing surveys of his community to determine its programing needs. The new proposed program form calls for information on public affairs and instructive programs carried by stations, whether network originated or locally produced.

The Commission will attempt to see to it that its licensees perform their functions as broadcasters in the public interest, including adequate provision for program service in terms of the needs of the community for programing of an informational nature.

(e) "Rating services, however honest and accurate, are concerned only with numbers. By using these numbers as criteria for retaining or dropping programs, networks and advertisers are forcing down the quality of entertainment and restricting the variety of entertainment."

While the program inquiry will not include a definitive study of the methodology and accuracy of rating services as such, the extent to which audience measurement information is a decisive factor in the selection and retention of network television programing has been the subject of considerable testimony in the inquiry. We plan further to explore these matters in detail with the representatives of the national advertisers and the networks when they appear as witnesses.

Our staff has studied the report on "Evaluation of Statistical Methods in Obtaining Broadcast Ratings," recently published by the House Committee on Interstate and Foreign Commerce, and is following other developments in this field. This includes maintenance of liaison with the Federal Trade Commission which is investigating ratings, with particular emphasis upon the claims made by stations in their advertising which purport to reflect rating results.

We are, of course, aware of the allegations which have been made as to the misuse of rating information in television programing. We shall make every effort to determine whether, and the extent to which, the public interest in broadcast service is affected in this process.

(f) "A few talent agencies which control most of the important talent in television now reach into all aspects of the medium and often exercise almost dictatorial control over programing."

The activities and influence on the creation and production of television programs by talent agents have been the subject of interest and concern in the program inquiry.

Two talent agencies represent a large share of the talent which is available for television program production. These are MCA, Inc., and William Morris, Inc. Each of these agencies also engages in various activities connected with the creation, production, sale, and exhibition of a large part of the filmed programing which appears on network television. William Morris does not directly engage in the production of television programing but represents a number of program packagers. MCA is not only directly engaged in the production of filmed programs but also performs a number of other functions, including leasing of production facilities, syndication, etc.

Two principal executives of William Morris, Inc., in charge of its west-coast operations, voluntarily appeared in the program inquiry and testified in detail regarding their activities in television programing. MCA refused to supply any significant information although they were directly ordered to do so by the Commission. Steps are presently being taken to require MCA, Inc., to appear in the inquiry and provide the requisite information. It is problematical, however, when this can be accomplished as it may involve lengthy court proceedings. The Commission has referred the matter of the refusal of Taft Schreiber, vice president of MCA, Inc., to testify to the Department of Justice for appropriate action.

Because of this refusal of MCA, we have been unable to complete the record with regard to the activities of talent agencies which affect the television network program process. However, without going into details, the information presently available in the record of the program inquiry is sufficient to raise questions requiring further exploration as to the effect on the availability and quality of television programs, as well as competitive conditions in the industry, of talent agent-producer-packager relationships involved in the production of many mass-audience programs presently appearing on network television. We shall pursue this matter as rapidly as the circumstances permit.

In summary, we should like to emphasize that the Commission is cognizant of, and has under consideration in its program inquiry, the various problems which were raised in your letter. That inquiry was specifically directed to several of these problems and is designed to assist the Commission in determining the regulatory measures necessary to cope with these and other problems in television broadcasting. As stated above, the Commission has determined, on the basis of information thus far obtained, the need for authority to devise and promulgate rules and regulations with regard to networks. The proposed amendments to the Communications Act included with this letter would, we believe, if enacted, greatly facilitate a solution of the various problems arising in the area of network-affiliate relations. While the text of the amendments should, of course, be subject to the careful scrutiny of your committee and other interested committees of Congress, it is our view that the objectives included in our proposal should be retained.

If you or your committee wish any further assistance from the Commission or its staff, we shall, of course, be pleased to provide it.

The full Commission adopted this letter on August 1, 1961.

By direction of the Commission:

NEWTON N. MINOW,
Chairman.

AVOIDANCE OF STRIKES IN DEFENSE JOBS

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill which would provide the President with adequate legal authority to deal with those work stoppages that he considers to constitute a threat to our national security.

This bill, Mr. President, is very simple. It would amend the National Labor Relations Act to make it an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in this industry would threaten or impair the national security. It does not interfere with the injunctive provisions of the Taft-Hartley Act and in no way repeals or interferes with other provisions of the act.

Such a provision in the labor laws, Mr. President, would not impair the basic rights of labor to organize and to bargain collectively. It would only temporarily suspend the guarantee of collective bargaining if the President finds that irresponsible and shortsighted behavior by persons conducting labor negotiations is threatening the security of

the very nation which provides the guarantee.

This amendment to the labor law would supply the weapon for the President's emergency arsenal to which the Secretary of Labor recently alluded. Quick congressional passage of this provision would make the weapon available for the President to use if ever it is needed.

It will be remembered that in Omaha on July 31 President Kennedy's Secretary of Labor, Arthur J. Goldberg, sounded a note of warning on the no-strike, no-lockout pledge to which the labor and management interests who are constructing our missile bases have agreed. He said:

> There is no reason or justification for any worker walking off the job.

This no-strike pledge resulted from the recent Senate hearings which publicized the widespread lack of understanding and of respect for the national security on the parts of those persons who were responsible for these critical work stoppages.

Even after the pledge, however, during the month of July, according to the Federal Mediation and Conciliation Service, work stoppages on these missile bases caused the loss of 209 more man-hours. Evidently, the intimate interrelationship with national security which characterizes their work is still not clear to some people.

Mr. President, the Labor Secretary's warning was this: In case this no-strike pledge fails, "the President will have no hesitancy in going to Congress if necessary."

This willingness to go to Congress in the case of emergency is inadequate. National security is involved. These missile bases will be our ultimate defense. If at any place in this country there exists a need for patriotism and for responsibility—as the President has called for—it is in this construction of our strategic defense mechanism.

The time to place an emergency procedure in our statutes is now—not after an emergency arises. The remedy I have proposed is simple and fits into the form and concept of the National Labor Relations Act.

I ask unanimous consent that the text of the bill I am introducing may appear in the RECORD at this point:

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

The bill (S. 2401) to amend the National Labor Relations Act to provide that it shall be an unfair labor practice for a labor organization to call a strike in an industry if the President has certified that an interruption of work in such industry would threaten or impair the national security, introduced by Mr. CASE of South Dakota, 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 subsection (b) of section 8 of the National Labor Relations Act, as amended, is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting "; and" in lieu of such period, and by adding after paragraph (7) the following new paragraph:

"(8) to call or authorize any strike or other concerted stoppage of work, or the continuance thereof, in any industry (or segment thereof) during any period with respect to which there is in effect a certification by the President that, in his opinion, an interruption of work in such industry (or segment thereof) would threaten or impair the national security. Whenever the President determines that an interruption of work in any industry (or segment thereof) would threaten or impair the national security, he shall certify that fact to the Secretary of Labor, who shall cause the contents of the certification to be published in the Federal Register. Such a certification shall remain in effect for a period of three months or until rescinded by the President, whichever first occurs. Nothing in the preceding sentence shall be construed to prohibit the President from making subsequent certifications, in accordance with this paragraph, with respect to any industry (or segment thereof) after the effective period of a prior certification has expired or been rescinded."

AMENDMENT TO FEDERAL AIRPORT ACT

Mr. KEATING. Mr. President, I submit an amendment to the Federal Airport Act, S. 1703, which I ask to be printed and ordered to lie on the table.

This amendment, Mr. President, applies to a particular situation in a particular part of my State. It is based, however, on a generally valid principle which I would be glad to see applied to the whole of the Airport Act and, in fact, to most other Federal programs.

That is the historic principle of local self-determination, which is one of the fundamental pillars of our system of government in this country.

The effect of my amendment will be simply to prevent the Federal Aviation Administrator from using the funds provided in this act to maintain any airport project in Nassau County, N.Y., without the approval of the board of supervisors of that county.

This prohibition, quite frankly, is designed to head off an announced plan by the FAA to convert Mitchel Field in Nassau County into a general aviation airport.

Opinion on the wisdom of this conversion is divided in Nassau County. There are many citizens of the county who wish to protect their area from the baleful effects of airplane noise, against which I have recently been laboring in connection with La Guardia and Idlewild Airports.

I am delighted to hear that the House Committee on Interstate and Foreign Commerce will make an inquiry into this subject.

Some of these opponents of the airport have put forward a number of excellent alternative uses for the facilities that now exist there. Among these proposed alternatives are an industrial park, a hospital, and a YMCA recreation center.

On the other hand, there are quite a number of citizens of Nassau County who would like to go along with the FAA's plan for the airport. They argue that the future development of the county and of the remainder of Long Island requires aviation facilities of the kind that now are available at Mitchel Field.

It would not be appropriate for me to become involved in this controversy, and I do not wish to do so. I do, however, wish to make certain that the local consensus shall be decisive. Under my amendment, the FAA plan for Mitchel Field may be implemented, or the field may be used for any other purpose that is generally approved. The important thing is that the final decision will be made by the residents of Nassau County.

As I say, I would be glad to see this principle of self-determination applied to the whole of the Airport Act. It is an eminently sound principle which goes a long way toward answering the question of how we are to make use of the resources of the Federal Government without stifling grassroots democracy.

Indeed, I had in mind proposing a general amendment rather than a specific one. However, as a practical matter, I realize that to frame this amendment in language that would have universal application might raise problems for many of my colleagues. They would have to ask themselves how this amendment would affect projects in their own States. They would no doubt wish to make extensive inquiries before committing themselves to this application of the home rule idea, however much they may agree with it in principle. The result would be that we probably would not get immediate agreement on the amendment, and the cause of Nassau County might be lost while we were studying the larger question.

Therefore, I have framed my amendment so that it will apply only to Nassau County. An identical amendment was included by unanimous vote in the Airport Act that has already been passed by the other body. This amendment, thus, is an effective remedy to a particular problem.

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

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

The amendment submitted by Mr. KEATING is as follows:

On page 6, after line 15 insert the following:

"(b) Section 11 of such Act is amended—

"(1) by striking out 'and' at the end of paragraph (7);

"(2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof '; and'; and

"(3) by adding immediately after paragraph (8) the following new paragraph:

"'(9) with respect to any project in Nassau County, New York, the Board of Supervisors of Nassau County approves such project.'"

Redesignate "(b)" on page 6, line 16, as "(c)".

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. SMATHERS submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare

of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

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

Mr. PASTORE. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 2180) to establish a U.S. Disarmament Agency for World Peace and Security.

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

NOTICE OF HEARING ON NOMINATION OF JAMES B. PARSONS TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF ILLINOIS

Mr. HART. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 17, 1961, at 10:30 a.m., in room 2300 New Senate Office Building, on the nomination of James B. Parsons, of Illinois, to be U.S. district judge, northern district of Illinois, vice Philip L. Sullivan, deceased.

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

The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

ANNOUNCEMENT OF HEARING ON SALINE WATER CONVERSION PROGRAM BILL

Mr. ANDERSON. Mr. President, I wish to announce, for the information of the Senate, that on August 22, at 10 a.m., in the Interior Committee hearing room, an open public hearing will be held on S. 2156, a bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior.

This announcement is intended to inform all Senators and others who wish to testify that they will be welcome to do so. Anyone wishing to testify should contact the committee staff, in order that proper arrangements can be made.

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

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

By Mr. YARBOROUGH:

Remarks of Secretary of Labor Arthur Goldberg, as read by Under Secretary of Labor Willard Wirtz, on acceptance of plaque at the Four Freedoms Award Dinner.

SENATOR PROXMIRE'S LONELY BATTLE

Mr. MANSFIELD. Mr. President, in the New York Post of Wednesday, August 9, appears a news story entitled "Senator PROXMIRE's Lonely Battle." The article was written by Milton Viorst.

I believe that the Senator from Wisconsin [Mr. PROXMIRE] performed a service in the long and lonely battle he carried on in behalf of his strongly held convictions. I know from speaking to the distinguished Senator from Wisconsin that he wishes Mr. O'Connor well in his new position, that he feels he has made the best fight possible, and that he accepts the verdict of his colleagues.

Therefore, I ask unanimous consent that the article from the New York Post be printed in the RECORD.

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

SENATOR PROXMIRE'S LONELY BATTLE

(By Milton Viorst)

WASHINGTON, August 9.—As Senator PROXMIRE talked on in the Senate through the day, through the night, and then through the dawn he knew that he wouldn't win.

PROXMIRE, the Senator from Wisconsin, was quite adjusted to the probability of losing his fight to block the nomination of Lawrence O'Connor to the Federal Power Commission. PROXMIRE, on the other hand, will never adjust to the idea that a man, no matter how honest or intelligent, should be appointed to regulate an industry to which he has been beholden for years. O'Connor has served as vice president of the Independent Petroleum Association and has owned 29 oil and gas company stocks.

CONTENTED IN DEFEAT

So PROXMIRE conducted his one-man filibuster for better than 12 hours in the Senate through yesterday, last night, and today, and then he settled back to defeat satisfied he had done his best.

It is still somewhat incongruous that one of the Senate's most persistent liberals is the political heir of the late Joe McCarthy. Yet it is McCarthy's seat that PROXMIRE holds, earned in a landslide triumph following McCarthy's death in 1957.

Like other Congress liberals, PROXMIRE is a product of wealth and extensive education. His father was a prosperous Chicago physician. He went through the Hill School, Yale (as an undergraduate) and Harvard (as a graduate student). His first job was with J. P. Morgan Co. in New York. His connection with the underprivileged has always been marked by empathy rather than experience.

Yet he has given unstintingly of his energies since he was first elected to political office—to the Wisconsin Legislature a decade ago.

ATHLETES DEVELOPED STRENGTH

A filibuster is a grind, a wearing physical ordeal that normally leaves the Senator wilted and wan, but PROXMIRE appeared fit and strong as he spoke on through his last hours on the floor early this morning.

This is not surprising. PROXMIRE, a college athlete who won his "Y" in football despite the dubious distinction of dropping 10 straight forward passes in one practice session, has always worn down his associates with his inexhaustible energy.

PROXMIRE's objections to O'Connor for the FPC were based purely on the man's background. He admits this. He says he has no evidence that O'Connor is not honest, intelligent, or persevering. For that reason there was scant support for his opposition in the Senate.

PROXMIRE'S VIEWPOINT

To PROXMIRE it was the principle of the thing.

"I certainly would not question the character of Mickey Mantle or Roger Maris," he had said. "They are fine Americans. But I would not want them to umpire a Yankee baseball game."

Yet as the filibuster went on, doomed though its objective may be, PROXMIRE thought that the cloth of his defeat may contain threads of victory:

"I think it at least will have an impact on O'Connor and on his conduct in office," the Senator said.

DEATH OF GEN. WALTER BEDELL SMITH

Mr. MANSFIELD. Mr. President, last night a distinguished American and a dear and near neighbor of mine, Gen. Walter Bedell Smith, soldier and diplomat, died in the city of Washington.

General Smith was, in my opinion, not only one of this Nation's outstanding soldiers during World War II, but also in his tenure as Under Secretary of State and Ambassador to Russia he was one of the great diplomats of our time. He was also, for a time, the Chief of the CIA. The passing of this great American is a distinct personal loss, so far as my family is concerned and, I feel also, so far as this body and the Nation as a whole are concerned. His many contributions will be remembered for a long time to come. His devotion to duty was outstanding, and his patriotism was a byword.

General Smith rose from the rank of enlisted man in the Indiana National Guard to the rank of general, U.S. Army. I do not believe he ever went to college. But on the basis of ingenuity and ability, he was able to achieve outstanding positions, which he held in this Government under both Democratic and Republican administrations.

I ask unanimous consent that a news story, published today in the Baltimore Sun, covering the death of this well-known soldier, diplomat, and American, be incorporated at this point in the RECORD.

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

WALTER BEDELL SMITH, SOLDIER AND DIPLOMAT, IS DEAD AT 65

WASHINGTON, August 9.—Gen. Walter Bedell Smith, General Eisenhower's Chief of Staff in Europe during World War II, died tonight at Walter Reed Hospital.

The 65-year-old former soldier and diplomat died at 11:30 p.m. tonight, the hospital reported. The cause of death was not learned immediately.

General Smith had served as an Under Secretary of State in the administration of President Harry S. Truman and as Ambassador to Russia for 3 years.

RETIRED IN 1954

He retired October 1, 1954, after 43 years in Government service.

General Smith earned the unofficial title of "general manager" of World War II and gained new prestige in the subsequent cold war. During 3 critical years of the uneasy peace period he served as Ambassador to Russia.

As Chief of Staff to General of the Army Eisenhower, Smith was responsible for handling the multitude of details involved in planning the invasion of Europe. He had been General Eisenhower's Chief of Staff also in the north African, Sicilian, and Italian campaigns.

Mr. Eisenhower once said that he knew only four men in the American Army capable

of being great Chiefs of Staff and that "Beedle," as he called his assistant, was the best of the four.

NEVER WENT TO COLLEGE

He served as General Eisenhower's Chief of Staff from September 1942, 2 months before the Allies' invasion of north Africa, through the European war and signed both the Italian and German documents for the United States.

Yet General Smith, unlike most high-ranking officers, never attended the U.S. Military Academy or even a civilian college. A first sergeant in the Indiana National Guard in 1917, he entered Federal military service shortly after the start of World War I.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Mr. President, all the Members of the Senate on this side of the aisle, as well as all those on the other side, join in the sentiments which have just now been so eloquently expressed by the majority leader.

The late General Smith was a great and distinguished American, who served his nation well in war and in peace. He was referred to as the "general manager" of the Allies' offensive in Europe. He was the Chief of Staff to the then General Eisenhower; and much of the success of the Allies against the forces of darkness in World War II in Europe was due to the abilities and the exertions of the late General Smith.

As the majority leader has said, in time of peace Walter Bedell Smith served this Government as Ambassador to the Soviet Union, and he also served our Government as Under Secretary of State to President Eisenhower.

The American people have lost a stanch advocate for their way of life; and the Nation mourns his passing.

Mr. CARLSON. Mr. President, I wish to add my words of regret at the passing of the great American who has just now been referred to by both the majority leader and the acting minority leader. Gen. Walter Bedell Smith was not only a great soldier; he was also a great diplomat. Those of us who serve on the Foreign Relations Committee had frequent opportunities to obtain the benefit of his views, judgment, and knowledge in regard to many of the problems affecting our country.

The entire Nation mourns the passing of Walter Bedell Smith; and the United States and all the other nations of the free world have suffered a great loss.

HIJACKING OF PLANES AN ACT OF PIRACY THAT MUST BE STOPPED

Mr. CARLSON. Mr. President, the hijacking of planes is an act of piracy that must be stopped. Our country and other nations have dealt with pirates before, and the penalty has been death.

The present situation in our Nation is such that Congress should enact legislation making hijacking of planes punishable by death.

Surely the time has not arrived in our Nation when individual citizens traveling in American aircraft should not have some feeling of security.

Some years ago there was a wave of placing bombs on planes in the United States; and after writing extreme penalties into the provision of the law, this danger was greatly minimized.

The situation in Cuba, 90 miles off our borders, is a festering sore that must be cleared up. Certainly as a great, powerful nation, we do not need to tolerate the insults and provocations that are presented to us by Fidel Castro.

These plane incidents are another evidence of the disrespect Castro shows to our Nation and its citizens; and unless we take firm and drastic steps, we shall lose our prestige and the respect of the nations of the world.

It would be better if the Organization of American States took a firm stand and stated that no Communist-controlled regime would be allowed to endanger the freedoms of the citizens of the countries of the Western Hemisphere. But if it does not, we as a nation must, in our own interest, self-defense, and prestige, take action.

At the meeting now being held in Montevideo, no greater service could be rendered than to take action on this matter.

Mr. KUCHEL. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. KUCHEL. I congratulate the able Senator from Kansas on what he has just said. I congratulate him for advocating the enactment of legislation to deal with the vicious epidemic of plane pirating, and I also congratulate him for what he has indicated is the need for joint action in this hemisphere by the Organization of American States.

Mr. President, I do not understand why we permit a continuance of any trade with Castro's Cuba. Every month some citizens of this country continue to purchase agricultural and other commodities from Cuba, to the extent of some $5 million. That is $60 million a year. That ought to stop. The Senator from Kansas is eternally right when he suggests that collective action should be taken by the Organization of American States; the Senator from Kansas is also correct in saying that, lacking joint action, this Government ought to take such action as is necessary and appropriate to prevent a continuation of commercial transactions or trade between this country and Cuba.

We believe in an economic blockade; and the time for that blockade is now.

I thank the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate the comments of the Senator from California.

Mr. BUSH. Mr. President, apropos of what the distinguished Senator from Kansas has just said, I wish once more to call attention to a resolution I submitted in January 1960, and in January 1961, which bears upon this particular subject. In effect, it calls for a reactivation of the Monroe Doctrine. It says, in effect, that the Organization of American States should take cognizance of matters of this kind, but if an individual country feels its own security is threatened, it may take unilateral action.

I once again call upon the Foreign Relations Committee to hold hearings on the resolution. My mind has not changed in the last 18 months that some action such as this is necessary in connection with our foreign policy in the whole Latin American area.

VIEWS OF FORMER PRESIDENT HERBERT HOOVER ON HIS 87TH BIRTHDAY

Mr. BUSH. Mr. President, on another subject, in the New York Times of today there is a news story of Herbert Hoover's 87th birthday. Mr. Hoover discussed some of the important issues of the day in his apartment at the Waldorf Towers. At the age of 87, he is far removed from the turmoil of politics, and looks at world affairs with only one point of view; namely, what is best for the people of the United States.

I was not surprised to read that he said, in turning to domestic problems, that the most disastrous thing that is happening to us in the United States is the increase in crime. He said that this trouble arises from the restrictions upon our courts and the practices which have developed within them. The lag in court convictions is not within police control.

In 1957, 2,800,000 major crimes were committed in the United States, and there were only 300,000 convictions. He suggests that our bar associations look into the methods of the British courts, where there is no such appalling record as that in the United States. In Britain 85 percent of those arrested are convicted. He was dealing with what he calls the most disastrous thing that is happening to us in the United States.

I think those of us who live in the District of Columbia much of the year pick up our evening or morning papers with apprehension almost daily, wondering what the new crime of the day or week is going to be. I have noted that the Chief of Police in Washington has said repeatedly that he does not feel the police are adequately supported by the courts, and that is one of the major reasons for the increase in crime.

I ask unanimous consent that the article containing views of Mr. Hoover on this and other subjects may be printed in the RECORD following these remarks.

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

HOOVER, 87 TODAY, DOUBTS WAR WITH THE RUSSIANS IS IMMINENT—SCOFFS AT KHRUSHCHEV'S PROTESTATIONS OF NEW PROGRAMS OR POLICIES—SAYS AMERICANS HAVE NOT GROWN SOFT

(By Foster Hailey)

The once brown hair is thin and gray. The step is slow and deliberate. The voice is thin and lacks some of its old decisiveness. But the spirit still is vibrant.

At 87 years, Herbert Hoover, engineer, builder, wartime feeder of half a world, 31st President of the United States, still faces the coming years unafraid, proud of his country, confident in its strength, sanguine as to its future. And still busy.

In what has become a custom with him the last few years, he submitted Tuesday to a birthday interview. His birthday was not until today.

But to avoid the clutter of TV and newsreel cameras in his apartment in the Waldorf Towers and the insistent questions of newsmen, many of whom were not even born when he was in the White House, the interview was arranged in advance.

He was born in the little Iowa town of West Branch on August 10, 1874.

Puffing at a pipe, which he kept lit with old-fashioned, long-stemmed kitchen matches, he said war was not imminent because "the Russians most likely do not want a nuclear war any more than we do."

"President Kennedy's courageous statement as to Berlin should carry conviction to the Russians," he continued. "As long as the Russians are willing to negotiate over this problem, there is hope of solution."

He said he did not place much credence in Premier Khrushchev's protestations of new programs or policies. He said he found in them no repudiation of the important principle of Communist doctrine first stated by Lenin in 1920: that communism should "use any ruse, dodges, tricks, cunning, unlawful methods, and concealing of the truth" in its dealings with other nations.

Mr. Hoover said he had "never been keen on summit meetings."

"They put the President of the United States in a difficult position," he said. "The leaders of other countries always represent the dominant political party. They can make binding decisions. The President of the United States cannot. We have only to remember the tragic failure of Wilson and the League of Nations to realize that."

Turning to domestic problems, Mr. Hoover described the "most disastrous thing that is happening to us" as the increase in crime.

"Our trouble arises from the restrictions upon our courts and the practices which have developed within them. The lag in court convictions is not within police control," he said.

In 1957, he said, 2,800,000 major crimes were committed in the United States, and there were only 300,000 convictions.

"I suggest that our bar associations should look into the methods of the British courts, where there is no such appalling record as that in the United States."

In Britain, he said, 85 percent of those arrested are convicted.

He put in a plea for his own special interest, the Boys Clubs of America, of which he is a leader. There is, south of San Francisco, a chain of seven such clubs in seven towns, he said, and "the presidents of those clubs inform me that delinquency has practically disappeared in those areas."

As for the fitness of Americans, Mr. Hoover asserted they had not grown "soft" as so many said. "Too much attention is paid to what goes on in the cities," he said. "Out in the countryside, in the small towns, on the farms, Americans are just as patriotic as they ever were, ready to meet any emergency, any challenge."

As for his fitness, Mr. Hoover said he felt "as good as any man probably can at 87."

He said that the third volume of his memoirs, the general title of which is "An American Epic," would be in the book stalls September 11.

He said he was still busy with volume IV, which will carry through World War II.

Mr. Hoover has seven adoring women secretaries, under Miss Bernice Miller, who joined his staff 22 years ago "on a temporary basis."

A digest of his activities last year listed attendance at 26 public fetes; 7 major and 7 minor speeches (with no "ghost writers"); 34,805 letters answered; trips to Florida, Washington, California, and Philadelphia; the filming of a commentary for television, "The Ordeal of Woodrow Wilson," and participation in the educational and scientific work of 12 organizations, on which he either is a trustee or a director.

DALLAS WORKS FOR RACIAL HARMONY

Mr. TOWER. Mr. President, the city of Dallas, Tex., has quietly undertaken and, I am confident, is achieving a remarkable transition from racial segregation to desegregation in its community life. This is being accomplished by responsible leadership on the part of Dallas' own civic leaders, who recognize that racial differences can be resolved only in an atmosphere of good will and moderation.

Due to the existence of this healthy atmosphere of good will, the tensions that have accompanied desegregation in various other cities in every region of the Nation have been avoided in Dallas.

The full story was summarized in the Dallas Morning News last Sunday. I ask unanimous consent to have this account printed in the RECORD following my remarks. It proves my contention that it is possible to create the atmosphere of good will, to which I previously have referred, and that such an atmosphere—free from the influence of extremists on both sides, free from the intervention of outsiders, free from forced measures or threats of such measures—is conducive to lasting racial peace.

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

[From the Dallas Morning News, Aug. 6, 1961]

DALLAS WORKS FOR RACIAL HARMONY

(By Dennis Hoover)

Details of a vast educational program to condition Dallas residents for peaceful acceptance of public school desegregation beginning September 6 were bared Saturday.

The program has been quietly underway for about 17 months, ramrodded by 250 of the city's supercivic dads who make up the Dallas Citizens Council.

Almost every organization in Dallas—civic, religious, service, fraternal, labor, and professional—has joined in a communitywide move to assure law-abiding transition to the new era, it was stressed in a press briefing held by DDC leaders.

Early in 1960 the DCC saw ultimate desegregation as inevitable. It vowed that for the well-being of Dallas the strife of a Little Rock or New Orleans must be avoided, absolutely.

Since then, plans have been carefully laid and carried out.

Cooperating have been such encompassing organizations as the Dallas Bar Association, Dallas County Medical Society, and Greater Dallas Council of Churches.

The inevitable became clear last April 6 when school authorities' last legal bastion in a 5½-year court battle crumbled.

The new era will start in about 4 weeks, when a 12-year stairstep desegregation plan, beginning with first graders at some of the district's 100 elementary schools, will be launched. A potential 10,858 white and 3,102 Negro first graders will be involved.

If the launching is minus brickbats, blood and mob hysteria, it will be because thousands of Dallas people, humble and prominent alike, agree with the DCC's central tenet. This is: Whether you favor desegregation or not, good citizens obey the law.

The DCC comprises the chief executives of Dallas' largest corporations. Many times in the past this organization has acted when it deemed the welfare of Dallas at stake.

EDUCATIONAL PROJECT UNVEILED

Last week President C. A. Tatum and other DCC leaders decided it was time to unveil formally the educational project—its mechanics, philosophy, and success to date. The conference of news media representatives was called at Hotel Adolphus.

A hint of the program's success is the fact that on July 26, a Wednesday, precisely 156 Negro men and women lunched alongside whites in 40 major restaurants and store eating places in downtown Dallas and suburban shopping areas.

There wasn't an incident. This was not a freak episode or a sit-in planned by agitators. It was a deliberately staged test by the city's most responsible white and Negro leaders. It proved, say these leaders, that desegregation of the city's major eating places has been accomplished, with Negro leaders, white proprietors, and the general public ready to behave responsibly.

Silence on the conditioning program has hitherto been observed for two reasons, it has been brought out. One, to avoid stirring up extremist elements; two, to avoid setting up personal targets for citizens rabid over the desegregation question.

But now all can be told. Here are the mechanics of "operation education for desegregation":

COMMITTEE MAPPED THE PLAN

Out of the deliberations that began 17 months ago inside the DCC came a seven-member committee.

This committee, after consultation with psychologists, law enforcement officials, and citizens of other communities that have faced desegregation problems, has been rallying organizations numbering tens of thousands of Dallas residents to the cause of peaceful compliance with the law.

Members of the committee are Karl Hoblitzelle, C. A. Tatum, W. W. Overton, James Aston, Carr P. Collins, Julius Schepps, and John E. Mitchell.

No major group of citizens, whether parent-teacher association, service club, women's club, or communications outlet, has been overlooked. All the sharpest tools have been used, including professional public relations guidance, to get across the message: Good citizenship and the well-being of Dallas necessitate respect for the law.

Among tools used in the program has been a potent, locally prepared documentary film entitled "Dallas at the Crossroads." The movie contrasts scenes of a happy, forward-marching Dallas with pictures of violence in other cities confronted with changes in their school systems. It contains personal pleas from top Dallas civic leaders to avoid making these mistakes.

The film has had scores of showings, and will have hundreds more between now and September 6. Its showing is always after an introduction by the leader of the group to which it is shown—a firm head, church rector, labor leader, women's club president, etc. Viewers are made conscious of the desegregation problem as it could affect them individually.

Today in churches over Dallas 100,000 "Dallas at the Crossroads" booklets are being distributed to church congregations with the enthusiastic approval of the clergy and lay religious leaders.

Inserts bearing the same message are to be distributed by many companies with their employees' paychecks. Thousands of posters presenting the face of a happy Dallas and urging that its citizens avoid violence, have been prepared for display in all public gathering places.

Typical of the reception accorded the movement, say its leaders, is that of Dallas organized labor. It voted overwhelmingly to help immunize Dallas against desegregation violence. Labor's viewpoint is that a city's reputation has definite bearing on job opportunities.

Most particularly, the otherwise unnamed DCC Committee of Seven has been working with a Negro committee of 7 that represents

125 Negro organizations numbering hordes of members.

As occasion required, the two committees have met to iron out problems and plan action. This action, as the July 26 luncheon test indicates, has been broader than that linked directly to mixing school classes.

Significantly, national organizations concerned with the desegregation dispute have been trusting the white and Negro civic committees to oversee desegregation in Texas' second largest city. This evidences the degree to which Dallas' effort to meet the question in advance is unique.

NEGRO COMMITTEE PLANS, TOO

W. J. Durham, regional counsel for the National Association for the Advancement of Colored People, is a member of the Negro committee. His associates on the panel are A. Maceo Smith, George Allen, Ed Reed, Jack Clark, Rev. Brooks Joshua, and Rev. E. C. Estell, Sr.

A tract widely distributed by the DCC committee puts the educational mission into focus. It reads in part:

"By law, white and colored children will attend school together in Dallas for the first time.

"Further, if Dallas' experience parallels that of other Southern cities—and there is no reason to suppose that it will not—the schools are only one area of community life in which Negro leaders will press for change. Restaurants, theaters, increased use of department store facilities, hotels, churches—all are likely targets. Here, as with the schools, the problem may ultimately have to be resolved by law.

"Respect for and acceptance of the law is a vital part of the American tradition. It is also a part of the American tradition that every citizen may hold whatever opinions he chooses on the questions of his time.

"Where his opinions differ from the law as defined by the courts, the good citizen does not resort to violence to express his disapproval or attempt to violate the law. He endeavors to change the law by peaceful and orderly means. This is his right as a free American.

"In the present problem, brought to a head by the court's decision, the Dallasite is not asked to change his opinion on the subject, be it 'pro' or 'con'. He is asked to respect the law."

DESEGREGATION VIOLENCE SHUNNED

Other written pieces and speakers on behalf of the opinion-molding program have been stressing the devastation wreaked by desegregation violence. They point out that not only has Little Rock lost in population and industry, but unofficial evidence points to widespread emotion illness among the populace—particularly children.

Warns a committee pamphlet entitled "Dallas Opportunity": "Violence is a problem that affects the whole community and not merely a few isolated segments of the school or business public. Violence destroys a community. It not only disrupts business and education, but undermines the health and moral fiber of all citizens. Extremist elements and self-seeking individuals come into control, and the city's children are forced to bear alone a burden which rightfully is an adult responsibility."

If the conditioning effort works as planned, extremists will feel lonely on desegregation day, the committee believes.

Because good citizens obey the law, those who do not will perforce be labeled as bad citizens and have difficulty gaining a following.

Moreover, via the documentary film and otherwise, potential troublemakers are being assured that every Dallas policeman has been specially trained to cope with disrupters of law and order.

With apparent understatement, former Mayor R. L. Thornton, Sr., noted at the briefing last week: "Our law enforcement authorities have ample means to be very helpful if a disturbance arises."

RACIAL BARS LIFTED ELSEWHERE

While the city's white and Negro leaders have addressed themselves to the main aim of a peaceful Sept. 6 in elementary school environs, other areas of racial discord have quietly been smoothed out in Dallas.

It is no mere fortuity that Dallas has had little sit-in trouble and been bypassed by freedom riders, say these leaders.

Also labeled products of the conditioning program are such changes as:

The recent shifting of Dallas Negro plainclothes policemen into uniforms.

Desegregation of the State Fair Musicals.

The reclassification of jobs by many Dallas employers. (It was found that 139 types of jobs over Dallas were being lumped under the titles of janitor and porter. Reclassification made one erstwhile porter a receiving clerk—the job he was actually performing.)

Desegregation of Fair Park's amusement area at the start of this summer season.

Progress being made toward accommodating mixed groups at Dallas hotels. Even now, visiting Negro government leaders and other dignitaries are being accommodated.

Those who have ramrodded the education project seem to be optimistic about its outcome.

They believe the doctrines of active acceptance of the inevitable by white Dallas people and "active containment" by Negroes of perhaps normal instincts will pay off in a continuing peaceful, progressing, and wholesome Dallas.

LONG-RANGE IMPACT OF FOREIGN-AID-CREATED INDUSTRY ON DOMESTIC ECONOMY

Mr. WILEY. Mr. President, in the face of great and growing threats to peace and security, the mutual security program—in my judgment—continues to be absolutely necessary for strengthening free world defenses.

In its present form, the bill, however, is not sacrosanct—that is, immune to modification. Rather, it should be analyzed to strengthen its effectiveness, to eliminate its shortcomings, and, insofar as humanly possible, to assure that it is the best vehicle for serving our national security.

There is, for example, a major aspect of the program which I believe deserves careful and analytical consideration of the Senate. That is the long-range impact upon the domestic U.S. economy of competition resulting from industries created abroad by the mutual security program.

For the years ahead, the American taxpayer is being asked to underwrite industrial-economic development of countries around the globe.

We realize, of course, that there must be economic progress in these nations—if they are to become self-sufficient; if they are to withstand the pressures of communism; if they are to make their contribution to world progress; if they are not to become breeding grounds of communism, or other threats to peace.

However, the American taxpayer, I believe, has a right also to expect protection against long-range damage, which could be inflicted upon the domestic economy.

Unless protective action is taken, the creation of greater productive capacity in other nations will turn out goods which ultimately will compete with, and perhaps undercut U.S. enterprises.

Now, what can be done?

Obviously, there are no panacea-type solutions. Nevertheless, we must, I believe, carefully consider courses of possible action to safeguard our domestic economy.

What are the alternatives? These could well include:

First. Appoint administrators with a deep sense of responsibility, a sense of trusteeship to the American taxpayer. The purpose would be to avoid irresponsible profligate spending, without regard to its consequences to our domestic economy.

Second. Establish criteria for investing in industries in less developed nations, taking into account the long-range impact which such foreign-made products could have on the domestic economy.

Third. As a requirement for obtaining loans, recipients could be requested to make agreements either (a) not to compete with us; or (b) to limit such competition.

Fourth. Efforts could be made to develop industries for which outputs would largely be consumed or utilized within the producing countries, or at least within the regional areas.

Fifth. Contracting nations could, by mutual agreement, establish quotas, or at least some types of limitations on products shipped to the United States, or earmarked for competition with U.S. goods on the world markets.

Unfortunately, these recommendations—either singly, or in toto—do not provide a magic solution. In fact, they themselves create special problems.

Nevertheless, I offer them as food for thought—to evoke discussion in the Senate on this aspect of the mutual security program.

In my judgment, it has been too little considered. To protect the domestic economy, we must here and now attempt to evaluate the long-range impact of the new enterprises on the American economy.

Again, I stress, I do not want to raise a "bugaboo" that would tend to cripple or kill the mutual security program.

I am hopeful, that the Senate will satisfactorily resolve these and other problems in the bill, and then "speak with one voice" in approval of the final version of the program.

GOODRICH W. LINEWEAVER

Mr. ANDERSON. Mr. President, Goodrich W. Lineweaver, who in April retired from the staff of the Senate Interior and Insular Affairs Committee, died Tuesday at Waverly Hospital outside Washington, at the age of 74.

I know that Goodrich will be mourned by all of the members of the Senate, and particularly by those of us in the 17 Western States which have benefited from the energy and the wisdom he contributed to the reclamation movement.

Mr. President, I shall ask unanimous consent to place in the RECORD a biographical sketch of Mr. Lineweaver, who came into the Government service in 1934, as Secretary of the Federal Power

Commission, subsequently became Assistant Commissioner of Reclamation, and in 1955 joined the staff of the Interior and Insular Affairs Committee.

Goodrich leaves many friends in the Department of the Interior, which cited him for his distinguished service in the reclamation field, and here in Congress, where he was a jolly, a wise, and an effective public servant.

Mrs. Lineweaver preceded Goodrich in death some months ago. He is survived by two sisters, Mrs. Mattie Bean, of Connecticut, and Mrs. Marietta Little of Williamsburg, Va., and by a number of nieces and nephews.

To all of these survivors I want to extend my heartfelt sympathy. I know that the Members of the Senate, to whom he was a familiar fellow worker, join me in that expression of sympathy.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a biographical sketch of Mr. Lineweaver, who came into the Government service in 1934, as Secretary of the Federal Power Commission.

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

BIOGRAPHICAL SKETCH OF GOODRICH W. LINEWEAVER

Goodrich W. Lineweaver, former Assistant Commissioner of Reclamation, had wide experience in administration, research, and related economic problems in conservation, and resource development, especially in the reclamation program in the 17 Western States.

Mr. Lineweaver served as Secretary of the Federal Power Commission from 1934 to 1936. Subsequent to this assignment he became associated with the Institute of Government of the Brookings Institution in connection with the Federal reorganization survey of electric power and related conservation subjects. He later became consultant for National Power Policy Committee in connection with Bonneville Power Administration legislation. Later for the National Reclamation Association he conducted research, statistical, and legislative analyses of conservation and western resource development. He developed economic reports following an extensive review of reclamation and related problems affecting the Bureau of Reclamation and Indian irrigation projects.

Because of his experience and familiarity with the economic problems which were expected to confront the Reclamation Repayment Commission created by Congress in 1937, Secretary of the Interior Harold L. Ickes named Mr. Lineweaver to serve as Secretary of the Commission. The Commission made an economic analysis of all reclamation and Indian irrigation projects and recommended such revisions in the Reclamation law which became the basis for much of the Reclamation Project Act of 1939. The Commission was made up of three of the West's greatest authorities on irrigation and reclamation: Dr. Charles A. Lory, then president of Colorado State College of Agriculture, Fort Collins, Colo.; chairman, Mr. William R. Wallace, chairman of the Utah Water Conservation Board; and Mr. George T. Cochrane, former State water commissioner of Oregon.

In 1939, Mr. Lineweaver joined the Bureau of Reclamation staff as an economic consultant and in 1940 became Chief of Research.

During November and December 1941, Mr. Lineweaver testified for the Federal Government before the special master named by the Supreme Court of the United States in the widely discussed Tri-State case, (*Nebraska v. Wyoming and Colorado, United States, Intervener*), a controversy involving the water rights on the North Platte River. On the basis of his research and his presentation of factual data relating to reclamation, his testimony was of such import in this most complicated case that Mr. Lineweaver's handling of the subject was commended by the representatives of the Attorney General in letters to the Commissioner.

In 1942 Mr. Lineweaver became Chief of Information of the Bureau of Reclamation and served as coleader of the Columbia Basin joint investigations. Assistant Secretary of the Interior William E. Warne, who was then associated with the Bureau of Reclamation, previously headed up these studies with Dr. Barrows. However, Mr. Warne was called to the War Production Board to serve as production leader and Mr. Lineweaver took over the direction in the Commissioner's office of the Columbia Basin joint investigations which comprised the most extensive study ever undertaken to aid future farmers on reclamation developments to make a success. It was sponsored by the Bureau, first under the leadership of Barrows and Warne, then under Barrows' and Lineweaver's guidance, in cooperation with some 40 Federal, State, and local agencies. Subsequent to the completion of these studies Mr. Lineweaver was active in spearheading a similar process on the Central Valley project with Dr. Barrows and others.

Early in the World War II years Mr. Lineweaver also served as the Bureau of Reclamation's security officer along with his other duties. In 1943 he was appointed Assistant to the Commissioner for Liaison with field activities under the Bureau's new regionalized administration. In this position he coordinated the activities of the various branches then located in Denver and regional offices of the Bureau and was primarily responsible for getting the Bureau's war food program underway. This program with the sanction of the War Production Board resulted in continuing construction of a number of irrigation projects.

In 1945 Mr. Lineweaver was appointed Director of the Branch of Operation and Maintenance reactivated with headquarters in Washington. He represented the Commissioner not only in operation and maintenance problems through the seven regional directors of the Bureau, but in numerous special assignments related to the broader field of reclamation.

As Director of Operation and Maintenance, he was responsible for the development and coordination of irrigation systems now providing irrigation water for more than 5 million acres of land, as well as for the execution of repayment contracts and plans for the settlement of war veterans, and others on Federal reclamation project lands. He also represented the Commissioner in advancing a program of cooperation with western land grant colleges of agriculture and the Department of Agriculture.

On April 28, 1950 Mr. Lineweaver was appointed Assistant Commissioner of Reclamation. As Assistant Commissioner, he has supervision over administrative matters, including the program and finance operations of the Bureau, and appropriation presentations before the Bureau of the Budget and the Congress, in addition to special assignments.

Mr. Lineweaver was born in Harrisonburg, Va., and received his education in the public schools of that city. He was engaged in newspaper work in Virginia and West Virginia prior to World War I in which he served as a lieutenant in the Army for 3 years. At the close of the war he returned to newspaper work located in Norfolk, Va., where he specialized in resource and conservation development activities. The late Mrs. Lineweaver was the former Evelyn Koogler of Harrisonburg, Va. They resided at 5415 Connecticut Avenue NW., Washington, D.C., before the death of Mrs. Lineweaver a few months ago.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE of South Dakota. I wish to join the Senator from New Mexico in expressing my appreciation for the service and the life of Goodrich Lineweaver. He was a friend of everyone who wanted to have water conserved and used wisely.

Mr. ANDERSON. I thank the Senator from South Dakota.

Mr. CARROLL. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CARROLL. I wish to associate myself with the remarks of the Senator from New Mexico. I knew Mr. Lineweaver, and I also knew his wife, who passed away last March.

Mr. Lineweaver was a dedicated public servant. He was of great help to some of the junior Senators, because of his broad knowledge of the field of reclamation and irrigation.

I read with deep regret the news of his passing; and I extend my personal sympathy to his survivors.

Mr. JACKSON. Mr. President——

Mr. ANDERSON. I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I, too, wish to associate myself with the remarks of the distinguished Senator from New Mexico.

I had the privilege of knowing Mr. Lineweaver when I served on the House of Representatives Appropriations Committee and was assigned to its Subcommittee on Appropriations for the Department of the Interior.

Mr. Lineweaver was well versed in the problems of water conservation and development.

Later, as all of us know, he served with distinction in the same field, as a staff member of the Senate Committee on Interior and Insular Affairs. He was a very able legislative technician. He knew his business, and he rendered great service to the Senate and to the country during his long period of public service.

I wish to extend my deepest sympathy to his survivors.

Mr. BYRD of Virginia. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. BYRD of Virginia. Mr. President, Goodrich Lineweaver was born in Virginia, and I have known him for many years.

I am deeply distressed at the news of his passing.

I wish to join my colleagues in expressing great appreciation of his fine service to this country.

We greatly mourn his passing.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

CHAMPION OF LIBERTY STAMP SERIES

Mr. DODD. Mr. President, the most effective way in which we can counter

Khrushchev's demands on Berlin is to demand the right to self-determination for the captive nations of Europe. We should make this demand not as a one-time diplomatic play, but as a cardinal principle of our foreign policy.

The crisis which confronts us demands a bold dedication to the principle of freedom. But there have been several indications that, instead of placing more emphasis on liberation, we are placing less emphasis on it. These indications disturb me.

Mr. President, on August 31, 1957, this Nation issued its first champion of liberty postage stamp which honored the late President of the Philippines, Ramon Magsaysay.

The concept of these stamps was to do honor to the memory of patriots of other countries who fought and, in some cases, died in the cause of freedom and justice.

It was the first time in the history of this Nation that citizens of other lands were so featured on our postage stamps. And it was a gesture on our part that had far-reaching results within the countries whose patriot leaders were thus honored.

The Post Office Department rightly assumed that the many millions of people, cut off from the normal free press, nevertheless receive letters from abroad and study the stamps affixed to these letters. They recognize the person pictured on the stamp and remember his role in their national life. The memory of freedom is thus strengthened, and the will to freedom thus encouraged.

The issuance of each series honoring a champion of liberty was tied to special announcements in his country of birth, wherever this was possible.

In the case of Simon Bolivar, who is regarded as a liberator throughout Latin America, special announcements were made in every Latin American country.

Official ceremonies highlighted the first day of issue of each of these series.

The stamps were issued in two denominations, 4-cent and 8-cent, the postage, respectively, of domestic and foreign regular first-class mail.

Since the series was initiated in 1957, only nine patriots have been honored by this Nation.

These nine, and the date of issuance of the stamps, were Ramon Magsaysay, August 1957; Simon Bolivar, July 1958; Lajos Kossuth, September 1958; Jose de San Martin, February 1959; Ernst Reuter, September 1959; Thomas Masaryk, March 1960; Jan Ignace Paderewski, October 1960; Giuseppe Garibaldi, November 1960; and Mohandas Gandhi, January 1961.

In a number of unforgettable ceremonies, former citizens of the lands now controlled by Communists expressed their deep and sincere thanks to this Nation for this memorial to the freedom fighters of their lands. In addition, thousands of dollars worth of stamps were purchased and used to mail untold thousands of letters to destinations behind the Iron Curtain.

As an example, more than 722,000 Kossuth stamps were purchased. Many, of course, were bought by collectors. But we can be certain that many also found their way into Hungary where the name of Kossuth will forever be linked with the cause of Hungarian freedom.

The present Government of Czechoslovakia returned a number of pieces of mail with Masaryk stamps on them, despite official protest by our Department of State. And there were reports, at the time, that letters were delivered within the country with the stamps deliberately torn off. These stamps, I would point out, bore no message, only the likeness of the particular patriot and the dates within which he lived.

I have heard some argue that these stamps should not be issued on the grounds that the governments concerned might be offended. Whether they realize this or not, those who make this argument are, in effect, arguing that we must never speak the truth if it offends the sensitivities of the tyrants.

Rather than cut down on the number of these Champion of Liberty stamps, I believe that their number should be increased.

I can appreciate the fact that we can issue too many stamps and thus lower their overall value and psychological impact.

But I am deeply concerned at the news that the Postmaster General plans to reduce the number of Champion of Liberty stamps to one a year, rather than two; and to issue that one, if it is at all issued, only in the 4-cent or domestic denomination.

When we speak of the struggle for freedom, we speak as one nation, not as one political party versus another. If this were the case, nothing could do the cause of freedom more harm.

The issuance of the Champion of Liberty series is in no sense a partisan matter.

That is why, Mr. President, I ask Postmaster General Day to review again the situation in which this important and effective series of stamps is being cut back.

Mr. President, I should like to propose that the next Champion of Liberty stamp be dedicated to the martyred Bulgarian peasant leader, Nicola Petkov, who has been described by Members of Congress who know of his deeds as the bravest democrat of all. I should further like to propose that the stamp be issued at the end of September, to mark the anniversary of the execution of this brave and noble man by the Bulgarian Communist regime.

Mr. President, his close friend and colleague, Dr. Georgi Dimitrov, described the tragedy of Nicola Petkov in these words in his obituary article in the Saturday Evening Post:

> No man believed more sincerely in the possibility of collaborating with the Soviets than did Nicola Petkov. No man paid more dearly for this belief. No man conducted himself with greater courage when once he discovered his error, nor confronted his executioners with greater dignity.
>
> His is a tragedy pregnant with significance for a democratic world that is still contemplating, Hamlet-like, the pros and cons of the very problem on which Petkov met his doom.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, S. 1983, be laid aside temporarily, and that the hijacking bill, Calendar No. 670, Senate bill 2268, be laid before the Senate as the pending business.

The VICE PRESIDENT. 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 application of Federal criminal law to certain events occurring on board aircraft in air commerce.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

> That section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsections:
>
> "CRIMES ABOARD AIRCRAFT IN FLIGHT
>
> "(i) (1) Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of sections 113, 114, 1111, 1112, 1113, 1363, or 2111 of title 18, United States Code, shall be punished as provided therein.
>
> "(2) Whoever, while on board an aircraft in flight in air commerce (A) attempts to obtain or obtains control of the aircraft by unlawful force or violence or the threat of force or violence; or (B) assaults, intimidates, or threatens so as to interfere with any flight crew member of such aircraft while engaged in the performance of his duties or lessen the ability of such flight crew member to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a deadly or dangerous weapon shall be imprisoned for life, or for not less than twenty years.
>
> "(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 of title 18, United States Code, shall be imprisoned as provided therein.
>
> "(4) Whoever willfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would constitute a violation of paragraphs (2) and (3) of this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both.
>
> "(5) Violation of this subsection shall be investigated by the Federal Bureau of Investigation.
>
> "CARRYING WEAPONS ABOARD AIRCRAFT
>
> "(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."

SEC. 2. Title XI of the Federal Aviation Act is amended by adding at the end thereof a new section as follows:

"AUTHORITY TO REFUSE TRANSPORTATION

"SEC. 1111. Any air carrier is authorized under regulations prescribed by the Administrator to refuse transportation to a passenger or to refuse to transport property when, in the opinion of the air carrier, such transportation would or might be inimical to safety of flight."

EAST GERMAN REFUGEES

Mr. HART. Mr. President, we live in a new age of migrations. The hundreds of thousands of refugees in every corner of the globe, from Miami to Hong Kong, readily indicate these migrations. Lately, we have been reading and hearing a great deal about the flight of refugees from Communist East Germany. A story by Flora Lewis on the front page of this morning's Washington Post, points out that the East German refugee flow is gaining momentum.

Another record stream of East German refugees—

Writes Miss Lewis—

poured into West Berlin overnight, frightened by recent Communist declaration—

And I might add, Premier Khrushchev's recent television address to the Russian people. Miss Lewis continues:

Between noon Monday and noon Tuesday, 1,741 people registered at the Marienfelde camp in West Berlin, the highest number of new arrivals on a weekday since the East German uprising in 1953. During the previous 24 hours the number of refugees was 1,468.

Mr. President, the growing confidence and enthusiasm generated by the Soviet leadership in the claimed invincibility of its goal, world domination, is being vetoed by these valiant refugees from communism. It is no secret that the Soviet leadership, and particularly the East German puppet regime, is embarrassed by the refugee flight. Obviously, it does not speak well for their totalitarian system. Consequently, the East German leadership is pressing for tougher restrictions to stem the flow of refugees.

In an unprecedented statement issued on July 29, the leadership bluntly stated that the Western rights in Berlin must be ended this year to halt the flight of refugees. The leadership admitted that the mass migration was shaking the foundations of the East German puppet state, was disrupting the economy, and was damaging the nation's standing abroad.

Spurious though it may be to the Communist leadership, we cannot stand idly by. Democracy and freedom embody not only a philosophical affirmation, but also an ethical commitment to support vigorously the migration from tyranny. What the free nations cannot do, under any circumstances, is frustrate the natural yearning of peoples for freedom, dim the attraction of liberty, or close the West German borders to refugees from oppression. If we fail in this respect, in Germany and throughout the world, we shall have lost a crucial round in the global conflagration between the free world and the totalitarian powers. Indeed, we shall have lost a round in the struggle for self-determination and national independence. Our obligation is clear.

The West German Government is to be commended for its efforts to resettle the refugees in an unflinchingly humane manner. Reports indicate that the East German refugees are being rapidly absorbed into West Germany. Miss Lewis points out that "the latest West German employment statistics assure refugees a quick new start in life. Registered job offers in July showed six jobs open for every person seeking work."

Mr. President, I ask unanimous consent that the excellent article by Miss Lewis be printed at this point in the RECORD.

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

ALARMED BY K. THREATS, REFUGEES FLOCK TO WEST BERLIN—DEFIANCE GROWS AMONG PEOPLE STAYING BEHIND

(By Flora Lewis)

BONN, August 8.—Another record stream of East German refugees poured into West Berlin overnight, frightened by recent Communist declarations.

Between noon Monday and noon Tuesday, 1,741 people registered at the Marienfelde camp in West Berlin, the highest number of new arrivals on a weekday since the East German uprising in 1953. During the previous 24 hours the number of refugees was 1,468.

They told authorities that the latest statements from Moscow had made them fear the escape route might be closed in a few weeks. The refugees' stories indicated growing fears of Soviet Premier Nikita S. Khrushchev's belligerence and an increasingly defiant mood among those who have stayed behind in East Germany.

The weekend Warsaw pact communique and Khrushchev's speech last night demanding action on the Berlin crisis this year served to intensify the jitters sending people in headlong flight from their homes and jobs.

EACH REFUGEE INTERVIEWED

Each refugee arriving in the camp goes through a registration process that includes a hearing before a committee where the person's reason for coming, his background, living conditions and family situation are asked.

A number of the latest arrivals gave accounts of Communist organized meetings in factories and collective farms where the workers quarreled with party officials come to lecture them and voiced open criticism.

The East German news agency ADN denounced collective farmers in two unspecified villages for "trying to justify" withdrawal from collectives at open meetings.

REFUGEES GET JOBS

Further harrassment of border crossers, residents of East Berlin and East Germany who commute to work in West Berlin, also is reported. In the last week, an average of 260 border crossers have come to Marienfelde in the daily flow of refugees.

Although there is no evidence at all to back Communist charges that West Germany has been trying to lure people across, the latest West German employment statistics assure refugees a quick new start in life. The July figures, just published, show unemployment at 93,263, the lowest since the war. It represents 0.4 percent of the working population.

Registered job offers in July showed six jobs open for every person seeking work. The acute uneasiness in the East, reflected by the exodus of refugees, has not been paralleled in West Berlin and West Germany, where exodus now means the regular summer flood tide to Europe's coasts and mountains for vacations.

There were these other Berlin developments:

The East Germans reintroduced in some factories the type of hated wage rules that played a major role in touching off the revolt 8 years ago, the Herald Tribune News Service reported.

The move is being made in the name of "supporting the struggle for a German peace treaty." It consists of indirectly reducing wages by paying 100 percent of the usual wage only for output accepted as top quality. Second- and third-grade work would be paid for at the rate of 90 and 70 percent.

Judgment on the quality of work is left to the Communist inspectors.

The East German Parliament was called to meet in East Berlin on Friday to discuss "questions concerning a peace treaty," Reuters reported.

Observers believe the Central Committee of the Communist Party is in session and an important new step may be announced at the meeting.

CUBAN REFUGEES

Mr. HART. Mr. President, I would also call the Senate's attention to an excellent article on Cuban refugees in this morning's New York Times. The article, by Milton Bracker, points out that "a new type of Cuban refugee—fishermen, small farmers, laborers—has been arriving here in the last few weeks." This is in marked contrast to the early flow of refugees from Castroism, which was dominated by professional people and the well-to-do.

Most of this new wave of refugees are people who initially supported Castro fervently. They are the people who suffered most under the Batista regime, and looked upon Castro as the great liberator from want. But Castro has disappointed these people, and today they are risking their lives by fleeing to the Florida Keys, mostly in small craft.

Mr. Bracker's article is an account of his interviews with this new wave of Cuban refugees. I ask unanimous consent, Mr. President, that this telling article be printed at this point in the RECORD.

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

WORKERS AND PEASANTS FLEEING CUBA IN A NEW WAVE—POVERTY STRICKEN GET TO FLORIDA BY SEA, OFTEN WITH PETS

(By Milton Bracker)

MIAMI, FLA., August 8.—A new type of Cuban refugee—fishermen, small farmers, laborers—has been arriving here in the last few weeks.

These immigrants are in marked contrast to the wealthy and well-to-do who made up the bulk of the early exodus from the regime of Premier Fidel Castro.

The men, often accompanied by wives and children, and sometimes by pets, reach points along the Florida Keys in small craft. These may be powered by motor, by sail, or by oars.

One group of five rowers, including a sick man, hailed a flagless freighter in the hope of replenishing water supplies. The request was denied.

Cubans who had boarded the vessel said that her commander, learning that they were fleeing Cuba, called down to his deck officer to stop discussing the matter with the three men who had come aboard.

"Emigrantes, emigrantes, fuera," one of them said the orders were. This meant, "refugees, refugees—get them off."

The men could not read the name of the ship, inscribed on her black-streaked white hull. But they said they recognized the letters as Russian. The freighter was on the way to Havana.

The white-collar refugees who arrive here on the only two authorized flights daily are well dressed. Despite the difficulties they may have had in arranging to leave, they do not look particularly harassed or needy when they step down from the plane.

But the small boat traffic, which an official of the Federal Cuban refugee program says has "increased tremendously," uniformly involves poor people. They have sailed surreptitiously from some point on the north Cuban coast, usually between Matanzas and Caibarien.

The men are sunburned and unshaven, often with callused hands and square stubby nails. The women are campesinas, country girls, single-mindedly clutching their children and their belongings to them.

Born to poverty, most of these people were glad when Dr. Castro ousted Fulgencio Batista. They looked forward to getting a larger share of life. Those who are clambering ashore at Key West these days are disillusioned.

For example, Longino Dominguez, 44 years old, had worked with wood as long as he could remember. He built every piece of furniture in his small house at Mariel, in Pinar del Rio Province.

Not long ago, the Fidelistas told him he would have to join the National Revolutionary Militia.

"I told them, 'I'm a carpenter, not a politician,'" he recounted. "I'm independent. I don't belong to this government or any other government."

DOG ALSO TAKEN ALONG

The pressure increased. The idea was communicated to Senor Dominguez that if he did not join the militia, there might be no demand at all for a carpenter.

On July 23, with 16 others, Senor Dominguez reached Florida traveling in two small sailing craft with auxiliary motors. The party included his wife, Matilde, and three children; another pregnant woman, another child, and a dog called Joni.

A month ago this week a fisherman arrived, a short, strong-chested man with a nature suggesting what Santiago, "The Old Man of the Sea" in the Ernest Hemingway novel, might have been like at the age of 38. He sat stoically here and recalled the days when he and his boat brought back a good catch of bonito.

"I sold it to whoever paid most," he said.

But under Dr. Castro, he was forced to sell to the Government cooperative. It paid him a flat 15 cents a pound, then sold his catch for 25 cents.

However, he said, he had an even more compelling reason to flee. He has a 10-year-old daughter named Liseta, a child with big, glowing eyes.

"One day she came home from school," he said, "with a (Patrice) Lumumba poem, against this, against that, against this. She had to learn it by heart."

Mr. Lumumba was the first Premier of the Republic of the Congo. His death has been attributed by Communists to Western influence.

To Magdalino Olivero, Central Africa, was infinitely remote.

"Who was this Lumumba that my daughter should say his words that she did not understand?" he asked. "And everything was Lumumba, Che Guevara, Nikita Khrushchev."

"'Patria o muerte, vengermos,'" he went on, repeating the slogan, "fatherland or death, we will triumph." "What does it mean in the mouth of a child?"

Magdalino's brother, Mariano, 42, had just finished paying for a 1958 Chevrolet truck.

"Then they told me it was nationalized," he said.

The brothers crossed to Key West in a party of 37.

In another group, Luis René Canizares, 20, a welder, and Jose Manuel Montero, 28, a riveter, had been embittered by factory rules preventing more than two men from talking to one another. Always the constant drive to make workers join the militia, they said; always those who had joined "listening."

MAKE OFF WITH ROWBOAT

Señor Canizares, Señor Montero, a plumber named José Gonzalez ———, 22, and two others, had had enough.

They stuffed basic supplies, including a vaccum bottle containing a liter and a half of water (less than half a gallon) into an inner tube. They took locker No. 213 at Varadero Beach, east of Havana, and hired rowboat No. 435 from the National Institute for the Tourist Industry.

The first night out, one of the men got sick; they gave him more water than his ration; they ran short.

The next day—Wednesday, July 19, at 3 p.m.—the white-hulled freighter hove into view. The men waved shirts.

With .38 caliber revolvers stuffed into their belts, Señor Canizares, Señor Montero, and Señor Gonzalez climbed a rope ladder.

No one aboard knew any Spanish. A deck officer knew a little English and so did Señor Gonzalez.

"Where are you headed?" the former asked.

"Miami or Key West. And you?"

"Havana."

The Cubans asked for water.

According to their version, the captain of the vessel called down to the deck officer to find out their status.

When he heard they were refugees, the men recounted, he ordered them off the ship at once.

There was no argument or any particular tension. The captain showed no more inclination to try to take the men back to Havana than to give them water.

Twenty miles off the keys, the rowboat was taken in tow by a motorboat fleeing the same way. The combined parties landed at Marathon, south of here.

And today, the word from Key West was that the one-way traffic across the 90-odd miles of water was continuing, and increasing.

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

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

(At this point Mr. HART took the chair as Presiding Officer.)

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of 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.

Mr. MONRONEY. Mr. President, the pending business before the Senate is the bill (S. 2268). Before I start to explain the provisions of the bill, I yield to the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], with the understanding that I do not lose my right to the floor.

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

Mr. MANSFIELD. Mr. President, it seems to me that the Senate owes a great debt of gratitude to the distinguished minority leader [Mr. DIRKSEN], the distinguished Senator from Oklahoma [Mr. MONRONEY], the distinguished Senator from California [Mr. ENGLE], the distinguished Senator from Tennessee [Mr. GORE], the distinguished Senator from New Mexico [Mr. ANDERSON], the distinguished Senator from Washington [Mr. MAGNUSON], the distinguished Senator from Kentucky [Mr. MORTON], the distinguished Senator from Oregon [Mr. MORSE], the distinguished Senator from New York [Mr. JAVITS], and to others, for the restraint which they urged upon us last night in an attempt to give more adequate consideration to the bill before us. Their purpose was to have on the desks of Senators today clean copies of the bill, the reports, and the hearings, which are now before every Senator. They refused to be stampeded as this body came very close to action in consideration of the hijacking situation.

I think we had better get clearly in mind that we are talking about two different problems. One is the question of the safety of aircraft in flight. The other is the state of our total relations with Cuba. They are quite different problems even though they appear to converge at this moment in time, at this low ebb of these relations.

The hijacking of a plane, whether it occurs within or outside our borders is a dangerous and revolting crime. It would be a dangerous and revolting crime even if our relations with Cuba should be as excellent as they now are bad. It is a crime whether the plane that might be hijacked is a U.S. plane bound for Dallas or Bogotá which winds up in Havana or a Cuban airliner, bound for Santiago de Cuba or Mexico City which winds up in Miami.

In short, Mr. President, the hijacking of a plane is a crime, notwithstanding Cuba or the state of our relations with that nation. It is a crime because civilized human beings will readily recognize it as such, wherever it may occur. It is a massive crime because innocent human life and valuable property are placed in great jeopardy in order to satisfy the mad whim, the lust for gain, the political beliefs or whatever of the perpetrators.

That reasoning underlies the legislation which the Commerce Committee has reported. The legislation appears to me to be sound in its approach. But it is also limited. It attempts to deal with the problem of hijacking insofar as the

problem can be dealt with on a domestic basis.

But it is clear, Mr. President, that the problem of hijacking has international ramifications as well. This legislation can only touch the fringes of those ramifications.

We come, therefore, to some of the amendments which were suggested in last night's discussions to meet the international ramifications which I think do not belong in this legislation.

If we wish to leave the difficult problem of our total relations with Cuba to the President, where it belongs at this point, while we concentrate on the problem of hijacking which has so deeply and properly aroused the people of the United States, I would suggest another course. I would suggest: First, that we pass this legislation which is now before us, as it emerged from committee; and, second, that the Foreign Relations Committee consider a resolution requesting the President to convene a conference of the signatories of the laws of the sea agreement, which we have ratified and which includes piracy in the skies, to determine whether it needs strengthening on this point and whether its applicability can be speeded up.

Mr. MONRONEY. Mr. President, I thank the distinguished majority leader for his statement and also for permitting this very important bill to come before the Senate at this time. It is important because, as the Senator from California [Mr. ENGLE] and members of our Subcommittee on Aviation have discovered, there are considerable gaps in the present legislation to deal with the crime of hijacking of aircraft, which is rather new in aviation history.

THE LESSON FOR DEMOCRACY IN THE BERLIN CRISIS

Mr. KEATING. Mr. President, the crisis in Berlin points up the fact dramatically and notably that free enterprise works. The thing that has really gotten under Khrushchev's skin is that hundreds of East Germans every day forsake family and friends and flee to freedom in West Berlin. On Tuesday, 1,741 fled East Berlin, the largest number for any weekday 24-hour period this year. I believe it was exceeded, perhaps, yesterday.

As we all know, there is a marked difference between East and West Berlin. In the East, goods are scarce, workers are under heavy restrictions, life is very largely controlled by the State. In West Berlin, consumer goods are plentiful, economic activity is sprightly and there is an atmosphere of excitement that marks West Berlin as being very different from its eastern counterpart.

This is not a new theme. It is obvious to anyone who has followed developments in the Berlin crisis. The question that it brings to mind is why this difference? What makes West Berlin a better place than East Berlin? What is the importance of this marked disparity for the United States?

It seems to me that there are two things that distinguish the free enterprise system of West Berlin. First of all, there is a limited amount of governmental control in the economy of West Berlin—limited in degree and in terms of the number of areas in which the government has a direct role to play. Second, there is a heavy emphasis on developing individual incentives, that is the right of every citizen to seek his just reward. This is basic to the meaning of free enterprise.

This vast difference between East and West Berlin has a meaning for every democracy, and indeed for every nation in the world today.

Let us look at our own country. The experts tell us that what we really have is a "mixed economy." It is a mixture of public activity and the free play of individual incentives. Assuming this is a correct designation, the really important determination is how much free enterprise and how much public control?

Unless we make the major part of our economy the free sector, we run the risk of undermining our strength and taking the excitement out of our free enterprise system. If a man cannot make a go of it through his own efforts, why should he try? It is this opportunity to succeed that motivates free men and gives West Berlin an atmosphere very different from that of the arbitrary classless state of Soviet East Berlin.

In the July 23 edition of the New York Times magazine, the members of the President's Council of Economic Advisers discussed with Times Editor Harry Schwartz the structure of our economy. They agreed that what is needed is more public investment, which they contend is possible without undermining our economy and without having to increase taxes. This was, of course, before the President's Berlin speech. It is altogether likely that the Council would take a different position now.

These are the men who on the basis of all of the reports which I have received have had the greatest influence on the President's decision to put off a tax increase in his Berlin message and to finance the increased armaments which he requested by deficit financing. This was a hard decision for the President. It is clear that he consulted many people and probed his own conscience before making it.

I do not want to see taxes increased. I think they are high enough. But, the question remains, what must we do to strengthen and maintain the free enterprise structure of our economy under the pressure of the Berlin crisis? It is a real dilemma. Will the President's decision not to increase taxes mean more inflation? It very well could. At the same time, would a tax increase sap the strength of the individual incentives which are so important to our economy?

Let us assume we are going to have a deficit of around $10 to $12 billion for fiscal 1962 because the President chose not to increase taxes. I say this: we have got to take steps now to avoid having the pressure of this deficit and the pressure of emergency Berlin spending at all levels force a new spiral of price erosion as it did in the Korean crisis.

On July 12, I addressed myself to this subject on the floor of the Senate, that is, the need to take long-range action to avoid further price erosion in the 1960's. In my speech, I called for a six-point program to fight inflation. I contend that these are practical and realistic steps, some of which should have been taken long ago and some of which are keyed specifically to the new conditions of the 1960's. I should like to reiterate these six points because they are especially important today. The lesson of the Berlin crisis is to a large part the lesson of feet—the economic lesson of people fleeing to opportunity and freedom. This is a challenge we can never forget. These are the six steps:

First. I propose the initiation of a massive Government-sponsored campaign to encourage merchants to expand their sales by lowering prices, wherever they can. This makes good sense. Inflation means increasing prices. What could be more logical as a means of combating inflation than cutting prices to expand sales and stimulate economic activity and growth? Where prices cannot be cut, I suggest that greater emphasis be placed upon the high values already available to consumers.

This can be a Government-sponsored project. Although the impetus for it may come from the Government, the final implementation of it rests in the private sector of our economy.

Second. A second area in which we must work to curb inflation concerns the structure and level of the Federal deficit. There is today a discouraging lack of interest in viewing the Federal budget as a whole. I favor a Joint Congressional Committee on the Budget. Such a committee would view the budget as a whole and determine whether it is in balance, or out of balance, and what will be the longrun effects of the condition of the budget. This proposal has passed the Senate several times, including this year. Despite the reluctance of the other body, where this measure is now pending in the Rules Committee, I think it is a much needed way in which Congress can determine just what the total impact of the budget will be in our economy.

I sincerely hope that the other body, in the light of the perhaps somewhat changed circumstances, will see its way clear to go along with the Senate on this proposal.

Third. I believe the administration should support the removal of the 4¼ percent interest rate ceiling so that the Federal debt can be financed on a longer term basis. This much needed fiscal reform was vigorously endorsed by former President Eisenhower.

Fourth. With important tax changes pending in the Congress, I also believe we should set up a Hoover-type commission at the Federal level to study our entire tax structure. Although the President has promised such a study, he has so far recommended only temporary piecemeal reforms. Legislation would speed the initiation of such a study and would broaden its scope to include participation by Members of the Congress as well as outside private experts.

Fifth. Another governmental reform which is badly needed is the adoption of the item veto, which has long been advocated not only by myself but by many other Senators, and which, in my judg-

ment, would be the single most effective move Congress could make to effectuate greater economy and efficiency in government.

Sixth. Finally, I suggest that serious consideration be given to the possibility of arranging a regular special session of Congress to focus on appropriations and related economic decisions. Such a session would be held for approximately 1 month following the adjournment of the regular session. At that session, we should have a much better opportunity to ascertain where we can and should decrease or defer certain expenditures in the interests of the overall fiscal position of the Federal Government.

Mr. President, I am happy to have had this opportunity to reiterate my six points and to relate the proposed program to the pressure of the Berlin crisis, which I believe makes it more important than ever that we act to keep our free economic system strong and vibrant. While there certainly are other steps which can be taken to curb price erosion, the essential point is that we must act decisively and promptly to prevent the now enlarged 1962 budgetary deficit from creating a wild inflationary spiral in the months ahead.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURING ON BOARD AIRCRAFT

The Senate resumed the consideration of 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.

Mr. MONRONEY. Mr. President, I wish to express my appreciation to the leadership for providing time out of the program which was previously scheduled to enable the Senate to consider the bill originally introduced by the distinguished junior Senator from California [Mr. ENGLE] and many cosponsors (S. 2268).

Perhaps because of the worry and anxiety that was occasioned by the hijacking of the Pan American DC-8 plane yesterday, the Members of the Senate and the public, should again be assured that the bill is not the product of hasty action or brought to the Senate as a result of an emergency without proper consideration.

More than 4 weeks ago, the Senator from California discovered the lack of proper laws to deal with crimes committed in the air, and began a careful study of the problem. He conferred with the officials and attorneys in the Federal Aviation Agency and the Department of Justice, and made a study of the history of the Maritime Acts and of how they might be applied to the new threat due to crimes committed in the air.

In order that the Senate may understand the scope of the bill, I think it would be proper to explain that the main body of the proposed legislation, spelled out in paragraph (1) of the new subsection proposed in the committee amendments applies the various sections of existing law governing crimes committed in the special maritime and territorial jurisdiction of the United States to crimes committed in the air.

Thus the bill applies to section 113 of title 18 dealing with assaults, and section 114, dealing with maiming, to similar conduct on aircraft in flight in air commerce.

Sections 1111 and 1112, relating to murder, murder in the second degree, manslaughter, and other crimes of that nature; section 1113 relating to the attempt to commit murder or manslaughter; section 1363 dealing with willful or malicious damage to or destruction of property; section 2111 dealing with robbery—all are similarly made applicable to crimes aboard aircraft in flight.

Thus the bill applies to crimes in air commerce this very important body of law. There has been no criticism of the existing acts as they apply to the high seas. By applying them to crimes committed on aircraft in flight, the bill follows this well-recognized body of law.

Under the law of nations, and by international treaties, piracy is a well-recognized crime, and statutes pertaining to it are made applicable to aircraft in this bill.

The important new item in the bill relates to the crime of hijacking. In addition to the law of piracy, the bill makes an attempt to obtain control of an aircraft by unlawful force or violence or by threats of violence, or intimidation or threat, a crime punishable by imprisonment for life or not less than 20 years.

Amendments which will be offered propose the addition of the death penalty. One such amendment, offered by the Senator from Washington [Mr. MAGNUSON], is now, I believe, the pending order of business.

Another amendment will be offered by the distinguished Senator from Texas [Mr. YARBOROUGH].

Paragraph 4 makes it a crime to furnish false information, in the nature of a hoax by a person who knows it is false information, regarding an attempt to hijack a plane. This provision is almost identical to the language of the provisions of previous legislation which makes it a crime to supply false information concerning a threat of bombing a plane. Anyone who knowingly imparts false information concerning the hijacking of a plane would be guilty under this section.

The bill provides that the new laws, including the maritime provisions which would be made applicable to crimes in the air as well as on the high seas, will be enforcible by the Federal Bureau of Investigation.

The section dealing with the carrying of weapons aboard an aircraft is a very important provision of the bill. I believe that when an amendment to be offered by the Senator from Iowa [Mr. MILLER] is offered, the bill will be further clarified.

An additional section of the bill, written by the subcommittee, provides that an air carrier, under rules and regulations prescribed by the Administrator, may refuse transportation to any person when, in the opinion of the air carrier, such transportation would or may be inimical to safety in flight. This provision would give greater authority of surveillance, but without impinging upon a citizen's right against search and seizure.

Mr. COTTON. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I am happy to yield.

Mr. COTTON. As the ranking minority member of the Aviation Subcommittee, I wish to associate myself with the explanation which has just been made of the bill by the chairman of the subcommittee, the distinguished Senator from Oklahoma.

It has already been said, but I think it should be emphasized, that the Senate and the country should know that the bill now before the Senate is not a hastily prepared bill.

It is not in any sense "shooting from the hip." It is not in any sense the result of an emotional climax because of repeated so-called hijacking incidents. The distinguished Senator from Oklahoma [Mr. MONRONEY] and his subcommittee and its staff, and also the distinguished Senator from California [Mr. ENGLE], who many weeks ago introduced the first bill, which resulted in the beginning of the consideration which has led to the present bill, are to be commended for the care, the diligence, and the foresight which have characterized the entire preparation of the bill. The subcommittee worked several days considering similar bills by Senator BRIDGES, of New Hampshire, and others. Both the majority members and the minority members of the staff worked long and diligently.

Curiously enough, it was by coincidence that a hearing which had been arranged and advertised several days in advance, came the day after the hijacking incident in El Paso, Tex.

I mention these things because I think we cannot emphasize too strongly that this is not in any sense a crash program. Instead, this bill has been long and carefully prepared.

The amendment submitted by the Senator from Iowa [Mr. MILLER] is a technical one which is very necessary; and its omission was an oversight, even though we were carefully preparing the bill. The amendment offered by the distinguished Senator from Texas [Mr. YARBOROUGH], a member of the subcommittee, is one which was considered carefully, and it is a good amendment and is necessary.

Again I should like to compliment the Senator from Oklahoma [Mr. MONRONEY], on the care with which this bill has been prepared; and again I wish to emphasize that the measure is a carefully prepared one, and is not in any sense a hurried measure brought to the floor with haste, because of any recent occurrences.

Mr. MONRONEY. Mr. President, I thank my distinguished colleague, the ranking minority member of the Aviation Subcommittee, for his statement.

Certainly, among all the bills which he has so ably participated in preparing, this bill has received, for its size and content, as much line-by-line consideration and discussion as any other, and not—as sometimes occurs—with

only one or two members of the subcommittee present, but with the full subcommittee meeting early in the morning several times, to consider, examine, and reexamine the various provisions, and consider whether the language proposed was correct.

The reporting and consideration of the bill at a time of high tension over a recent hijacking were merely coincidental, for the fact is that the Senator from California [Mr. ENGLE] had started working on the bill 4½ weeks ago; and both the subcommittee and the Government agencies particularly concerned and the Department of Justice were deeply involved since then in trying to find the proper remedy.

Mr. JAVITS. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Oklahoma yield to the Senator from New York?

Mr. MONRONEY. I yield.

Mr. JAVITS. I thank the Senator from Oklahoma for yielding to me.

I should like to point out that overnight we took a further look at the legal point of view; and we believe that the bill is all inclusive, under one heading; and certainly it does the job intended, and buttons up what obviously was an interstice in the law.

I may say that the atmosphere in this Chamber this morning is in quite sharp contrast to the atmosphere of yesterday; and those of us who yesterday counseled a little calm deliberation and obtaining of the facts before we jumped into some war attitude turned out to be correct. Of course, we might have turned out to be wrong; but this only emphasizes the fact that in the present dangerous world situation, we should let the two hotheads be Khrushchev and Castro; and let us be calm as we proceed to tighten up our laws and make our purposes clear and keep our wits sharp. Let us not panic.

Mr. MONRONEY. I thank the Senator from New York.

Certainly we were working with due diligence. The report was ready to be filed yesterday; and it was merely a coincidence that the filing of the report came at the time of the hijacking.

At this time I should like to yield to the one whose foresight and study led him to offer the bill, and who had already introduced one version of the bill prior, I believe, to any of the more recent hijackings.

Therefore, Mr. President, I now yield the floor to my distinguished colleague, the author of the bill, the Senator from California [Mr. ENGLE].

Mr. ENGLE. Mr. President, I thank my able friend, the Senator from Oklahoma, who has done an excellent job in describing and defining the remaining provisions of the bill on which I did not comment last night.

There is one section to which I wish particularly to refer; it is the section which defines a flight crew member. I call attention to the language on page 4 of the report, which reads as follows:

An act of violence directed against a flight crew member endangers not only such crew member but seriously jeopardizes the safety of every other person aboard the aircraft, as well as persons on the ground. Similar acts directed against passengers and members of the crew not directly involved in the safe operation of the aircraft are adequately covered under section 113 of title 18 of the United States Code, and incorporated by reference in this bill. The penalties imposed by section 113 are fully commensurate with the magnitude of the offenses.

I mention that because the Air Line Pilots Association asked to have included in the definition of "flight crew member" a stewardess. In other words, they wanted to strike out the word "flight," so as to have the phrase read "crew member."

The reason we did not do that was that we felt that the penalties provided for jeopardizing the actual safe flight of an airplane ought to be very much heavier than those provided for interfering with a stewardess, however important that may be; and section 1 of the bill, as drafted, would take care of any assaults or attempted assaults or any other action involving a steward or a stewardess, just as it would if the assault or attempted assault involved a passenger—as I indicated yesterday, in colloquy with the Senator from Massachusetts.

With reference to the section on piracy, this section, as indicated by the distinguished Senator from Oklahoma, was lifted out of the U.S. maritime law. In doing that and in applying the maritime law of piracy to air commerce, we have taken over an established body of law. It must be remembered that we have not had any law of this type dealing with air commerce and in picking up the maritime law provisions with reference to piracy, we have included an established body of law for which adequate penalties are provided.

I may state in passing that this is not unprecedented, in that under the present maritime law of the United States there is jurisdiction over airplanes flying over the high seas. That is included in title 18, United States Code.

I submit at this time, for printing in the RECORD, an excerpt from the code which defines the term "special maritime and territorial jurisdiction of the United States," as used and as incorporated in this bill.

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

TITLE 18, UNITED STATES CODE

Section 7:

SPECIAL MARITIME AND TERRITORIAL JURISDICTION OF THE UNITED STATES DEFINED

The term "special maritime and territorial jurisdiction of the United States," as used in this title, includes:

(1) The high seas, any other waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State, and any vessel belonging in whole or in part to the United States or any citizen thereof, or to any corporation created by or under the laws of the United States, or of any State, Territory, District, or possession thereof, when such vessel is within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State.

(2) Any vessel registered, licensed, or enrolled under the laws of the United States, and being on a voyage upon the waters of any of the Great Lakes, or any of the waters connecting them, or upon the Saint Lawrence River where the same constitutes the international boundary line.

(3) Any lands reserved or acquired for the use of the United States, and under the exclusive or concurrent jurisdiction thereof, or any place purchased or otherwise acquired by the United States by consent of the legislature of the State in which the same shall be, for the erection of a fort, magazine, arsenal, dockyard, or other needful building.

(4) Any island, rock, or key containing deposits of guano, which may, at the direction of the President, be considered as appertaining to the United States.

(5) Any aircraft belonging in whole or in part to the United States, or any citizen thereof, or to any corporation created by or under the laws of the United States, or any State, Territory, district, or possession thereof, while such aircraft is in flight over the high seas, or over any other waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State. (As amended July 12, 1952, c. 695, 66 Stat. 589.)

Mr. ENGLE. Mr. President, there are pending at the present time amendments to increase the severity of the penalty for piracy of an airplane—to change it from life imprisonment to death. The reason the bill is written as it is is that traditionally the penalty for piracy has been life imprisonment, with no alternative. That is the provision of the maritime law. So when we picked up the provisions of the maritime law and applied them to air commerce, we included the penalty just as it was provided in that law.

The distinguished Senator from Texas [Mr. YARBOROUGH] wanted to have provision for imposition of the death penalty included as an alternative. Personally, I would have no objection to doing that, provided imposition of the death penalty was not made mandatory. In fact, I would prefer a system of penalties more flexible than that included in the bill.

Life imprisonment is the traditional penalty for piracy on the high seas. That is the way the maritime law now stands, and it is also the subject of international agreements to which the United States is a signatory. But it would be much more sensible, in my opinion, to have a penalty provision of greater flexibility, such as the one proposed by the Senator from Texas, so that the penalty would range from imprisonment for 5 years to life or the death penalty; and I would say the penalty for piracy of an airplane should be much more severe than the penalty for piracy of a ship. That is for the reason that if a ship is hijacked, it still floats. On the other hand, if an airplane is hijacked, the situation is much more dangerous, because interference with crew members could very seriously impair the safety of the airplane. If a ship that has been pirated runs out of fuel, it still floats. But if an airplane runs out of fuel—particularly a jet, and especially the 707's or the DC-8's or those which have been involved in the recent occurrences—the airplane would be in very serious danger if it were not in a place where it could land.

A ship can be contacted by other ships, and aid can get to it when there has

been piracy on the high seas. But when a plane is pirated, there is no way to get to it except by radio communication.

The consequent dangers of piracy and hijacking of an airplane while in flight are very much greater than the piracy and hijacking of a ship at sea, and therefore more stringent penalties, in my opinion, ought to be imposed. But they ought not to be mandatory; they ought to be subject to the discretion of the jury.

That is all I have to say regarding this measure. I think it has been adequately explained. I think it has been carefully studied and gone over by the Aviation Subcommittee and the full Committee on Commerce. I think it is a good bill, and, with minor amendments, I hope it will pass.

Mr. YARBOROUGH. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The Chair is advised that there is a pending amendment offered by the Senator from Washington. Disposition must be made of that amendment prior to further action on amendments.

Mr. ENGLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ENGLE. Has the committee amendment been adopted?

The PRESIDING OFFICER. The committee amendment has not been adopted.

Mr. ENGLE. Mr. President, I ask that the committee amendment be adopted.

The PRESIDING OFFICER. If the Senator will pause for a moment, the Chair wishes to state that he is advised the committee amendment is in the nature of a substitute and will be treated as a bill, and amendments can be offered to the committee amendment. One such amendment has been offered by the Senator from Washington, and is now pending. The question is on agreeing to that amendment.

Mr. ENGLE. Mr. President, I withdraw my request.

I have been informed the Senator from Washington [Mr. MAGNUSON] is willing to withdraw his amendment, and I ask unanimous consent that his amendment may be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment is withdrawn.

Mr. ENGLE. I now yield to the Senator from Texas [Mr. YARBOROUGH].

Mr. YARBOROUGH. Mr. President, I call up my amendment to the committee amendment—which is offered on my behalf and on behalf of the distinguished senior Senator from Washington [Mr. MAGNUSON]—identified as 8-9-61—G.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas will be stated.

The LEGISLATIVE CLERK. It is proposed in paragraph 2 of subsection 902(i) as proposed in the committee bill, to strike out 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 question is on agreeing to the amendment of the Senator from Texas to the committee amendment.

Mr. YARBOROUGH. Mr. President, I commend the distinguished majority leader for his statement this morning about the prompt consideration of this bill, the distinguished Senator from Oklahoma [Mr. MONRONEY], who is chairman of the Aviation Subcommittee of the Commerce Committee, and has been considering this matter for weeks, and the distinguished Senator from California [Mr. ENGLE], who has been working on legislation on this subject for weeks, and perhaps months.

As has been pointed out, this was no sudden, erratic legislation introduced because of the hijacking of the plane over Mexico yesterday. The distinguished Senator from California has had his bill in preparation for weeks. Hearings have been held on it by the Aviation Subcommittee, and the hearings have been printed. There is before the Senate a hearing of some 60 pages, and a printed report.

My original bill provided for the death penalty for only a limited type of crime hijacking, while this comprehensive bill of the Senator from California, covers many types of crimes against aircraft or its operators.

Mine was a limited bill (S. 2373), introduced on August 3, providing certain punishments for the seizure of aircraft by force. Hearings were held by the Subcommittee on Aviation, and the testimony was reported, and the subcommittee reported my bill (S. 2373), providing for an alternate death penalty for the hijacking of planes, to the full committee.

I would point out that my measure has never provided for a mandatory death penalty. In my experience as a trial judge for 5 years, one-third of which time was spent in the trial of criminal cases, I observed that too drastic a penalty defeated justice. If too drastic a mandatory penalty were provided, which the average jury considered too high, it would sometimes find the defendant not guilty, rather than find him guilty and have imposed on him a punishment they considered excessive. So my bill (S. 2373) provided for punishment by death, or life imprisonment, or a lesser term of imprisonment as the jury might direct, but not less than 5 years.

The amendment I have offered provides for a term of not less than 20 years.

The minimum punishment term was raised from 5 years to 20 years to fit into the body of the rest of the bill, which had been carefully worked out by the distinguished Senator from California, and also to fit in with the recommendations of the Department of Justice, and also fit in with existing laws pertaining to piracy on the high seas.

As a result of my experience as trial judge, where I saw criminal laws enforced by district attorneys, and saw their efforts fail sometimes, I think this amendment provides a sound, logical penalty, and is in conformity with the body of law applying in other situations.

The national bank robbery law now provides, in the event of robbery of a national bank, an optional death penalty if the robber takes hostages either during the robbery or in his getaway or in the disposal of the property. There is also a proviso for an optional death penalty in the Federal kidnaping laws, if the persons kidnaped are not released unharmed.

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

Mr. YARBOROUGH. I yield.

Mr. MONRONEY. Do I correctly understand that the amendment offered by the distinguished Senator from Texas, and which is now before the Senate, amends the committee substitute language on page 3, at the top of the page, and follows the general provisions of the bill, and has been drafted with the assistance of the committee staff to fit into the context of this rather complicated bill?

Mr. YARBOROUGH. Yes; my amendment was drafted yesterday afternoon, patterned on the original bill I introduced on August 3, but it was redrafted yesterday afternoon in cooperation with the committee staff, the staff of the subcommittee chairman, to make it fit into the body of the rest of the law. I raised the minimum penalty from 5 to 20 years so it would fit in better with the body of the longer committee bill. I really thought the 5-year minimum I had originally provided was on a sounder basis, in view of my experience as a judge in criminal law cases.

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

Mr. YARBOROUGH. I yield.

Mr. JAVITS. Is the 20-year sentence mandatory?

Mr. YARBOROUGH. No; it is 20 years to death.

Mr. JAVITS. But the 20-year sentence is mandatory; is it not?

Mr. YARBOROUGH. No. If the defendant is found guilty, that is the minimum penalty. That is in the existing bill without my amendment. My amendment merely raises the maximum penalty that might be inflicted from life imprisonment to a maximum punishment of death.

Mr. MONRONEY. The penalty, under the amendment, will be changed by adding the provision for the death penalty, which is not mandatory, to the provision for imprisonment for life or for a term of years not less than 20.

As chairman of the subcommittee, it is my understanding that this amendment is acceptable to the committee, and we are prepared to accept it.

Mr. JAVITS. Mr. President, I wish to be recognized. I shall not intrude very long.

Mr. MONRONEY. May the Senator yield to the Senator from Kansas [Mr. SCHOEPPEL], who is a member of the subcommittee and who has worked very diligently on this measure? I think he would like to express himself on the amendment before the Senate.

Mr. SCHOEPPEL. I thank the distinguished Senator from Oklahoma.

Mr. President, I wish to say, quite frankly and positively, I concur in the proposed legislation, especially with reference to the amendments and including the amendments which have been considered or will be considered by the Senate. Much work and effort has gone into preparing the measure. I know of no objection on our side on the Commerce Committee with reference to the proposed legislation or to the amendments.

Mr. JAVITS. Mr. President, I wish to address myself to some other matters very briefly, but first I should like to ask the proponent of the amendment to make clear for the RECORD the intent of the amendment, so that there may be no question about it in the future.

In view of the provisions which are in the Senator's amendment, separated by commas, is it the intention of the Senator, as the amendment is drafted, that the jury shall specify the term of years for which there shall be imprisonment, or is it the intention that the jury specify the punishment as among the three categories: death, imprisonment for life, or imprisonment for a minimum term of 20 years, or whatever other term the judge may see fit to specify?

Mr. YARBOROUGH. That would be left up to the jury.

Mr. JAVITS. It is intended that the jury is to make a specification by categories, and not to fix the exact penalty?

Mr. YARBOROUGH. The jury is to fix the category and also the number of years.

Mr. JAVITS. Would the jury determine the number of years more than 20? Is that the Senator's intention?

Mr. YARBOROUGH. Yes.

Mr. JAVITS. The jury would determine the punishment?

Mr. YARBOROUGH. Yes.

Mr. JAVITS. I should not think that would work out in practice in many States which do not give the juries that power. The juries have no probation reports or anything else.

Mr. YARBOROUGH. The jury fixes the penalty in my State.

I say to the distinguished Senator from New York, the bill as originally introduced on August 3 had a similar provision. That was drafted by the legislative drafting service, under the request that the bill be drafted in conformity with the existing Federal criminal law. The staff of the drafting service, along with the staff of the committee and the assistance of the staff of the subcommittee, drafted the amendment. Each of the provisions was drafted to conform to existing Federal practice.

Mr. JAVITS. I would doubt that any of us would take the position that the legislative drafting service, excellent as it is, is omniscient.

I simply say to the Senator that I obviously have not made a digest of the law, but I certainly hope that in the conference between the Senate and the House this question can be resolved in accordance with the settled practice of most States. That may be the practice in the Senator's State. It is not the practice in my State, and I do not think it is the practice in many other States for a jury to fix the exact punishment in terms of years.

I can understand a situation in which the jury would determine whether the punishment should be death, life imprisonment, or less than life imprisonment, and then the judge would fix the precise penalty within the limitations of law. I can hardly understand a jury saying the penalty shall be 22 years, 23 years, 21 years, or 30 years. I doubt very much that that would fit in with the practice of the courts in many States.

As I say, I am not prepared, because I have not researched the law on the subject, to argue the question with the Senator. I only state the expectation that in the conference this language may be refined so that the provision will be in accord with the practice of most States.

Mr. YARBOROUGH. It is my recollection that in most States the juries fix the sentences. That is a matter which we can ascertain by a telephone call. I would not want to guess, based simply on memory. I feel certain that was the condition before World War II, at the time I was serving as a judge in court.

Mr. JAVITS. Would not the Senator join me, as the proponent of the amendment, in stating the expectation that whatever is the situation in the bulk of the States will be squared with the provision we shall adopt when it finally goes through the congressional mill?

Mr. YARBOROUGH. Only if that is a provision which fits the situation under the current Federal law. I think the bill should fit in with the body of Federal law, the Code of Criminal Procedure.

Mr. JAVITS. We would both agree.

Mr. YARBOROUGH. I do not think we should introduce an innovation into Federal law. The amendment was drawn in an effort to make it conform only to existing Federal criminal statutes generally. The penalty provision conforms. The death penalty fits in with kidnaping and bank-robbing penalties.

Mr. JAVITS. We are not arguing about that at all. I am not raising that question. I raise the single, simple question as to whether the jury, under the established Federal practice, should fix the precise term of years, if it is a term of less than life and more than 20 years. I hope very much that question may be resolved.

Mr. YARBOROUGH. I will say to the Senator from New York——

Mr. JAVITS. If the Senator will permit me to finish, I do not wish to have this confused with some other idea about being soft on a penalty. I am speaking only about a single, clear, legal question. I hope that question can be clarified before we permit the legislation to get out of the hands of the Congress.

Mr. YARBOROUGH. I agreed with the distinguished Senator that it ought to be settled, and settled not in accordance with what the States have done in one State or in many States but with what is done in the body of Federal criminal law. We had the benefit of the services of legislative counsel and of counsel for the committee and of the subcommittee. I shall check it further. We have had different groups of counsel check, and to make sure it is in conformance with existing law, I shall check it personally.

Mr. JAVITS. I thank my colleague.

Mr. YARBOROUGH. I shall read the code. I think the provision should be in conformity with the body of the Federal criminal statutes.

Mr. JAVITS. I thank my colleague. I simply wish to have our intention made clear. I think it will be carried out.

EIGHTY-SEVENTH BIRTHDAY ANNIVERSARY OF HERBERT HOOVER

Mr. JAVITS. Mr. President, this is the 87th birthday of former President Herbert Hoover, now a resident of my town in New York. Many Senators will certainly wish to have noted for the RECORD that we congratulate him upon good health and long life, we pay tribute to his services to the Nation, and we signalize his birthday with a warm and very happy birthday greeting.

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

Mr. JAVITS. I yield to my colleague.

Mr. KUCHEL. Mr. President, as a Californian and as an American I wish to join my colleague from New York on the occasion of the 87th birthday of that great and imposing world statesman and former President, Herbert Hoover, beloved by all humankind for a lifetime of devotion to the cause of free peoples.

Mr. Hoover was born in the State represented so ably by my colleagues from Iowa [Mr. HICKENLOOPER and Mr. MILLER]. As a young man he came to my State of California. There he attended and graduated from Stanford University. Shortly thereafter, he began a career which led to the greatest of success as an engineer, with worldwide experience, and which also led to a unique and splendid career of public service to the people of our Nation, culminating with his election as our Chief Executive.

Through the years since leaving public office Mr. Hoover has come to be recognized by the American people as one of our most distinguished and articulate exponents of the free way of life, which all of us revere and which all of us are prepared to maintain.

On the occasion of the birthday of this distinguished American I am sure I speak for all Senators, and indeed for all the people of our country, and in a very real sense for all people who enjoy freedom on this globe today, when I say to my colleague that I am quite honored to associate myself with his remarks. Happy birthday to President Hoover.

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

Mr. JAVITS. I thank my colleague from California. I yield to my colleague.

Mr. MILLER. Mr. President, I certainly wish to associate myself with the remarks of the distinguished Senator from New York and of the distinguished Senator from California. As pointed out by my colleague from California, former President Hoover was born in Iowa, in the town of West Branch, where there will be a library dedicated to his honor sometime this fall.

Iowans certainly are more than proud that this distinguished statesman and American was born in our State. We wish to point out that as the years have gone by the outstanding qualities and foresight of Herbert Hoover have been brought to the forefront before the American people, at a time when our country is in a very serious situation.

Mr. President, many individuals do not receive recognition for their statesmanship until years after they have held office. This has been true in the case of Mr. Hoover. As years have gone on, the American people have begun to realize that his qualities of leadership and statesmanship were perhaps not recognized as much as they should have been many years ago. It is a wonderful thing that we are having the benefit of his wisdom with us today.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. Mr. President, I yield to the distinguished Senator from New York.

Mr. KEATING. Mr. President, I am delighted that my distinguished colleague brought up this felicitous occasion today. I have the honor of considering former President Hoover as at least a partial constituent. I am afraid that he still votes in California. It is another respect in which we find ourselves at odds with California. California takes away from us not only our defense contracts, but also our citizens, and particularly our distinguished citizens. President Hoover very wisely spends most of his time in New York.

He has been a great mentor, a great source of inspiration and advice to many in public life, not only in New York, but also across the Nation. His career has been a stormy one at times. I know of no one in American history who has been through such criticism and invective as has President Hoover, and who has had greater reason to have the universal esteem and affection of the people. It is lese majesty to say anything else of President Hoover, which is as it should be. He was a great President. He is a great man. He is to be felicitated on the great strength and vigor and interest in world affairs which he is enjoying at this age, when some go into decline and do not take an interest in the problems of the day. I hope that we shall be able to stand on this floor for many years to come to felicitate this great man.

FEDERAL AID TO EDUCATION

Mr. JAVITS. Mr. President, I call attention to a subject on which I have spoken before, but which is now buttressed by a most interesting article that I shall ask to have printed in the RECORD. The subject is the essentiality to our posture in the field of national security and the means for defense which we must employ that is inherent in the three bills for Federal aid to education that have bogged down in Congress. These bills should rank with any other program which we have in Congress in the interest of national security; and if we needed to be reminded actually of that point, I call attention to an article published in yesterday's edition of the Washington Star, entitled "Soviet's New Schools Program; 20-year Plan To Serve Communist Aims Expected To Be Little Read in United States," by Ralph McGill.

The plan had better be much read, because it is a blueprint for what the Russians will do to us if we do not pay the most scrupulous attention to our educational plan.

Again I say that failure to act on Federal aid to education, which has now bogged down in Congress, is a check on an essential element of our national security. I cry out against it, and I hope the country will, because it can still be corrected at this session if the President gives the necessary leadership and the country gives the necessary demand.

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

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

SOVIET'S NEW SCHOOLS PROGRAM—20-YEAR PLAN TO SERVE COMMUNIST AIMS EXPECTED TO BE LITTLE READ IN UNITED STATES

(By Ralph McGill)

Under section five of his massive manifesto, Mr. Khrushchev devotes a very considerable space to education. It is too bad that this cannot be read by State legislatures and by the politically provincial-minded Members of the Congress.

We, the people of this country, will ignore the new Communist manifesto to our peril. Yet, it is quite likely the document will be less read here than anywhere else. That it will have a profound effect in those countries rather glibly described as underdeveloped or emerging, is unquestioned. It is a program tailor made to appeal to a country confronted with the desperate need to overcome illiteracy, poverty, and to find a lever with which to move mass inertia.

The Communist peoples are informed by Mr. Khrushchev that technology and science will be an increasing part of the future. Therefore, under subhead A of his manifesto, we read:

"In the next decade compulsory secondary, general, and polytechnical 11-year education is to be introduced for ALL (capitals mine) children of school age. * * *

"Secondary education must furnish a solid knowledge of the fundamentals of the basic sciences, an understanding of the principles of the Communist world outlook, and labor and polytechnical training in accordance with the rising level of science and engineering, with due regard to the needs of society and the abilities and inclinations of the students.

"In view of the rapid progress of science and engineering, the system of industrial and vocational training should be improved continuously, so that the production skills of those engaged in production may go hand in hand with their better general education in the social and natural sciences and with acquisition of specialized knowledge of engineering, agronomy, of medicine and other fields.

"There must be a considerable expansion of the network of evening schools which provide a secondary education in off-work hours."

This is the gist of the Soviet school plan. It is of men and women who will best serve Communist objectives. There is no concealment of this fact. It is candidly stated.

What about our system? Will we not also have an industrial future?

The key word in the Soviet's plan is "all." All children will be required to take secondary education. Those whose talents and abilities reveal the superior performer will go on to the various institutes (colleges) to become doctors, scientists, engineers, teachers, artists, et cetera. Others will be sent to the polytechnic schools to develop superior skills to enable them to cope with the new techniques of production, and with those yet to come.

One of the most serious problems of the Kennedy administration is to develop a program to care for the millions of unemployed who are the victims of neglect in the past decade or so. Perhaps 50 percent of our jobless are lacking in skills required for today's jobs. Many are not well educated enough to take training.

Yet, we have a Congress which has defeated Federal aid to education. We have men, themselves cogs in local situations, many of which are corrupt, who oppose Federal aid on the false and hypocritical premise that it will weaken local government.

There are States in the Nation (and not all are in the South) which, for two generations and more, have given their children second-rate education. The Southern States, which spend the least per pupil and pay teachers less, continue to try and maintain two generally inferior segregated systems instead of taking what money they have and building the best possible one to meet the needs of their children.

There is today a justified concern with Communist advances. But we are fools indeed if we blind ourselves to the fact that the most successful weapon the Soviets have is a system of education which, while slanted toward their needs, nonetheless gives to every child a chance at education.

Does this country have any less responsibility to educate all its children; to find the most able to serve us?

Mr. Khrushchev and his successors will have reason to be grateful to those who sabotage and delay Federal aid. In a time when we are seeking to ferret out the enemies of freedom, let us not overlook some of the more obvious and blatant ones.

NEWBURGH, N.Y., WELFARE

Mr. JAVITS. Mr. President, we have discussed the welfare rules of Newburgh in the Senate with contrary views from myself and others. We now have a dispassionate and objective appraisal of the situation in Newburgh by Eve Edstrom, staff reporter of the Washington Post. In the Sunday, August 6, 1961, issue of the Washington Post, I am glad to say, Miss Edstrom bears out the position of people like myself that though the motivation for what Newburgh did was understandable, in the main it was in a direction which was contrary to the concepts which we have today, and was on the whole justified by the basic and underlying facts in Newburgh itself.

I ask unanimous consent that an article entitled "Newburgh Is a Mirror Reflecting on Us All," by Eve Edstrom, published in the Washington Post on August 6, 1961, be printed at this point in my remarks.

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

NEWBURGH IS A MIRROR REFLECTING ON US ALL

(By Eve Edstrom)

The time was ripe for Newburgh, N.Y., to happen.

In towns and cities throughout the Nation, costs of municipal services have been going up, up, and up. But most aggravating to the American taxpayer has been the mounting cost of public relief.

In the three decades since this Nation adopted its public welfare programs, the

rank-and-file taxpayer never has accepted the notion that anyone need live on the dole.

And so when Newburgh announced its crackdown on welfare "chiselers," reaction was enormous. Newburgh was seized upon as an example of how to cut back mounting relief costs and teach a lesson to ne'er-do-wells.

In newspapers, in town halls, in forums across the Nation, the Newburgh story became the focus of a debate that grew more emotional, more politically charged, as each day passed. As if by a Pavlov dog reaction, conservatives grabbed the issue as ammunition for their particular outlook on the world; liberals, with the same conditioned reflex, sensed the need to rally in opposition.

An examination was begun of the facts behind the words. And with that closer look came a singular discovery: in the 3 weeks since its welfare crusade began, Newburgh has been unable to find one able-bodied male to put to work.

That fact, and others like it, began to give a different complexion to the Newburgh case.

FACT SHEET

Any discussion of Newburgh must take into consideration both the claims of Newburgh City Manager Joseph Mitchell and the facts as developed by New York State officials. These are:

Claim: Newburgh welfare rolls include many able-bodied recipients who should work for their relief checks. Mitchell estimated that these men could be drawn from at least 60 families.

Fact: One man, a white, unemployed steelworker who is a native of Newburgh, was considered able to work. But he was excused when he reported for duty because his wife was in the hospital and there was no one to care for their five children. This able-bodied man, incidentally, has one eye.

The absence of any appreciable number of able-bodied males on relief since Mitchell's crackdown began squares with the facts as they existed prior to the enactment of the controversial welfare code. For example, in July 1960, only one man was employed under Newburgh's work relief program. Despite national publicity crediting Mitchell with seeking to put relief "chiselers" to work, Newburgh had had a work relief program for some time.

Claim: Newburgh's relief rolls are loaded with "undesirable newcomers"—migrants from the South—who came to this Hudson River Valley city to get on relief.

Fact: In all of 1960, exactly $205 was paid by Newburgh to newcomers on home relief, the category of local aid for jobless families. Furthermore, New York State reimbursed Newburgh in full for that expenditure.

During that year, no payments were made to newcomers on aid to dependent children rolls, the category of aid for families whose fathers are dead, have deserted them or are incapacitated. For all categories of aid, including payments to the aged, Newburgh paid only $1,395 to newcomers in the last 2 years.

Claim: With 5 percent of Newburgh's 31,000 residents on relief, the city is suffering from an unusually heavy welfare burden.

Fact: The percentage of Newburgh's population on relief in 1960 was 2.9 percent, the lowest percentage of five comparable cities and a percentage which was below the Statewide average. Although 41 of the State's 65 welfare districts qualified for special welfare aid because home relief payments were made to more than 1 percent of the population last year, Newburgh was not among them.

Claim: It was necessary to muster welfare recipients at police stations because of the existence of possible fraud.

Fact: Although practically every adult who could walk was put through this procedure, not a single case of fraud was uncovered.

THE SYMBOL

Despite these facts, Mitchell's charges and his program for Newburgh emerged as a symbol of welfare reform.

Senator BARRY GOLDWATER, Republican, of Arizona, declared that every city should adopt the Newburgh program aimed at putting chiselers to work and denying aid to unwed mothers. GOLDWATER—voicing the views of many—said that he doesn't want his tax money spent for "children born out of wedlock" and he is "tired of professional chiselers walking up and down the street who don't work."

In similar vein, the Richmond Times-Dispatch, in applauding that Virginia city's efforts to adopt some features of the Newburgh plan, editorialized against the "shiftless, slothful parasites who make careers of milking the public."

This reaction was typical of that voiced throughout the Nation. In counties and cities in every section of the country, the public was told that those on relief live the life of Riley and this must stop. Short shrift was given to the arguments of social welfare leaders who insisted that Newburgh was far from a symbol of welfare reform but rather that its crusade was a hoax against the helpless.

But Charles Collingwood, in a New York CBS broadcast on the Newburgh affair, warned that before advocates "pick a symbol, make sure that it really symbolizes what you meant it to."

"The way to do that is to investigate your symbol pretty thoroughly in the beginning," Collingwood said.

Ostensibly, the Newburgh case had its beginning in the concern of citizens over alleged increases in welfare rolls which, according to Mitchell, would necessitate tax increases if public relief was not cut back.

A sort of white paper on Newburgh's welfare problems was drawn up by, it was believed, an impartial citizens committee. It was only late last month that Newburgh's press revealed that City Manager Mitchell served as secretary to the citizens' group and wrote its report.

On the basis of that report, Newburgh's four Republican city council members—over the strong objections of Democratic Mayor William Ryan—adopted a stringent 13-point welfare code, to be effective July 15.

The most controversial provisions of the code would cut off families from relief after 3 months of aid in any given year; deny relief to mothers of illegitimate children if additional children are born out of wedlock after the family has qualified for relief; require able-bodied males to work 40 hours weekly for their relief checks, and limit aid for newcomers to 1 or 2 weeks.

Such requirements are in conflict with New York State welfare laws. Consequently, New York State could lose its entire welfare allotment from the Federal Government because Federal rules require a State welfare program to be uniform for all political divisions. A child in Newburgh, in other words, must be treated the same as a child in Albany.

Therefore, the first step in testing the legality of the Newburgh code was taken Friday when New York State sought an injunction to block enforcement of the code.

However, Newburgh has been unable to take any appreciable action under its welfare regulations because, to date, it appears that the code is based on assumptions of conditions that don't exist.

One of these assumptions, as stated by New York State Welfare Board Chairman Myles Amend, was that "95 percent of those on relief are lazy bums and maybe 5 percent are decent people. I think they have their percentages reversed."

Amend's statement appears correct in light of the fact that Newburgh's screening of welfare cases has yet to produce a "lazy bum" to put to work.

The sum total of Newburgh's crackdown is this:

Two mothers of illegitimate children were urged to become self-supporting. They were warned that if they bore any more children out of wedlock, their home environment would be studied to determine if the children should continue to live at home.

One family receiving $60.27 a month in cash relief was told payment would be made by voucher until there was an explanation for the spending of an insurance check received last fall.

On the basis of the above it would appear that Rabbi Norman Kahan of Newburgh's Temple Beth Jacob is correct when he states the Newburgh relief crackdown is a "great deal to do about nothing."

But Rabbi Kahan, who is president of the city's ministerial association, does credit the Newburgh plan with an unpublicized product: Fear.

"People were afraid they would be socially and economically ostracized if they spoke out against the program," he said. "Initial reaction was definitely reminiscent of McCarthy days and, to some extent, it is still going on.

"For example, a teacher in one of our public school classrooms asked how many children belonged to Rabbi Kahan's congregation. After the children raised their hands, the teacher said, 'Your rabbi is wrong. He is condoning the behavior of immoral women and, as a man of the cloth, he should favor morality.' "

Such statements stem from the widespread belief that relief grants are bonuses for illegitimacy, that they encourage illicit sex behavior.

"It is not moral to finance bastardy," said Newburgh City Manager Mitchell in justifying his program.

But figures available at the Department of Health, Education, and Welfare show that it is not the relief rolls that are spawning this Nation's illegitimate children.

Eighty-seven percent of this country's illegitimate children are supported by parents, relatives, or by sources other than public relief. Only 13 percent are beneficiaries of the Federal-State relief grant programs in operation in the 50 States.

And if the relief program contributes in any way to the illegitimacy problem, it is through the inadequacies—and not the adequacies—of relief payments.

In Washington, for example, when relief grants fell 22 percent short of basic shelter and food needs, the grocery bag baby became a common phrase.

This phrase developed because mothers sometimes entered into illicit relationships in return for a bag of groceries. These mothers were motivated by the thought of food today, not payments for babies 9 months hence.

Even so, the majority of families on relief in Washington and the majority of families on relief in Newburgh—80 to 90 percent by City Manager Mitchell's own estimates—do not have illegitimate children.

It is politically unwise to suggest that the blind, disabled, or aged be denied relief, because such people appeal to our basic desire to be humane. Similarly, it is unwise to suggest that relief be denied to hungry, innocent children.

But denial in the latter instance becomes palatable to the public when justified on the grounds that either the children's father is a "lazy bum" or that the mother is an immoral woman. It is then that the desire to be humane is overshadowed by the American belief that anyone worth his salt should earn his keep.

This is the basic conflict in the administration of public welfare programs today—and it is this conflict that the Newburgh case has publicized.

But the motivations behind City Manager Mitchell's actions in the Newburgh case are more difficult to assess.

He has issued numerous conflicting statements. For example, he said that unless the welfare code was adopted, Newburgh's citizens faced a tax increase. But after the code was enacted, he still maintained that tax increases were necessary.

Similarly, Mitchell issued a statement reflecting a sizable drop in relief cases in June, but then the figures were retracted and only a nominal drop was shown.

To this reporter, Mitchell said that tax increases probably would not be needed because both the welfare code and publicity concerning it caused appreciable reductions in welfare cases. In 1960, he said, dependent children's cases rose from 90 in January to 116 in June, while in 1961 they decreased from 160 in January to 119 in June.

Mayor Ryan points out that welfare comparisons normally are made on a month-by-month basis. In the above instance, both the January and June figures for 1961 are higher than for the previous year.

Initially, Mitchell also announced that his 13-point code represented only the beginning of measures to curb welfare costs. But a few days later, he said that Newburgh would proceed slowly under the code.

However, Mitchell has remained consistent in stating that he always has been a Republican and "a conservative in my thinking."

And caught up in the Newburgh controversy with Mitchell are the two men who may well be rivals for the 1964 Republican Party presidential nomination.

Senator GOLDWATER, unchallenged leader of the Republican Party's right wing, first entered the Newburgh picture by writing a letter to Mitchell expressing admiration for him and his program. Subsequently, when Mitchell visited in Washington July 18, he had a much publicized meeting with GOLDWATER.

This caused many newspapers to criticize GOLDWATER for interfering in a local situation involving New York Gov. Nelson A. Rockefeller, who is the unchallenged leader of the Republican Party's liberal wing. GOLDWATER, in a letter to Rockefeller, declared he had no intention of "taking political shots at you."

Mitchell, however, has continued to embarrass the Rockefeller administration.

What Mitchell, a native of Chevy Chase, Md., hopes to gain from his many statements—other than continuing national publicity—is anybody's guess.

But the furor he has caused not only will be felt in many communities for a long time but in the Nation's Capital as well. The basic issue in the Newburgh case is not whether it is a hoax but whether it is not time to reexamine this Nation's welfare policies.

Even the friends of public welfare programs observe that they perpetuate dependency, that measures enacted 30 years ago are no answer to conditions as they exist today. And neither are the hit-and-miss solutions being tried in some communities.

That is why the Kennedy administration is reviewing the Nation's relief program.

AUTOMATION AND U.S. LAW

Mr. JAVITS. Mr. President, automation is one of the great problems before our country. It is the way in which we can make the most progress with our productivity, and it is the biggest challenge to us in terms of releasing our productive potential.

For example, on the calendar as item No. 626 is the bill, S. 1991, which relates to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes, which is critically important to the whole subject of the Nation's productive potential and the human adjustment to automation which must be made. We shall have many other measures on that problem. All the enlightenment we can get will hardly be enough to enable us to meet this great problem.

Today it is more important than ever before for the United States to maximize its productivity. Industrial investment and productivity are increasing by leaps and bounds in the Soviet Union as well as among our friendly trade rivals of the free world. In order to maintain our effective economic leadership we are obliged to utilize every bit of our productive potential.

Automation is one of the primary means by which we are seeking to expand production. In order to derive the fullest possible advantage from technological gains, the United States must develop effective programs for dealing with various problems which are caused by technological change or exist alongside it, and which lead to serious wastes and less-than-full utilization of our Nation's economic potential.

Among the problems to be faced are labor-management disputes, featherbedding in both labor and management, work stoppages in critical areas during critical times, less-than-full employment, waste and absenteeism, unsound wage and price policies, job discrimination because of race, creed, or color, problems of worker morale, lack of community interest in improving production, and hardships to workers and businessmen who are adversely affected by automation or relocation of industries. These problems must be confronted squarely, if the United States is to achieve the fullest possible mobilization of its productive potential in the bitter economic competition with the Soviet bloc. It is this conviction which led me to introduce two bills in this Congress, S. 1181, the National Productivity Council Act of 1961, and S. 2204, the Peace Production Act.

S. 1181 seeks to promote an increase in national productivity and to deal with the problems accompanying automation by establishing the National Productivity Council. This would be an independent agency which would have the authority to stimulate the organization of local councils, comprised of representatives of labor, management, government, and the public. These councils would seek to eliminate the economic sore spots which slow our productivity rate and would strive to remedy the dislocations and hardships caused by automation.

S. 2204 provides for a Peace Production Board to help promote maximum utilization of our Nation's productive forces. This board, comprised of the Vice-President, several Cabinet members, and representatives of large and small business, labor, agricultural management, agricultural labor, and the public, would be authorized to undertake a variety of activities to eliminate the manpower wastes which so impair our ability to compete with the Communist bloc. Its activities would include developing programs to train and reorient employees and management, providing transportation, safety, and health facilities for the labor force, developing production incentive programs, disseminating technical information, and revising building codes, zoning regulations, and other local ordinances in order to keep them responsive to changing economic conditions.

Special emphasis should be placed upon the fact that both of these measures rely largely upon local initiative to cope with the problems of automation.

I call attention to a newspaper article and to a recent address, both of which discuss the problems involved in our quest to make full use of the increased productive potential which automation has brought to our Nation and to eliminate the socio-economic evils which automation leaves in its wake. The article, written for the July 14 New York Mirror by Gov. Nelson A. Rockefeller of New York, stresses that automation is necessary to spearhead growth, but that with it arise human problems which must be solved. The address is a talk given on December 6, 1960, by John Diebold, president of the Diebold Group, Inc., to a meeting in Brussels, Belgium, of the leaders of the European Economic Community. John Diebold's corporation is an international management consulting company, and Mr. Diebold has been a major source of new ideas and activities designed to meet the problems accompanying technological progress. His address delineates the new challenges to management which automation brings. I ask unanimous consent to have these materials inserted in the RECORD at this point.

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

AUTOMATION IS HERE TO STAY

(By Gov. Nelson A. Rockefeller)

ALBANY, July 13.—Automation is the great promise of the American economic future—and one of our major problems of the present.

The fear of industrial machinery that enables fewer men to do more work is nothing new. Three hundred years ago, in Poland, the inventor of an automatic loom was put to death and his invention was suppressed.

Weavers in 19th century England resorted to rioting and arson in a vain effort to halt mechanization of the textile industry. Labor disputes in the United States today frequently involve the issue of work rules in relation to new and improved machines.

Technological change and advance, now popularly called automation, is no new phenomenon in America. But it has been accelerated in recent years and—with business recessions and a lack of sufficiently rapid national economic growth—has become identified in many minds as the economic villain causing most of our unemployment.

Actually, we don't really know enough about the extent to which unemployment is directly traceable to automation—especially the so-called hard core unemployment.

But the failure to automate, whether from management inertia or resistance by labor, is not the answer. The prime need is increased productive efficiency, not less, so automation can create far more and better paying jobs than it destroys.

We must also face the fact that postwar automation of new plants in Europe and Japan is one major reason that certain American products are having a tough time

competing with products of friendly nations in world markets. Moreover, the Soviets in their struggle for world domination have embraced automation as a prime weapon.

As one deeply concerned with this problem, I am convinced that an environment of accelerated, vigorous and sustained economic growth is the core of the solution—and that automation is essential to spearhead this growth.

Our objective, in short, should be to accelerate our rate of economic advance without inflation and to do so within the framework of our existing system of initiative and enterprise—with Government action in a complementary but never a dominating role.

Last year, in Cooperstown, New York State sponsored the Governor's Conference on Automation.

Management, labor, education and Government officials gave intensive attention to this subject. One of several group-discussion leaders at that conference was Arthur Goldberg, then general counsel to the United Steelworkers, but now, as Secretary of Labor, in an even more significant position to influence the Nation's approach to the automation problem.

The conferees, though often diverse in approach, emerged with certain recommended guideposts, the first of which was that automation was necessary and desirable, was here to stay, and should be the subject of continuing attention by industry, labor, education, and Government.

The need was stressed for advance planning to meet the human problems arising when a specific company moves forward with technological improvement—the development of a comprehensive and cooperative program by labor, management, and the community.

There is urgent need for assistance during the transition period including job counseling, retraining and placement, transfer of employees to other jobs, severance pay agreements to fit a particular situation, and the use of special unemployment insurance benefits for workers who make themselves available for retraining.

The State of New York is increasingly active in assuming its share of responsibility in these areas.

I firmly believe that industry, labor and management working closely together can solve the human problems created by automation, meet the problem of foreign competition and provide the jobs needed for the steadily increasing numbers of new workers as well as the existing unemployed in the labor force, if we make accelerated economic growth the central focus of our economic policies—private and public.

TECHNOLOGY'S CHALLENGE TO MANAGEMENT

(An address by John Diebold)

Our civilization is today reaching for the stars. And it is the technical progress made during our own lifetime that has brought them within the grasp of a generation already born.

When a society makes strides of this magnitude it is altogether fitting that we review our progress, consider what we can learn from it, and give thought to our role in the future. This conference is well timed. As the Swiss journalist Robert Jungk has so aptly phrased it, "tomorrow is already here."

To review American technology, as I have been asked to do, is a task that can be approached in many ways. I could, for example, discuss the developments of the past and coming decade—developments that have come upon us with increasing speed and consequence. Such a review might concern itself with:

Current revamping of U.S. automotive factories as unitized body construction—a European import—replaces the chassis construction around which the assembly line method was originally built.

Application to medical technology of techniques such as the transmission of light along curved paths by optical fibers which allow us to look directly at the internal functioning of the human heart.

Introduction into our classrooms of teaching machines which permit school children to learn mathematics and languages at twice the speed, and much more thoroughly, than classmates taught by conventional methods.

It might also be appropriate to discuss some of the more experimental work that is not yet entirely out of the laboratory nor entirely into the plant, but which is sufficiently proved that many of us believe it will become standard practice during the coming decade. Such developments include:

Control of a steel rolling mill, a petroleum cracking tower or an electric generating station by means of an electronic computer allowing continuous automatic optimization of operations as well as startup and shutdown of the plant.

Translating machines which can scan printed text; translate from one language to another; prepare an abstract from the translation; then cross index and store the information in a manner allowing retrieval by yet another machine.

Simulation of business and technical processes in a manner that allows experimentation and training under real conditions without jeopardizing plant investment or human lives—the compression of years of operating experience into days.

Long range weather forecasting by use of a system of satellites and high-speed computers—and most wondrous of all, the beginning of control over the weather itself.

Or, I could review truly advanced developments which, while not yet turned into products, or more than laboratory technology, have already laid the foundation for enormous technological change a decade from now. Such developments as:

The laser: A new components growing out of a union of electronics and optics—which makes possible an entirely new means of long distance communications through storage of electronic energy in a crystal and discharge as a high energy burst of light (visible or invisible to the human eye, as we will).

Cryogenics, or ultralow-temperature electronics where great increases become possible in speed of data storage and retrieval.

Molelectronics: An incredible phenomenon—substitution of the structure of the molecule itself as electronic circuitry in place of the subminiature component circuitry that is today considered the most advanced of methods.

But I have chosen yet a different approach. For the innovations themselves, while individually fascinating and of enormous importance, have been coming upon us with ever increasing speed.

It is the rate of change itself which I believe to be the most significant phenomenon of all. The increase in the rate of change is raising problems. These problems are as yet largely unrecognized and unexplored. They are fundamentally managerial in nature.

The technological changes which we have witnessed as a steady parade since the end of World War II are not a single burst originating from military work—a spurt from which we will recover. They are but the beginning of a continuum of fundamental change—a phenomenon that will continue at an increasing rate for as long ahead as we can see a future.

Every factor making for change is at work to produce even more change in the future:

Population is increasing in what has been referred to as an "explosion"—thus the probability of innovation increases, and already we see it in more simultaneous discoveries each year that goes by.

Education on a scale never before known—we are beginning to see the actuality of mass education on a high level.

Mobility of this more educated population.

Communication in every form, fostering an environment on one hand receptive to change and on the other conducive to the origin of innovation.

These factors, together with increasing emphasis upon science, increasing motivation, encouraged privately and by Government, is leading to a rate of change which we have difficulty comprehending.

We in the States did not really begin to devote large-scale effort to scientific research and development until World War II. In 1940, a total of $280 million was spent on research and development in the United States. But the military stimulus of World War II increased these expenditures to $1.8 billion in 1945, and $3.1 billion in 1949. Most of the developments I mentioned earlier are the fruits of but the first decade of large scale research effort. Last year $12 billion was expended in the United States by industry, Government, and universities. The rate promises to increase to well over $20 billion in 1970. Just think of the technology and products that we can begin to expect in future decades as a result of such effort.

This increasing rate of technological change seems to me to create some fundamental problems for management. In part, these are problems concerning the processes by which management puts the technology to work. And in part they concern the way in which the technological innovations themselves affect the very process of management. It is to these questions that I would like to address myself this evening.

The philosopher, Alfred North Whitehead, has stated in Science and the Modern World, one of the important facts differentiating our time is: "* * * that the rate of progress is such that an individual human being, of ordinary length of life, will be called upon to face novel situations which find no parallel in his past. The fixed person, for the fixed duties who, in older societies was such a godsend, in the future will be a public danger."

How much more accentuated is this challenge and burden for the manager who not only must face novel situations, but must organize his business structure so as to utilize and incorporate constant change as a regular modus operandi.

The magnitude of the management problem posed by this sudden increase in the rate of technological change has hardly begun to be recognized as a problem at all. It is frequently viewed as a fortuitous or onetime situation and is attacked in a fragmentary manner in one industry after another. But it is my impression that we shall soon begin to recognize and discuss this problem as one affecting the very roots of our management philosophy.

What I should like to do this evening is to discuss briefly four observations regarding this problem.

1. The planning process will assume a more critical role in determining management success or failure.

Though recently discovered by business, and still more honored in theory than practice by most managements, long range planning is certainly nothing new to our society. The magnificent parks surrounding the chateaux of France have always seemed to me a fine example of long-range planning—in many cases, the effects in composition envisioned by the original builder could not conceivably come into being until after his children had lived through the bulk of their lives. But such planning is based on complete confidence in the permanency of a way of life, or on the continuity of existing trends. What concerns me here is not necessarily long range planning, but planning

for change; and its counterpart, planning necessitated by change.

The onslaught of technological change is going to focus much more attention on the planning process. It is going to place a premium upon the ability to plan effectively. A few of the reasons why this is going to happen are:

Product life is being shortened. The traditional cycle of product innovation is being telescoped—not by planned obsolescence or styling changes, but by genuine technological innovation.

In many fields there is no longer time to sit back and profit by a competitor's mistakes. We may very well see a situation arise in which it is only the leader who has a chance to make a profit, not those who then copy him, for another basic change in technology will by then be taking place. As a secondary position becomes untenable, the risks of the leader increase; so must the possibility of profit or he should not enter the field.

The reaction time of management must shorten. The time for leeway in adapting to new technologies has disappeared. Companies must keep track of a number of fundamental areas of scientific work and must react rapidly to apply this work when the time is right. They must consciously plan to be the ones who obsolesce not only their own products, but their very industries.

The life of business and industrial processes, as well as products, are being both shortened and changed. Much of the new technology, particularly that part of it dealing with information processing, profoundly changes the manner in which business is conducted.

For example, the American Telephone & Telegraph Co. expects communication between machines in different cities to exceed voice communication over telephone lines by 1970. The consequences of such a change are staggering, not only for the telephone system, but for the procedures by which the remainder of U.S. business is conducted. It is only through a high order of planning that such a rate of change can be made to benefit a firm rather than its competitor.

The increased complexity and tightened interrelationship of functions within a single organization, together with the ever more complex relationships with other organizations means that successful—and successful is increasingly coming to mean rapid—adjustment to change is impossible without a high order of skill in planning.

For these reasons, and many more, I believe that planning as a process is a subject to which more attention must be given by business management.

2. Effective management of creative and service personnel is becoming an important determinant of business success.

While the early part of this century saw an employment shift in the United States from the farm to the factory, the 1950's brought a shift from the factory to the office. In 1959, only 30 percent of the U.S. gross national product was the result of manufacturing. Over 45 percent was value added by transport, commerce and other service activities, not including Government. Even within manufacturing, the factory worker is being replaced by clerical, technical, and managerial employees. Managerial, professional, and technical personnel alone increased from 7.4 percent of manufacturing employment in 1940 to 12.7 percent in 1959. This shift in the employment structure has occasioned an entire nexus of problems in how to manage service, technical, creative, and management personnel.

Our methods of management have not kept pace with this shift. America has entered this era with a legacy of concepts developed to meet the needs of the unskilled worker.

The results of labor-management relations to date might be summarized as the guarantee of equal treatment and the expectation of average performance. These concepts are already recognized as archaic in dealing with creative personnel. What must be encouraged is exceptional performance, and what may well be needed is individualized treatment.

The problems in this area are substantial and numerous. One is that the product, an idea, is so difficult to schedule; another that scientists tend to direct their prime loyalty to their professions, rather than their employers; a third is the magnitude of the task of integrating what must remain individualized effort; and a fourth, the lack of standards to measure performance.

There is also a communication impediment growing out of the diversity of background and aggravated by the growing interdependence of science and management.

Studies in human relations have done much to give us insight into the human requirements of effective organization. But this falls short of what is needed.

Too often management unconsciously assumes that spending a given percentage on research, or creating fine working conditions, will produce results. The prerequisites of genius follow—not precede—the essence of genius. Too often this fact is lost sight of. The fine equipment, campuslike plants, and company-paid university courses are but empty trappings if the human quality is not already present; and if the proper leadership is not present.

Few managements yet understand the essence of the task. The rewards of those that do will be greater as change increases.

3. Many accepted business concepts must change.

Even as fundamental a concept as the definition of a business can change through rapid shifts in technology. My friend Peter Drucker, in his book "The Practice of Management," states: "There is only one valid definition of business purpose: to create a customer—any business enterprise has two—and only these two—basic functions: marketing and innovation." Examples are all about us:

The packaging of equity investment with standard life insurance, in recognition of growing customer need for inflation protection.

A manufacturer of calculating machines had best view itself as being in the information handling business, and remain in the forefront of what a few years ago would have seemed unrelated technology, or it may not remain in business for long.

If the motion picture industry had defined its business as the supply of entertainment rather than film, it might now be the heart of the television industry rather than a contract supplier to it.

Among the other business concepts that must change are:

Return on investment must be higher in these new fields in order to justify the increased risk. Conversely, business must take bigger risks for sufficient return when technological change is great. A case in point is the computer business itself. The costs of entering this new industry have exceeded everyone's expectation. Those manufacturers who have planned for a low rate of return have already been forced out of the business.

Management may have to take a longer run view of profits. Instead of planning for a fixed percent return per year, it may well be necessary to reorient aims to a percent of profit over a given business cycle. (It is also possible, of course, that as labor becomes more fixed there may be a resultant lessening of cyclical business patterns.)

The concepts of overhead and of labor productivity must change as the direct laborer disappears. Allocation of overhead costs must reflect the tremendous and disproportionate increase in productivity of some sectors of a business.

Traditional office-plant distinction requires overhaul as production is increasingly controlled by a businesswide information system, through computer scheduling and actual factory control.

The role of middle management will change as the function of allocation of resources is performed by computers. Some predict the disappearance of middle management as a line function, and the growth of a new staffing function—the analysis and continuing reappraisal of the computer models and of the assumptions on which they are based in order to keep the system sensitive and itself receptive to change.

Management has a capacity never possible before either to centralize or decentralize its decision functions. The advances made in communications, among machines as well as people, now allow for direct, cheap, and immediate flow and feedback of information among any geographic points. Whether or not centralization is appropriate will vary with the situation, but the decision need no longer fall automatically to decentralization.

4. The new technology is itself changing the process of management.

The technology of information handling, communications, control, and related developments in information theory, at first applied crudely to the mechanization of work already performed manually, contains within it the basis for not only substantially changing the process of management, but for extending the range of man's capability. It is a development we are only beginning to understand.

Ten years ago when computers were new, it seemed to many that they were only useful for scientific purposes. One projection estimated the need for about a dozen in the United States. That was 10 years ago. Today we have over 5,000 computers actively at work. The projections of my own firm are that by 1965, there will be between 15,000 to 20,000 computers installed in the United States alone.

We are today using this technology in only the most elementary manner. New techniques, utilizing computer capabilities, are just beginning to appear on the business scene. Operations research, the building of mathematical models to solve business problems; simulation, using the computer to supply "what would happen if" answers to decision alternatives; gaming theory, to strategically plan in competitive markets. These are but a few.

The magnitude of change in business organization which will be brought about by this technology is far greater than most of us today recognize. For example:

Today's business organization structure is a legacy of the first industrial revolution in which specialization of labor was followed by mechanization around specialties. We are now in possession of technology which allows us to build information systems which transcend the compartmentalized structure of business organization.

Most of the difficulty that we have been experiencing in putting these new tools to work in recent years results from the fact that it clashes with our fundamental organization system. This is a problem that is not yet recognized by many of the organizations experiencing it. I know because my firm is regularly called upon to solve problems which are really symptoms of this more fundamental organizational conflict.

The challenge to management posed by technology is a challenge of basic theory as well as of operation. It is here that U.S. business is having the greatest difficulties in effectively putting the new technology to work. It is possible that our education system, which is empirically based, needs a more theoretical orientation. Here the advantage is with you.

These observations may help to illustrate the type of management problem that is being raised by the pace of today's technological change. In concluding I would like to turn briefly to another type of change—social change—which is at the same time a result of the technological change and the cause of its own set of management problems.

As important as is technological change, we must recognize that technology is merely an agent for social change. This social change will in turn result in more profound consequences for business than the technological change which spawned it.

I would like to make just two observations on social change:

1. Management must look to social change as an active agent in business planning.

Management has always known that changes in social structure change consumer demand. But as the rate of such social change increases—and it will change as fast as the technology—management must be able to anticipate such shifts and react with increasing speed. Some of these changes, as I see them are:

The tremendous increase in the standard of living (brought about by technological change) is creating whole new industries in discretionary goods—entertainment, sports, books, travel, service—it is predicted that by 1970 over half of disposable income in the United States will be discretionary.

The redistribution of wealth—with tremendous growth of the middle class—is creating a demand for higher quality durable goods.

Changes in taste will foster redesign of products—even the chrome on our cars is disappearing.

Shifts in population mix—with disproportionate increase in the old and young will require new consumer orientation (in the next 10 years we expect the group under 25 to increase 46 percent; the group over 45 to increase 20 percent; and the group between 35–44 to decrease 1 percent.

The decline in servants is in part responsible for growth in the appliance industry.

The growth of "suburbia"—made possible by the automobile, has in turn created the shopping center; brought about not the supermarket but new distribution methods to service the supermarket, and the decline in older marketing methods, such as the mail order catalog.

Increased leisure has not only created new industries, such as do-it-yourself, but changed old ones—last year Americans purchased twice as many books as 10 years ago. We now spend more on classical recordings than on our national sport, baseball.

2. Key to the social burden of change is education.

Economic growth depends on change. However, the transitional burdens of social change cannot be borne by labor or management or government alone, but only by the joint efforts of all. The main burden is education and reeducation, not only of the labor force, but of management and technical personnel as well.

I am happy to say that some recent progress has been made, at least in recognition of this problem, in my own country. For example:

The Armour Corp., one of our major meatpacking firms, as a result of collective bargaining, has set up a half a million dollar fund to study the problems posed by automation in the meatpacking industry, find work for displaced employees and inaugurate retraining programs.

The Pacific Maritime Association, in a contract recently negotiated with the Longshoremen's Union, agreed to contribute up to $5 million a year from savings resulting from new methods, to a union-operated fund with which to offset hardships resulting from technological unemployment.

A local of the International Brotherhood of Electrical Workers, in cooperation with the Federal Office of Apprentice Training and a local vocational school, has set up what it calls a postgraduate school for training in new electrical techniques because they are convinced that jobs will be created by the introduction of automation.

While I am not recommending any particular formula, I do think management must recognize a responsibility to plan for change with labor. For failure to so plan will only delay the benefits of this new technological revolution. Nothing can prevent it from occurring, as the hardships in transition could not prevent the industrial revolution. But planning and foresight can prevent the hardships.

If we adopt the long view of history it is to the social change brought on by technology that we must look for the real meaning of our current technological revolution. After all it is to this change that we really apply the word revolution—not to the machines.

The industrial revolution was revolutionary because it created a whole new environment for mankind—a whole new way of life. What it gave to history was much more than the steam engine and the cotton gin, the railway, and the power loom. It gave society a whole new tempo, a whole new outlook.

It took men off the fields and out of small shops and put them for the first time into factory life. Hence it gave us mass production, and through mass production the first civilization in history in which luxury was not confined to a few. It gave us as well a sense of hurry, of time, which is still unknown in countries that have not gone through an industrial revolution. It gave us a sense of material progress, an itch to get ahead, which is also unknown in those parts of the world which are still preindustrial.

In other words, the machines which it produced were agents for enormous social change. No one, least of all Richard Arkwright or James Watt, thought that they were changing civilization itself. Yet, for us, looking back, that is precisely what was revolutionary about the inventions they made.

The current technological revolution promises to have far wider effects than mere technology. Like James Watt and Richard Arkwright, many of our inventors have no intention of reshaping our entire world. Yet that is what they are unwittingly doing.

Two hundred years ago, when it was necessary for most people to put in 60 or 70 hours a week in miserable factories, just in order to survive, the question of what to do with nonwork—with leisure—never presented itself. Today, with our 40 hours of work a week, we are already facing the 2-day weekend with something of a self-conscious attitude. When leisure time spills over from the weekend to Monday and Friday, when a man leaves his desk or station after 6 hours of work still fresh and full of energy, then, for the first time in history, we will really face the problem of what to do with leisure. Here again the advantage may lie with you.

This is a revolution, in other words, which will take us beyond the civilization of an industrial society—a revolution in which human beings will be largely freed from the bondage of machines. It will raise an entirely new set of problems: business problems, social problems, economic problems. It will tax our ingenuity to its utmost. And it will bring about its changes—many of them, at least—within our own lifetime.

Like the pioneers of the industrial revolution in the 18th century, we face a world in which only one thing is certain: change, fundamental change.

I think it is fair to say that this new technological revolution offers as great a challenge and reward as any which we have ever known.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of 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.

Mr. YARBOROUGH. I have modified the amendment which I offered following my colloquy with the distinguished Senator from New York. I reoffer the amendment as modified.

I have made a quick check of the Federal Criminal Code, and I have found no uniformity in the way penalties are assessed, or the language in which they are provided for. It depends upon the particular offense. So I have rewritten the language to incorporate the suggestion of the distinguished Senator from New York, and also to follow the pattern in the Federal bank robbery statutes, in which there is provided a death penalty for taking hostages.

The PRESIDING OFFICER. The amendment, as modified, will be stated by the clerk.

The CHIEF CLERK. The Senator from Texas modifies his amendment by striking out the words "as the jury may direct," so that the amendment, as modified, reads in full as follows:

> 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, or shall be punished by death if the jury shall so direct.

Mr. YARBOROUGH. On line 5, the third word from the end of the line, should be changed. Change the word "such" to "a"—"or for a term of years not less than 20."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Texas.

Mr. JAVITS. Mr. President, I appreciate what the Senator from Texas has done. I think he reflects the highest traditions of the Senate. Often another Senator may have an idea or another point of view with respect to a particular piece of legislation; and it is a great pleasure to me when a Senator listens to the suggestion and acts on it.

Mr. YARBOROUGH. I thank the distinguished Senator from New York for his contribution. We want the bill, including the penalties, to be drafted in keeping with the experience of the Senate, more than half of whose Members are attorneys. The distinguished Senator from New York has been an attorney general of his State and has had much experience in the drafting of legislation.

Mr. MONRONEY. Mr. President, I ask for a vote on the Yarborough amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas, as modified.

Mr. KUCHEL. Mr. President, if the amendment is not too long, may we have it read again?

The PRESIDING OFFICER. The clerk will state the amendment.

The amendment was read as follows:

Whoever in the commission of any such act uses a firearm or other deadly or dangerous weapon shall be punished [by death or] by imprisonment for life or for a term of years not less than twenty, or shall be punished by death, if the jury shall so direct.

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

Mr. YARBOROUGH. I yield.

Mr. JAVITS. I ask the Senator to consider for a moment a suggestion I have to make on that score. Perhaps there could be a quorum call while the Senator considers it. I wonder whether the words "if the jury shall so direct" should come after the first reference to "shall be punished by death."

Mr. YARBOROUGH. The first three words on line 5 should be deleted. That is the way I have modified my amendment. My corrected amendment reads as follows: "shall be punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct."

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The amendment was read as follows:

Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon shall be punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct.

Mr. YARBOROUGH. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment was agreed to.

Mr. ENGLE. Mr. President, on behalf of myself and the distinguished chairman of Committee on Commerce, the Senator from Washington [Mr. MAGNUSON], I send an amendment to the desk, and ask that its reading may be dispensed with, because it is identical with the one just adopted, except that it applies to paragraph 3 instead of paragraph 2 of section 1 of the bill. The purpose of the amendment is to provide the same penalty for violations of paragraph 3 as paragraph 2. If we do not adopt this amendment, we will provide a higher penalty for "piracy" committed within the territorial jurisdiction of the United States than for piracy committed on the high seas. This makes the penalty uniform.

The amendment reads as follows:

On page 3, line 7, after the word "be," add the following: "punished by imprisonment for life or for a term of years not less than twenty, or punished by death if the jury shall so direct."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MILLER. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 20, after "municipal" insert the word "county."

Mr. MILLER. Following my colloquy with the distinguished Senator from California yesterday, it was determined that the addition of the word "county" would make it clear that county law enforcement officers, such as sheriffs, should be exempted, and that it was a desirable amendment. I have discussed it with both the Senator from Oklahoma and the Senator from California. I understand that there is no objection to this clarifying amendment.

Mr. MONRONEY. We have no objection. We believe it is a valuable addition to the class of officers to be exempted by law. The Federal Aviation Administrator has a right to make further exemptions in the regulations if he finds it necessary to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

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 forty-eight 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 crew to the United States.

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

Mr. KERR. I yield.

Mr. MANSFIELD. I have studied the amendment, and it seems to me that in reality it does not bear on the El Paso incident, which in effect is responsible for the proposed legislation now before the Senate, and not on the Pan American incident of yesterday, involving the airplane which was returned to Miami this morning, but, rather, to the Eastern Air Lines incident of several weeks ago.

I express the hope to my distinguished colleague from Oklahoma, in view of the fact that by and large the proposed legislation now pending is purely domestic legislation and has been carefully considered by the committee and reported by the committee yesterday under the sponsorship of the Senator's distinguished colleague from Oklahoma [Mr. MONRONEY], that, instead of offering his proposed amendment to the measure now before us, he submit it as a separate resolution, so that it may be referred to the appropriate committee, which I assume would be the Foreign Relations Committee, and receive consideration before that committee. If the Senator will do that, I can assure him, so far as I am capable of bringing it about, that the Foreign Relations Committee will give his proposal every possible consideration.

Mr. KERR. I feel very deeply about the matter referred to and contained in my amendment. I know that the people in Oklahoma feel very deeply about it also. Certainly I do not want in any way to interfere with the fine piece of legislation which is now before us, handled by my distinguished colleague from Oklahoma [Mr. MONRONEY]. Therefore, on the basis of the request of the majority leader, and on the assurance that if submitted as a resolution it will be referred to the Foreign Relations Committee and appropriately considered by that committee, I ask unanimous consent that it be considered as a resolution and referred to the Foreign Relations Committee for that purpose.

Mr. KEATING. Mr. President, reserving the right to object—and I do so for the purpose of saying that I thoroughly agree with the resolution. I hope it will have early and favorable consideration by the Foreign Relations Committee. The president of the Eastern Air Lines talked with me last night. The airline has been unable to get any action at all in retrieving this particular airplane, which is down in Cuba. It represents an investment of something like $2½ million. The airline could not obtain action by our authorities, or were not able to do so up until last night, in trying to get it back.

It is ridiculous for us to sit here, with Castro holding American property, and not do anything about it.

Mr. KERR. I thank the Senator from New York for his statement, because he expresses the thought in the mind of the Senator from Oklahoma. In my judgment the people of Oklahoma and the people of this country are sick and tired of the threat hanging over their heads, and that this hijacker down there would in the first place invite piracy of airplanes and invite that they be hijacked and the passengers kidnaped and brought to Cuba. It is a matter which should have the very speedy consideration of the Foreign Relations Committee. It should have the very serious and speedy consideration of the Chief Executive of our country, and this matter should be expedited. As long as the threat hangs over the heads of the American people and American commercial aviation and American aviation travel, it is a serious reflection upon the position of our country, upon our flag, and upon our people.

I regret that it cannot be passed upon by the Senate now, because I think it would be unanimously agreed upon. But if it is more orderly procedure to have it handled as requested by the distinguished majority leader, I will accede to that proposal.

Mr. MONRONEY. Mr. President, will my colleague yield?

Mr. KERR. I yield.

Mr. MONRONEY. I compliment the senior Senator from Oklahoma for his

diligence concerning this subject. Certainly the retrieving of the planes and other American property is of great concern to all of us, and some system of obtaining them must be provided if hijackings are not to continue. No one can deny responsibility for piracy if he accepts the benefits of piracy by retaining the pirated property.

It seems to me, however, that it is general legislation which is being considered, and under the rules of the House, which are very strict on the subject of germaneness of amendments, we would find ourselves in an impossible situation when we went to conference if the bill contained the amendment of the senior Senator from Oklahoma adding a resolution expressing the sense of the Senate. This resolution should receive every possible consideration. It might be misconstrued if it should be rejected in conference, because the House found it impossible under its rules to concur with the Senate, since the amendment would be nongermane to a purely legislative bill.

I believe the proposal would be more effective if it were considered as an individual measure and approved by the Committee on Foreign Relations than to have it tucked away in a piece of general legislation. Therefore, I must reluctantly agree that the course suggested by the distinguished majority leader, and concurred in by my senior colleague, may be more effective than to include in the bill a nongermane amendment in which the House could not concur.

I thank the Senator for yielding to me.

Mr. MORSE. Mr. President, will the distinguished Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. MORSE. Mr. President, I hope early action will be taken on the proposal of the senior Senator from Oklahoma. It should be presented to the Committee on Foreign Relations at the earliest possible moment, to enable the committee to consider the whole problem.

There is another phase of the problem which I think ought to be considered, so that we can get our answer before the world. It is very difficult for us in the United States to realize that Communist propoganda can be so effective as it is in some quarters in Latin America on a great many subjects, including the subject of hijacked planes.

When I was sent to Puerto Rico a few days ago, to represent the President at the ninth anniversary of the Commonwealth, many representatives of Latin American countries were in attendance at the conference. I was simply astounded, beyond my power of comprehension, that one piece of Communist propaganda has made the headway it has made in Latin America. We must provide an answer to it. We must get information to those people. If it is not already in documentary form, it ought to be prepared and should be on the desk of every U.S. Ambassador in Latin America. It simply does not do the United States any good to say that what those people believe is nonsense; that it does not amount to a hill of beans. Down there it is not nonsense, and it does amount to a hill of beans.

This is the widespread belief to which I refer: One Latin American representative after another says, in effect, "What is sauce for the goose is sauce for the gander. What are you crying about? You have permitted some 10 or more hijacked planes flown out of Cuba to land on U.S. territory, planes belonging to various Cuban interests, including the Cuban Government, some of them hijacked by Cuban defectors."

Just as so many Americans instantly assume that a hijacking here is being perpetrated by a Cuban and plotted by Castro, we simply have to face up to the almost unbelievable viewpoint in Latin America that the United States has been responsible for the hijacking of the Cuban planes; that it was a part of the Central Intelligence Agency program; and is a part of the espionage program of the United States toward Cuba. We ourselves know better, but that does not mean that our Latin American friends, the people who we hope are our friends, will accept our explanation.

Latin Americans will tell you that we have permitted those Cuban planes to be attached by persons who claim the Cuban Government is indebted to them. We have not sent them all back to Cuba. We have permitted those planes to be sold to American creditors, who have been allowed to collect on what the Latin Americans call hijacked planes. Yet, they say, when U.S. planes are hijacked and are taken to Cuba, we seek to use strong-arm methods to retrieve them.

What I urge is that the United States make its case by means of a documented memoradum which will show the complete difference between what has happened with respect to planes which were taken from the United States to Havana and planes which defectors and others have taken from Havana or other parts of Cuba into the United States. After all, a great contest is taking place in Latin America, and we should make it possible for our Latin American friends to understand that we stand for the processes of law and order in the settlement of our differences with Cuba, and not for the pirating and strong-arm methods of which the Cubans are guilty.

I should like to see the proposal of the senior Senator from Oklahoma come before the Committee on Foreign Relations, so as to enable the committee to prepare an American proposal for an orderly procedure of international law for the settling of such disputes, to stop, what I am afraid is a damaging of our prestige in Latin America, caused by Communist propaganda, to the effect that we do not want this situation to be a two-way street; we want it to be simply a matter of getting our planes back from Havana, but that the Cubans should receive no consideration in getting their planes back from the United States.

Mr. President, all we would have to do would be to state the facts. I speak most kindly about the Department of State in this respect, but I do not believe a good job has been done in preparing an official document which will present our view of the facts about this problem to the world. It will not make any difference what we in the United States believe. If what we believe is not accepted in Latin America, it will not help us there.

I am also much concerned, as chairman of the Subcommittee on Latin American Affairs, that we do not become involved in some entrapment procedure on the part of the Cubans while the Montevideo conference is in progress. The United States, at the Montevideo conference, is probably making the greatest progress in strengthening our relationships in Latin America and in demonstrating our good faith, good intentions, and good will that it has made in a long, long time with respect to United States-Latin American relations. The groundwork was pretty well laid at Bogotá last September, when the Act of Bogotá was adopted. The Montevideo conference is really an implementation of the principle of the Act of Bogotá, including the requirement that the Latin Americans themselves will have to adopt reform measures if they expect the taxpayers of the United States to continue to give them the millions, and now billions, of dollars of economic aid, called for by our plans announced at Montevideo.

There is no doubt about the fact that the progress we are making at Montevideo is not pleasing to either Havana or Moscow, or, for that matter, to the Red Chinese. I think they know we are giving clear proof of our desire to help the masses of Latin America help themselves.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER (Mr. GORE in the chair). The hour of 12 o'clock has arrived, and the morning hour is concluded.

The Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

Mr. MONRONEY. Mr. President, will the Senator from Oklahoma yield, so that I may propound a unanimous consent request, with the understanding that in yielding for that purpose, he will not lose the floor?

Mr. KERR. Yes.

Mr. MONRONEY. Mr. President, on instructions of the majority leader, I ask unanimous consent that the regular business be laid aside, and that the Senate resume consideration of Calendar No. 670, Senate bill 2268, until the action of the Senate on it is completed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of 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.

Mr. MORSE. Mr. President, let me say that I have almost completed my statement.

All I urge is that we watch out, and that these days the United States not follow a course of action which in any way would weaken the position of our delegation at Montevideo.

Later today, during the debate on the foreign aid bill, I shall read a wire I have received from Secretary Dillon. The wire relates to some of the problems which are confronting him at Montevideo. I assume that I received the wire because the Senator from Iowa [Mr. HICKENLOOPER] and I are official delegates to that conference—although we agreed with the President that we would not go to Montevideo until the foreign aid bill had been disposed of by the Senate. When it is disposed of, we intend to go to the conference.

The wire from Secretary Dillon compels me to make this observation: We should remember that when what is probably the most important conference held in Latin America in half a century is going on, we should not do anything that could be blown up into balloon proportions by the Cuban Communists in Montevideo in order to give the false impression that we are about to take over Cuba. Instead, on the contrary, following the very sensible proposal the Senator from Oklahoma is making, let us get that proposal before the Foreign Relations Committee, and let us use it to make clear to the rest of the world that we are acting only to protect our sovereign rights, and that we are willing to have the international hijacking issue handled in accordance with provisions of international law for the peaceful settlement of such matters. That is the only point I wish to make.

Mr. KERR. Mr. President, I thank the Senator from Oregon. I wish to state that his resolution will be considered when it reaches the Foreign Relations Committee, and its consideration will be expedited.

Mr. President, let me say that I think our great country should be generous and should be just and should be neighborly with the countries of Latin America; but I know, as does every other Member of the Senate, that the lawless are alert. They are alert to the finding of opportunities where lawlessness can be practiced and perpetrated at profit; and, Mr. President, the lawless operate in the presence of weakness and in the absence of vigorous enforcement of law and order.

Certainly the United States Government, as the great, powerful, and rich government it is, and as the leader of the free peoples of the world, has an opportunity to maintain our posture of friendliness and cooperativeness with the other nations in this hemisphere. But, Mr. President, in maintaining that posture, there is nothing more important than protection of the rights of American citizens and the validity of American citizens' property and the integrity of American sovereignty. It does not serve the posture of the United States of America to let there be developed, created, and maintained, an environment and atmosphere that the lawless can come to the United States, can hijack American airplanes, can kidnap American citizens, and can take them to a refuge, sanctuary, and haven provided by Castro, where the perpetrators of the crime will be rewarded and protected, and where the American citizens will be humiliated and American citizens' property rights violated, and the violators protected.

Therefore, Mr. President, I believe that while we do maintain our posture of generosity and our posture of justice and our posture of cooperativeness, we must also maintain the posture of guarding the rights of American citizens and American property and the prestige of our country and the prestige of the American flag, because, Mr. President, the lawless respect strength and law and order; but when they find an environment in which strength is neither displayed nor used and where law and order are not maintained, the outbreak of lawlessness will become an epidemic.

Mr. President, there is only one way to maintain law and order, whether it be local law and order, national law and order, or international law and order, and that is by means of the strong arm of justice, as well as the action of a generous Government in maintaining the posture of law and order and the integrity of our country, its flag, and the rights of its citizens.

Mr. KEATING. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. KEATING. I agree emphatically with the position of the distinguished Senator from Oklahoma.

According to press reports, Castro invited off the plane the Foreign Minister of Colombia, and wined and dined him, while the American citizens and other passengers waited. Such actions, regardless of whether Castro had any connection with the hijacking of the plane, certainly tend to make the other Latin American countries lose their respect for us. Only if we act firmly will they or other nations maintain their respect for the United States.

I have been informed that the State Department has only recently received from Cuba a note concerning the Eastern Air Lines plane. The State Department, perhaps understandably, declines to impart to me the contents of the note; but press reports issued at Havana at the time when the note was sent by Castro indicate that the Cuban Government would consider exchange of the Eastern Air Lines plane for a patrol boat which was brought to the United States by Cuban Navy defectors. In addition, in the press reports it is stated that the Cuban Government wants to enter into an agreement with our Government with regard to future incidents.

It seems to me that a note such as that suggests a new chapter in the hijacking of American planes, and proposes the blackjacking of the American Government. I understand that our State Department is now drafting an answer to this new Cuban note.

To me, it is incredible that the U.S. Government would enter into any such compromise agreement with this Communist dictator. The two cases are in no way parallel. Those who took the Eastern Air Lines plane to Cuba were not American defectors. That plane was hijacked and was taken there by persons acting in concert with the Cuban Government. There is no reason why we should not insist upon the immediate return of the plane.

I hope the resolution the distinguished Senator has introduced will have a powerful influence on getting the executive branch of our Government to take very firm action in this regard.

Mr. KERR. I thank the Senator from New York.

Mr. GOLDWATER. Mr. President, will the Senator from Oklahoma yield, so that I may ask a question of his colleague?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Oklahoma yield to the Senator from Arizona?

Mr. KERR. Yes—or, Mr. President, I yield the floor.

Mr. GOLDWATER. Mr. President, inasmuch as the Senator from Oklahoma has withdrawn his amendment, I wonder how the bill will cover the situation in which we now find ourselves, inasmuch as the plane was not hijacked by an American, but was hijacked by one purportedly a French Algerian. How would the proposed law apply to a foreign national?

Mr. MONRONEY. One or the other provision of the law applies not merely to Americans, but to anyone who, in air commerce, which is defined in the act, commits the crimes of hijacking or piracy. It would be punishable now, as the bill reads, up to the death sentence.

Hijacking or piracy is a continuing crime. In case of hijacking of any plane in the territorial jurisdiction of the United States or piracy of an American-flag plane over the open seas, the jurisdiction of the crime would rest with the courts in the United States.

The jurisdiction in the most recent case also could be claimed, however, by the Government of Mexico, because the initiation of the hijacking occurred over Mexican territory. Or it could rest under the law of piracy with the Havana government if they, having the person of the culprit, determined to prosecute him there. But first there has to be an arrangement for the extradition to whatever jurisdiction is seeking to prosecute.

In this case, contrary to what might happen in other countries with whom we enjoy good diplomatic relations, there would be the problem of negotiating, through the Swiss Embassy, for the return and prosecution of the French Algerian, as I understand the situation. However, if the Government of Mexico desired to ask for the extradition, the situation would be the same as in the case of an arresting State within the

United States, when two or more States desired to take jurisdiction of a prisoner who had been captured by the other State.

We went into this bill very carefully. The important thing was not to confine the crime of hijacking or piracy to the air above the United States. That is quite important, because these airplanes cover the seven seas. It would be possible, if one were flying to Latin America, to be flying over a dozen national jurisdictions, and to fix a single jurisdiction for prosecution would be very difficult. So, therefore, it is a continuing crime, and it would be punishable in the country where the plane came to rest, or where the original act occurred, or any other country over which the plane flew while in the control of the pirate.

Mr. GOLDWATER. Does the junior Senator from Oklahoma feel that there is a better-than-even chance, first, of our apprehending the French Algerian, if he be a French Algerian, and having apprehended him, because of our relations with that country, does the Senator feel there is a better than 50–50 chance that we would ever bring this man to trial?

Mr. MONRONEY. That is a hypothetical question.

Mr. GOLDWATER. I realize that.

Mr. MONRONEY. And I could not answer it. All we can control here is the law, and I would say the law would give us equal right to request an extradition of this man from the Government of Mexico, or from Cuba, under international law of piracy, if the airplane came to rest there, and the right to try him here.

This is a matter that has not been completely settled as between the States of the Union. In international law, it would depend upon the international relations existing between the country that held the culprit prisoner and the countries that were seeking the right to prosecute him for the crime, which continued over the jurisdiction of many countries.

Mr. GOLDWATER. I am in complete sympathy with the bill. I intend to vote for it. I like what it is attempting to do. But I like particularly the amendment of the senior Senator from Oklahoma [Mr. KERR]—not so much because it would be a "big stick," in effect, but because it would warn the country where the plane might eventually go that it had better not accept it, because accepting it would bring down the wrath of the United States.

If I were one of Castro's men or one of Khrushchev's men and wanted to organize a series of hijacks, it would be very easy to get men from countries with whom we do not have particularly diplomatic relations. Therefore, if they were apprehended in the country of landing, it would be a virtual impossibility to do anything about it, and the hijacking could continue.

While we must admit that the amendment of the senior Senator from Oklahoma is a rather strong step, the junior Senator from Arizona feels in this particular instance, and in other instances similar to this, strong steps are the only steps that will be understood.

Contrary to what my good friend from Oregon said about the present conference creating an aura of good will throughout Latin America, the prevailing aura in Latin American remains that this Nation has been rabbitlike—that is, bunny rabbitlike—in doing anything about communism a few miles off its shores.

I can assure Senators that more money is flowing out of Latin America in the form of earned capital than we are going to put into it in the form of our taxpayers' money, and it is flowing out of Latin America for one reason. They are frightened about the proximity of communism in Cuba. Over $1 billion from Venezuela alone left Latin America for Canadian and Swiss banks. While I believe the Senator's proposal goes a long way toward stopping this kind of action, and is long overdue, I do feel rather sorry that the senior Senator from Oklahoma removed his amendment, because it is this kind of strength precisely that the Latin peoples recognize. I know of no people in the world who respect courage more and despise cowardice more than do the Latin people.

I may say, sadly, at this time, through a lifelong and initimate knowledge of the Latin countries, that we are despised more than we are respected; and $10 billion, $20 billion, or $50 billion is not going to correct that.

I feel a strong amendment such as that offered by the senior Senator from Oklahoma [Mr. KERR] would have stiffened the spines of the Latin countries, because I think it would have given us an additional instrument we ought to have. We still have an Electra airplane sitting on the airport in Cuba. Although Castro allowed the DC–8 to be returned, the question is still in Americans' minds, "What are we doing about other airplanes they took from us?"

I see no relationship between the 10 aircraft a private individual caused to be attached in Miami and this event, because Cuba owed the money, and they were Cuban-owned aircraft. Our aircraft are owned by stockholders of the United States, private individuals, and these aircraft are their property. When criminals steal an airplane from us, they are stealing a part of it from every stockholder in Eastern, or TWA, or any other airline.

When we apprehend, or shall I say attach, an aircraft for a personal debt owed by Cuba, we are merely taking property from a state that owes money to American citizens. It has been done time and time again.

Again, I intend to vote for the bill, and I will do so with all enthusiasm. I would have been much more enthusiastic about it had it contained the strong language of the senior Senator from Oklahoma, language that seems to indicate the backbone of America.

I have said this before. I frankly believe if we left it up to the American people to vote on this this afternoon, we would be in Cuba tonight. They are years ahead of this legislative body and this administration. This was true in 1898 when the Congress and the President were very reluctantly dragged into a conflict with Spain to free the people of Cuba.

I sincerely hope the American citizenry will be successful in causing this body and the President to do something about the repeated spitting in the face, the thumbing of the nose, the defaming of our flag which goes on 90 miles south of our shores.

While I think the Senator's bill will go a long way toward curing the wave of hijacking, I do not think we shall completely cure it until we can point our fingers at the country which ultimately receives the plane and say, "Country X, if you take this plane and do not release it within 24 hours, or 48 hours, we shall see that it is released."

Mr. MONRONEY. I thank the Senator from Arizona for his contribution.

Mr. President, I think the Senator had not arrived earlier when we were discussing this problem. The parliamentary situation is such that if the amendment of the senior Senator from Oklahoma remained in the bill, we would have a resolution to express the sense of the Senate as a part of the proposed legislation. The House has a very strict rule of germaneness and therefore cannot express, on a legislative bill, the opinion of the House. When we went to conference we would be in an embarrassing situation, and perhaps the House—knowing the House Members as I do, I think it is possible—would require us to delete the language. I did not wish to see it deleted. I should much prefer, as the Senator decided to do, to strengthen the Senate's expression by passing a formal resolution standing out in broad neon lights, to show that this Government is sick and tired of and completely out of patience with any country sharing in the benefits of piracy by accepting and retaining planes flown in.

I think we are following the proper legislative course, so that there may be a finality to the action by the Senate, under the course which the senior Senator from Oklahoma has taken, rather than a losing out in conference because of a lack of germaneness to a House-passed bill.

Mr. GOLDWATER. I am in complete agreement with the steps both Senators from Oklahoma have taken in this regard. I realize the parliamentary situation.

However, I do not think it hurts a bit to have individual Senators rise on the floor of the Senate, as they have done, and express their complete dissatisfaction with the way the whole Cuban business has been handled, not only by this administration, but also by my own administration. I think the American people are sick to the bone of the humiliation which they feel every time they pick up a newspaper and see that bearded, two-bit version of a dictator thumbing his nose at this country.

I do not think it hurts a bit for Senator after Senator to rise up to tell the way he feels, because they are speaking the feelings of the American people. I only wish it were possible for our State Department to take a little more stiff-backed attitude toward Cuba. I wish the State Department would forget the

troubles in Africa and Asia for only 5 or 10 minutes, and worry about the troubles which beset us in Cuba, a few miles off our southern shores, which troubles will, in my opinion, if allowed to continue, result in the beginning of troubles the like of which we have never known, because the Latin countries now can be furnished with the materiel for revolution they have never been able to receive before, because Russia and her satellites have not been able to sustain prolonged airlift or sealift to bring it about.

As I say, I know a little bit about the Latin countries. I probably knew the Mexican people before I knew my own people. I have traveled extensively in Latin countries, and I speak the language.

Mr. President, I can tell Senators definitely that when Mr. Stevenson came back to this country he did not tell us the feeling of the people of the countries of Latin America. He told us to the contrary. The people of the countries of Latin America are sick and tired of this great power seeming to be afraid to do something about a small country a few miles from our own shoreline.

It is not a fact that they would resent our doing something—they now resent our not doing anything, with the continuation of the policy, "Well, perhaps something will happen so that communism will disappear from Cuba."

That is the true situation in Latin America, rather than the situation which Mr. Stevenson, after his 22-day "quickie" tour, in which he probably visited only the embassies of the United States as he traveled around those countries, came back and reported to the President of the United States.

I think it might not be a bad idea for the President himself to take a prolonged visit through the Latin American countries, where he could personally visit not necessarily with every level of the people but with the people who have the best interests of the United States and of the Latin countries at heart; namely, the people who have worked for what they have, the so-called "white collar" class, to let him see the great wave of resentment which is sweeping over Latin America relative to our seeming timidity.

Mr. ALLOTT. Mr. President, I compliment the distinguished Senator from Arizona for what he has said. I should like to speak very briefly—and it will be brief—in regard to a couple of aspects of this problem.

Yesterday afternoon, when time was rushed, I mentioned a situation which occurred this spring, in which a young man from Colorado by the name of Lyndon Blue was flying a Twin Bonanza plane from Key West to Nicaragua. He received all proper clearances from Cuba for the flight nonstop over Cuba to Nicaragua, and had no material in his plane of any kind, nature, or description to which exception could possibly have been taken. As a matter of fact, the only material the plane contained was some tractor parts for use upon the plantation which this young enterprising man and his brother had established in Nicaragua and a machine of a food company in the United States for pureeing bananas.

Ninety minutes after the plane had taken off from Key West and had been cleared over Cuba the flight plan was canceled from Cuba. The plane was ordered down not only by radio but also by means of an F-80 jet fighter in the hands of Cubans. So the young man and his companion, who is an employee of the food company, were forced down and were incarcerated with political prisoners for 12 days. No charges were ever filed, nor have any charges been filed to date against either one of these men. Their release was effected as a result of the assistance of our Canadian friends and also of our Swiss friends, who have consulates in Cuba.

The point is that the problem is not limited alone to airliners. These two young men started out on a shoestring. They are 24 or 26 years old. They built a very successful plantation in Nicaragua, which has contributed greatly to the economic well being of that country. They have $50,000 tied up in that Twin Bonanza. The plane was forced down by a fighter, on orders from Cuban radio, to land at a Havana airport. The plane today, so far as we know, still sits on the field in Havana. Or, more probably it does not sit there, because it is probably being utilized by the Cubans. Certainly it has never been returned to the owners.

I wish to say, with respect to the situation we face when we try to pin this on the Cubans, that we have a problem when everybody says, "Well, we must go slow. We must go slow for we cannot prove this was a Cuban agent." Perhaps we cannot prove it was a Cuban agent. Perhaps we cannot prove the incident yesterday was brought about by a Cuban agent.

However, when a man takes a plane which has been pirated and puts it on his runway, retains control over it, and keeps it, he can only be regarded in the eyes of the law as an accessory after the fact. He cannot be regarded in any other way. Under the laws of most States of this Union, an accessory after the fact is chargeable and punishable in the same manner a principal to the crime is chargeable and punishable.

So let us not forget that it is very easy to say, "We have the plane back. Let us all settle back. Things are not so bad."

They are bad. We cannot realize in this country how bad they are. During the last 3 months at least six friends from South America have made trips to the United States, one of the main purposes of such trips being to tell me how bad things are in South America.

We have listened to the line of the Secretary of State, who has told us, "The tractor deal has shown up Castro for what he is. He is willing to trade lives for tractors, and this incident is bringing the South Americans over to our side."

Believe me, it is not. The reputation and prestige of the United States has never been lower in Latin and South America than it is today, and it is due to one thing. I pay tribute to and support the things the Senator from Arizona has just said about the courage of these people. They admire courage, and that is why they cannot even begin to understand why a nation as big, strong, and powerful as is this Nation, could be pushed and shoved around by the little bearded dictator down in Cuba. The Latin American people can understand a country as strong as we are acting forcefully and effectively, but they cannot understand vacillation. All we have done for the past 2 years is to vacillate with Cuba. So vacillation brings only disrespect, and we are despised.

If we act strongly but justly, some of the people may not like what we do. But they will respect us, and we shall get a great deal further in this world if we are respected than if we worry about whether people all over the world love us.

I do not know where the idea about world opinion suddenly came from. The guideline for our foreign policy from the State Department is plain, but those people would not love us if we did what is suggested. Our peace and position in the world will not be based upon this concept. It will be based upon respect.

We have been fools. During the year 1959, while the sugar bill reposed in the House of Representatives for many months, the Cubans harvested their cane and shipped it out of the country. Though many of us made efforts to move the sugar legislation, Congress actually financed the Cuban revolution to the tune of $150 to $160 million for sugar that came here. While that harvest occurred, we sat on our hands.

I am not afraid of brinkmanship. I am not a warmonger. Like almost every other Senator, I have served my time in the military service of this country, and I realize what it means. But I know that we cannot present to the countries of the world a picture of a nation which is big, strong, wealthy, and powerful, and continue to vacillate in our policies. Let us determine our policies. Let us assure ourselves that they are just and equitable. But let us quit doing a flip-flop every time someone in some country says, "Yanquis, go home," or, "We don't like America." Such an attitude will never make America great, our course cannot lie in currying favor. Our course of leadership lies in determining what is right but just; in pursuing our objectives to their end. Such an attitude will bring us respect and leadership without the despicable ideas that have been going through the minds of people in foreign countries.

We have been told that we have gained ground in Latin and South America. Let us not be fooled. Our whole position in the Southern Hemisphere is headed in the other direction, and unless we take a firm position upon this bill and upon subsequent resolutions which will come before the Senate, we will stand in the eyes of Latin America condemned as a nation which is too weak willed to act.

I yield the floor.

Mr. PASTORE. Mr. President, I have listened with a great deal of interest to the very eloquent oratory which has come from the other side of the aisle today. I can say I agree in substance with what the Senators have said. If we in America are to maintain the prestige that we have enjoyed through the years,

and if we are to maintain respect for the American flag and our own Nation, we shall have to be much firmer. We must demonstrate to the rest of the world that, while we do not intend to be bullies in our attitude, we must be strong and determined to protect all American rights.

But I remind Senators on the other side of the aisle that the chickens have come home to roost. What is happening to us today did not start in January of this year. What is occurring today started years ago. It was the vacillation of the previous administration, the lack of determination to do things that should have been done and that we did not do, that brought us to the point at which we find ourselves today.

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

Mr. PASTORE. I yield.

Mr. GOLDWATER. During the course of my remarks I think I made it abundantly clear that I did not think the present administration was responsible.

Mr. PASTORE. I thank my friend from Arizona. I thought he said that Mr. Stevenson returned to this country with a lot of untruths—telling us what is contrary to the situation in the Latin countries. I think Mr. Stevenson came back and told the truth to the American people. He told us that the conditions in Latin America were not too good. Conditions have been deteriorating for years in Latin American countries, and were much different from what he had found on previous occasions.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. GOLDWATER. I believe we are talking about two different things.

Mr. PASTORE. We are talking about the same thing.

Mr. GOLDWATER. The Senator is speaking about what Mr. Stevenson reported. I am in complete agreement with the Senator from Rhode Island when he says that the trouble started years ago. I would place the time when the trouble started as 40 years ago, at the signing of the peace treaty of Versailles. Through both Republican and Democratic administrations we have won wars, but I do not think we have won the peace. I am not charging the Kennedy administration. I am not charging the Eisenhower administration. I am trying the whole gamut of administrations that we have had since 1918, which have allowed us to lose our men on the battlefields and to lose the peace at the conference table.

Mr. PASTORE. I am happy that my friend from Arizona has cleared his position with regard to that point. He talked about what Mr. Stevenson reported. I believe he said that all Mr. Stevenson probably did was to visit the U.S. Embassy, and that he did not get out among the people. The Senator from Arizona knows the language and knows the people. As a matter of fact, one does not have to speak the language or know the conditions. All one needs is to read the newspapers.

Mr. GOLDWATER. If the Senator from Rhode Island wishes to defend Mr. Stevenson, I suggest that he go ahead and defend him.

Mr. PASTORE. I shall defend Mr. Stevenson as earnestly as my friend from Arizona will attack him.

Mr. GOLDWATER. I merely wished to correct the point that my friend was trying to make, which was that I had left the impression that the present situation is entirely the fault of the Kennedy administration. I thought I made that point adequately clear in my remarks, as I have made it adequately clear in my remarks on the entire subject throughout the time allotted to me.

Mr. PASTORE. All I desire to say is that it is high time that we on this side of the aisle began to have truth teams to tell the Americans what happened in the past, and the fact that what is happening today is not something that started in January of this year, but was the accumulation of mistakes made years before.

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

Mr. PASTORE. If the Senator wishes to ask a question, I yield, but if he wishes to make a speech, I suggest that he do so on his own time. I will yield for a question.

Mr. KUCHEL. Does the Senator not believe that it is in the interest of American security in these dreadful and fateful days through which the world now passes to avoid any imprecation based upon partisan comments on both sides of the aisle which on extremely recent occasions, I think, merits——

Mr. PASTORE. My friend from California was not here. There is not a Member of the Senate who is not in favor of the bill. There is not a Senator who does not feel strongly on this hijacking matter. However, my friend from California was not here when Senators on his side used this occasion to make partisan speeches. The Senator from Rhode Island did not start it. I came here specifically to introduce a bill. It is most vexing and irritating, on occasions such as this, when we are speaking of America and the things that are good for America, to have this occasion seized for partisan advantage. That is precisely what took place here. That is what impelled me to rise and make the statement I have made. I quite agree with the Senator from California that this is not a time when we should indulge in partisan considerations or discussions.

That is precisely what I found taking place. I, as one Democrat, resent it.

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

Mr. PASTORE. I yield.

Mr. KUCHEL. I must say that I have been out of the Chamber during the last few moments.

Mr. PASTORE. I have the floor. The Senator has the right only to ask me to yield for a question.

Mr. KUCHEL. I ask the Senator to yield for a question.

Mr. PASTORE. I yield for a question.

Mr. KUCHEL. Then I ask the Senator if it is not true, since I was out of the Chamber and did not hear all that went on, that some of the comments which are made in this Chamber with respect to criticism of individuals in the Government ought not immediately to be interpreted as intemperate partisan comments?

Mr. PASTORE. All I can say to the Senator from California is: "Were you here, Charlie?"

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

Mr. PASTORE. I yield.

Mr. KUCHEL. My name is not Charlie. The Senator from Rhode Island knows my name is not Charlie. I will put this in the form of a rhetorical question, because the Senator has put restrictions on my opportunity to speak. He knows that I will read this RECORD in a few minutes, just as the Senator has, and if I believe then that it merits any further comment on this situation, will not the Senator agree that I have the right to make comment?

Mr. PASTORE. The Senator has every right that he can support. One man who will stand up to support the Senator's right and be in the forefront of those who will see to it that he has that right is the senior Senator from Rhode Island.

Mr. KUCHEL. That is why I love my friend from Rhode Island, my friend.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CARROLL. Mr. President, what is the parliamentary situation now?

The PRESIDING OFFICER. S. 2268, the so-called hijacking bill, has been read the third time. The question now is on passage of the bill.

Mr. RANDOLPH. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. CARROLL. Mr. President, only recently, within the hour, have I had an opportunity to read the report on the airplane hijacking bill. However, I have not been given the printed hearings. I wish now to call to the Senate's attention a conversation I had this morning with the Assistant Attorney General in charge of the Criminal Division of the Department of Justice. It will be observed that the title of the bill shows that it is a proposed amendment to the Federal Aviation Act. It is only that fact which gives jurisdiction to the Commerce Committee. Otherwise the bill, by its nature and contents, would have gone to the Senate Judiciary Committee.

I recognize the urgency of the bill. I commend the work of the able Senator from California [Mr. ENGLE] and of the able Senator from Oklahoma [Mr. MONRONEY] on this important piece of legislation. However, it would seem to me that this should have been a matter for consideration by Committee on the Judiciary. Why? Because it deals with numerous statutes under title 18 of the United States Code which are criminal statutes of this Nation.

I am reminded that in my own State, some 5 or 6 years ago, a young man took his mother to the airport, put her on a plane, along with baggage which contained a large amount of dynamite, which blew up the airplane while in flight and killed 44 persons. Congress then enacted new legislation concerning the willful destruction of airplanes, imposing heavy penalties, placing it under the Criminal Code, title 18, where it properly belonged.

That bill, as is the case with this legislation, originated in the Interstate and Foreign Commerce Committee. The then Attorney General vigorously protested the attempt to include in the Civil Aeronautics Act this major criminal law statute, insisting that such a law belonged in the Criminal Code under title 18. It is significant that the Commerce Committees of both the House and the Senate finally agreed with the Attorney General's viewpoint. This occurred in 1956. See Public Law 84–709 (70 Stat. 538). The legislative history of the new law is exactly in point with my discussion today.

No doubt other instances could be cited with respect to title 18. It is my information, based upon the testimony of Mr. Miller, who speaks for the Attorney General's Office in this matter, that their preference is to have the crimes proposed in this bill under title 18, the Criminal Code. That is not only for the purpose of codification but also for the purpose of informing the people of what the criminal statutes are, and more important, to avoid the pitfalls of prosecution.

The whole purpose of the codification of the Criminal Code is to draw the criminal statutes together within the books. The position of the Attorney General is to have these laws under title 18 where they can be reached and read and understood. We are confronted here with a situation of an emergency nature. I have talked to the chairman of my committee, the Committee on the Judiciary, and he does not want to make an issue of it. However, I say it is a bad precedent for the Senate to take a bill and place it in the jurisdiction of another committee because of some apparent emergency.

I wish to ask some questions about the concealed weapons charge. If I may ask a question of the Senator from Oklahoma or the Senator from California: Is the penalty for concealed weapons in the bill 5 years and $5,000?

Mr. ENGLE. That is the maximum.

Mr. CARROLL. Is it not true that under the present bill——

Mr. ENGLE. That is what the present bill provides.

Mr. CARROLL. A third reading having been had of the bill, there is no opportunity for an amendment, is there?

Mr. ENGLE. No; there is not. However, we had a lesser penalty in it, and there were bills which contained a higher penalty. The subcommittee, after thoroughly considering the matter, put in the provision that the penalty would be not more than $5,000 or imprisonment for not more than 5 years, or both. There is plenty of leeway for a court to exercise judgment.

Mr. CARROLL. What was the position of the Attorney General concerning the approval of the penalty?

Mr. ENGLE. I do not believe the Attorney General specified a penalty.

Mr. CARROLL. I shall be glad to have any Senator correct me, but it is my impression that the Attorney General felt that that penalty would create problems, first, from an investigative standpoint. It is my impression that the Attorney General put this crime in the category of a misdemeanor, which would carry a punishment of a fine of $1,000 or imprisonment for 1 year.

Mr. ENGLE. That was what my original bill provided. The testimony of the Assistant Attorney General begins on page 25 of the report of the hearings, which are before the Senator. I am not certain that he mentioned that point specifically. I do not recall it.

Mr. CARROLL. May I refresh the memory of the Senator from Oklahoma that on August 7 Mr. Miller, Assistant Attorney General, directed a letter to the Honorable A. S. MIKE MONRONEY, Senate Office Building, Washington, D.C., to which he attached a second proposed bill. In the bill he sets forth the very thing which I have said—"carries on or about his person a concealed deadly or dangerous weapon, or attempts to board such aircraft carrying such weapon, shall be fined not more than $1,000 or imprisoned not more than one year, or both."

We know what we seek to do. We seek to stop a person who is carrying a gun from boarding a plane. The Senator from California is an able lawyer and a former prosecutor. I ask him: What is a concealed weapon? A knife with a 3-inch blade? Is that set forth in the report? What is meant by a "concealed weapon" in the proposed statute?

This is why I believe proposed legislation of this type should be carefully considered by a group of lawyers, who are trained to think in terms of the law and its application to specific criminal offenses.

Mr. ENGLE. We assume that the general definition of "concealed weapon" would apply. We are not proposing anything special in the bill.

Mr. CARROLL. Weapons concealed where, and by whom? Where in the bill is the Federal concealed weapons statute? We know what the definition of "concealed weapons" is at common law and in the States. These are reasons why the Attorney General should have been further consulted.

A representative of the Attorney General and I discussed the question this morning, and he believes the matter should have been considered by the Committee on the Judiciary, to improve and modify it, if necessary. That is why I hoped there might have been a full discussion of the bill which was called up yesterday.

I know the able Senator from California has worked long and hard on the bill, as has the able Senator from Oklahoma, who is an expert in the field of aviation. I understand the urgency of the problem. However, it seems to me that a little more time could have been taken to consider the measure.

When the bill was brought up yesterday, only a mimeographed form, not a regular print, was available. It was only this morning, by virtue of the report, that I saw a list of the witnesses. I merely plead for proper procedure in the Senate. I do not say that the bill is not a good one. I raised another point about concealed weapons for an example. The Attorney General himself is confused about it.

Mr. ENGLE. If the Attorney General was confused, he did not indicate it when he appeared before our committee on August 4, which was last Friday. I ask the Senator to refer to page 27 of the hearings, where the testimony of Mr. Miller appears.

The committee had before it several bills, including the one I introduced four and a half weeks ago, which arose out of the incident in Los Angeles, an incident which presented great difficulties. Subsequent to that the committee received the amendment which I offered to cover piracy. Mr. Miller, the Assistant Attorney General, testified on the amended bill, which was introduced on July 31, 1961. I read from the hearings on page 27:

> Senator MONRONEY. I thought you included some items that were not within the scope of the amended bill.
>
> Mr. MILLER. I don't believe so, Senator.
>
> Senator ENGLE. We reached the original and added some sections. S. 2268 as amended is the bill as originally introduced plus the new sections which related to pirating. In other words, S. 2268 is the original, plus the amendments.
>
> Senator MONRONEY. The amendments are in addition to S. 2268?
>
> Senator ENGLE. That is correct. What the amendment did, in effect, was to restate the bill introduced, whenever it was, and added sections with reference to pirating airplanes.
>
> Mr. MILLER. That is correct.

So Mr. Miller, the Assistant Attorney General, who appeared before the committee, testified concerning a bill which contained a concealed weapons provision, and he did not at that time raise any question about the definition of "concealed weapons." That problem would be taken care of under the general definition of "concealed weapons," which is well known within the law.

Mr. CARROLL. Will not the Senator from California agree that each State might have a different concept of "concealed weapons" in its statutes? There are all kinds of judicial definitions of "concealed weapons." We know what we are trying to accomplish. We seek to reach a person who carries a loaded gun onto a plane. There is no question that that is what we have in mind. I commend the able Senator from California, who said yesterday that this item had reference to concealment rather than to the guns of some duck hunters or pheasant hunters who were flying on a commercial plane. I understand that. However, I believe there must be some refinement of the language. Still, I am experienced enough to know that with the present temper of the Senate, the bill will be passed. I do not know whether the yeas and nays have been ordered.

Mr. ENGLE. They have been ordered.

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

Mr. CARROLL. I yield.

Mr. MANSFIELD. First, I wish to make a unanimous-consent request, namely, that the vote on the pending measure be postponed until 2 o'clock. I make the request because a group of Senators is having an important meeting with an important guest at this time. It was thought inadvisable to break up that meeting until 2 o'clock.

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

Mr. MANSFIELD. Mr. President, if I may answer what I believe the Senator from Colorado is driving at, generally speaking the question of the proposed legislation being referred to the Committee on the Judiciary was discussed among the chairman of the Subcommittee on Aviation of the Committee on Commerce, who is in charge of the bill; with the Senator from California [Mr. ENGLE], and myself. The question was brought to the attention of the chairman of the Committee on the Judiciary, the distinguished Senator from Mississippi [Mr. EASTLAND]. Certain testimony in the hearings was also brought to the attention of the Senator from Colorado. The chairman of the Committee on the Judiciary agreed to let the consideration of the bill proceed, and said he would not make a request that it be considered by his committee, although he felt he had justification to request that it be referred to the Committee on the Judiciary. I think that statement ought to be in the RECORD. That is why I have made it. I appreciate having the opportunity to do so.

Mr. CARROLL. I appreciate the remarks of the distinguished majority leader. However, as I view the facts, the bill would have gone to the Committee on the Judiciary except that it is proposed as an amendment to the Federal Aviation Act. I think I may say that the chairman of the Committee on the Judiciary had no previous notice that the bill would be referred to the committee which presented it. Only this morning—30 or 40 minutes ago—I learned that the Attorney General had testified concerning the bill.

The Attorney General was not in favor of the amendment of the criminal statutes by amending the Federal Aviation Act.

When I learned of this, I asked the Attorney General's Office to hand-speed to me their information and their testimony, because there were then no printed hearings. It was for that reason that I asked that the information be sped to me.

The minute it arrived, I called the chairman and other members of the Committee on the Judiciary and asked them if they knew exactly what the bill provided. They did not know, and there was nothing before them which could apprise them so that they could know.

In my opinion, this is not the way to legislate important new criminal statutes.

As I was about to say awhile ago, I am experienced enough to know that with all the inflammatory news we are receiving, Senators do not wish to be placed in the position of voting against this type of bill, even if they have some legal reservations about it, because such a position could easily be misconstrued.

Undoubtedly, the bill will be passed by the Senate, and perhaps we shall then ask the Attorney General to suggest refinements.

The Senator from Oklahoma has been asking me to yield; but first I wish to read, from page 28 of the hearings, an interchange between the Senator from Oklahoma [Mr. MONRONEY] and Mr. Miller, who appeared on behalf of the Attorney General and the Department of Justice:

> Senator MONRONEY. Then it is also your feeling that rather than amend the Federal Aviation Act, that these should fit into the Criminal Code, rather than become a part of the Aviation Act, because they would be easier to be found or identified; is that correct?
>
> Mr. MILLER. That is correct, Senator.
>
> There are two basic reasons. One, we prefer, where possible, that criminal statutes be included in title 18; simply because it is a proper codification.
>
> Secondly, if the bills are in title 18, then it will be clear that the Federal Bureau of Investigation will have investigative responsibility for these crimes. We think that this is the proper agency to investigate crimes of this nature.

Now I yield to the Senator from Oklahoma.

Mr. MONRONEY. We followed the suggestion of the Assistant Attorney General in charge of criminal investigations and included the provisions he suggested to give jurisdiction to the FBI. We felt that was a very excellent suggestion and that such a provision should be included.

We felt that thus we could properly handle the problem as an amendment to the Federal Aviation Act. Its provisions cover and define dozens of crimes, and the committee jurisdiction of measures dealing with such matters has never been questioned, and is not questioned today.

A great deal of work had been done on the bill—and let me say there was no usurpation by us of the jurisdiction of another committee. Senate bill 2268 was referred to our committee a number of weeks ago, and later there were also referred to our committee Senate bill 2370, Senate bill 2373, and Senate bill 2374—four bills dealing with these matters. In the judgment of the Parliamentarian, all four of those bills were properly referred to our committee, and they were referred to our committee without any request by us. Certainly we felt a most important matter was involved and that it should be given the best of attention.

With all due respect to the heavily overloaded Judiciary Committee—and certainly it is heavily overloaded—let me say that I was not aware that it had requested that the bill be referred to it.

The request comes now after the third reading of this bill. We had showed the bill to the chairman of the Judiciary Committee, and there was no objection. In fact, yesterday evening, when I asked the Senator if he had any suggestions to make, and suggested that if he did have some to make, he be here to present them or to submit or suggest amendments while the bill was still under consideration, I thought we were proceeding quite properly. We have worked in good faith on the bill and we have worked hard on it. I do not say we have worked harder than the Judiciary Committee would, but certainly we worked just as hard as we could. If the clerks of the Judiciary Committee felt that the jurisdiction of that committee was violated, certainly some member of that distinguished, high-level committee would have notified us that the Judiciary Committee wished to have jurisdiction of the bill—which could then have been shared with the Judiciary Committee.

Mr. CARROLL. Mr. President, the Senator from Oklahoma, who is an expert on the rules, knows that except for the fact that it was proposed as an amendment to the Federal Aviation Act, the bill would, in the normal course of events, have been referred to the Judiciary Committee.

Mr. MONRONEY. But the Senator from Colorado should realize that we cannot assume that the Judiciary Committee would take jurisdiction of all such proposed amendments. We merely have included by reference in this measure the body of law which has been generated over the years by the Judiciary Committee; and our position is that if such laws are good for application to crimes committed on the high seas, they are good for application to crimes committed in the air. Ninety percent of the thrust of the bill is based on that concept.

The bill simply applies the Criminal Code to some of the things that are likely to happen in the air. We also include in the bill provisions in regard to matters which do not come within the jurisdiction of the Judiciary Committee. For instance, I refer to the section authorizing the Federal Aviation Administrator, not the Attorney General, to rule that certain passengers cannot board a plane or cannot carry certain things aboard a plane. Measures dealing with such matters would not come within the jurisdiction of the Judiciary Committee.

Mr. GOLDWATER. Mr. President, will the Senator from Colorado yield, so that I may ask a question of the Senator from Oklahoma?

Mr. CARROLL. I shall yield in a moment.

Mr. President, in essence, this is not a question of jurisdiction; it is a question of careful and proper consideration of proposed criminal statutes. All measures in that area should be within the jurisdiction of only one committee, so that those interested will know where to go.

The Senator from Oklahoma said—although I do not know to whom he had reference—that an amendment would be put in the bill. I indicated that it was at only 11 o'clock this morning that I received from the Office of the Attorney General information as to where it stood and what it wanted, and only this morning did I get a copy of the hearings and a printed copy of the report. Certainly this is not the proper way for the Senate to legislate.

Now I yield to the Senator from Arizona.

Mr. GOLDWATER. Perhaps I can suggest a way to clear up this matter. Does not this measure amend the Federal Aviation Act of 1958?

Mr. MONRONEY. That is correct—and uses the definitions included in that act and its provisions as to various matters. We merely include the references from the code in order to make such actions crimes in the air, as well as on the high seas.

Mr. GOLDWATER. And is it not also true that after the hearings on the bill amending the Federal Aviation Act of 1958, the subcommittee favorably reported the bill to the full committee, and the Senator from Oklahoma himself has engineered the bill through the Senate?

Mr. MONRONEY. Yes. We included parts of several other bills—parts of the bill introduced by the Senator from Texas [Mr. YARBOROUGH], parts of the bill introduced by the Senator from New Hampshire [Mr. BRIDGES]—although the major part of the bill was introduced by the Senator from California [Mr. ENGLE]. The bill now before the Senate is the result of long and hard study and consideration.

Members of the Judiciary Committee perhaps could have done better, but I do not believe the Judiciary Committee would have come up with a different answer.

Mr. GOLDWATER. But the fact is that the bill now before the Senate is a creature of the Commerce Committee, is it not?

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. And not a creature of the Judiciary Committee?

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. Is it not also true that in the bill now before the Senate, crimes are defined in sections 113, 114, 1111, 1112, 1113, 1363 and 2111 of title 18 of the United States Code, which are applicable if the crimes are committed while a person is aboard an aircraft in air commerce?

Mr. MONRONEY. That is correct; those provisions are lifted verbatim from the criminal statutes, without any change—not even the dotting of an "i" or the crossing of a "t". Those applicable to crimes committed on the high seas are made applicable to crimes committed in the air.

Mr. GOLDWATER. And was it not——

Mr. CARROLL. Mr. President, I think I have the floor.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. GOLDWATER. Then I ask——

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. CARROLL. Mr. President, I thought the Senator from Arizona was going to ask questions of me.

Mr. GOLDWATER. No; I asked the Senator from Colorado to yield, so that I might ask questions of the Senator from Oklahoma.

Mr. CARROLL. All this colloquy is very pleasant, but I wish to clarify the RECORD.

This is the first time in the history of major criminal legislation affecting the maritime jurisdiction that a proposed law in that field has been handled in this way. Heretofore, such statutes have always been incorporated in the Criminal Code.

Mr. MONRONEY. And they still will be.

Mr. GOLDWATER. Mr. President, will the Senator from Colorado yield briefly at this point?

Mr. CARROLL. First, I wish to complete this record by emphasizing the point that the present procedure is an unusual one; and that is what the Attorney General was trying to say.

We have plowed this ground 15 or 20 times, in making statements about how the criminal statutes were moved into the first part of the bill, in addition to creating new criminal statutes.

The provisions in regard to the carrying of concealed weapons are not clear to me, and nothing in the record makes them clear; and perhaps the Attorney General himself has not clarified the record in regard to them.

As I have said before, I recognize that this bill is going to pass overwhelmingly. I hope the chairman of the Judiciary Committee, the able Senator from California [Mr. ENGLE], and the able Senator from Oklahoma [Mr. MONRONEY], who are responsible for this legislation, can sit down and work it out with the House Judiciary Committee or the Attorney General's Office. Having passed the bill in this hurried fashion, I think we have to sit down and refine it.

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

Mr. CARROLL. I yield.

Mr. ENGLE. As the Senator knows, this bill will be considered on the House side by the Interstate and Foreign Commerce Committee, our sister committee in the other body. So if there is any clarification needed with reference to the meaning of concealed weapons, Mr. Miller can attend to it. I emphasize that when Mr. Miller appeared before us, he did not raise that point, but if it has occurred to him subsequently, he can explain it over there. It can be done in conjunction with the Judiciary Committee in this body and the other body, so the law will be put into such shape as every Member of Congress agrees it should be.

Mr. CARROLL. I understand that this is the first step in the legislative process. I have commended the able Senator from California, the able Senator from Oklahoma, and the whole committee. As I have said, as we take the next step in moving to the House, we can have more time to study the hearings and reports. It will take some time, I suspect. I am certainly going to talk with members of the House Judiciary Committee and have them look into it. I will talk again with the Attorney General. If there are some defects in the bill, I think we can clarify them.

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

Mr. CARROLL. I yield.

Mr. MONRONEY. I do not agree that the bill has to be redone or overhauled by the House or the Judiciary Committee. Any time the Judiciary Committee wishes to embark on the project of codifying all the criminal laws scattered throughout the statute books, I will be glad to support them. But this is typical of the language which already appears in section 902(c) of the Federal Aviation Act of 1958 regarding interference with air navigation which reads:

> A person shall be subject to a fine of not exceeding $5,000 or to imprisonment not exceeding five years, or to both such fine and imprisonment, who—
>
> (1) With intent to interfere with air navigation within the United States, exhibits within the United States any light or signal at such place or in such manner that it is likely to be mistaken for a true light or signal established pursuant to this Act, or for a true light or signal in connection with an airport or other air navigation facility; or
>
> (2) After due warning by the Administrator, continues to maintain any misleading light or signal, or
>
> (3) Knowingly removes, extinguishes, or interferes with the operation of any such true light or signal.

We have this kind of language in almost every bill. The Civil Service and Post Office Committee considers bills embodying criminal offenses. While I grant the jurisdiction—and I helped to write the jurisdiction—of the Judiciary Committee, when there is a mixed bill, combining two or three fields, it is up to the Parliamentarian of the House and the Parliamentarian of the Senate to determine the proper committee.

This bill has been in committee for 4 weeks. Is that correct?

Mr. ENGLE. Four and a half weeks.

Mr. MONRONEY. Certainly, the Judiciary Committee should have been on notice of it before this morning. Certainly, the Attorney General should have asked for the jurisdiction to be transferred to the Judiciary Committee—that is, if anybody in the Justice Department reads the bills that the Senate is considering. I presume they do.

Why this last-minute effort by the Assistant Attorney General, who was invited to testify, who admitted that there was a gap in the law, whom we followed on everything except his wish to be sure that we had things nicely and completely indexed, as he would like them to be?

Mr. CARROLL. The truth is that the bill has been in the hopper, as we say, for 4 weeks, but it has been in the Aviation Subcommittee. It was not reported by the full committee until yesterday.

No Member of this body or of the House reads all of the bills, and usually does not consider a bill until the committee that is considering it makes its report. The report was not available until this morning. I did not know what the Attorney General had in mind. I have had no chance to consult with him except by telephone and by having him send his documents to me.

But, as I pointed out, and I repeat for the last time, in my opinion, this is not the way to legislate. We are entitled to have reports, and we are entitled to look at the hearings, especially when we are dealing with basic criminal statutes.

It is true that all through the field of administrative law there are civil and

criminal sanctions provided. Most of them deal with misdemeanors for violations of regulations. But that is not true of what are often referred to as basic common law crimes. The Judiciary Committee has always had jurisdiction of crimes of that type.

I am not saying that we would not have called upon the testimony and wisdom and experience of members of the Commerce Committee. Why did not the Judiciary Committee move in and ask the Parliamentarian for jurisdiction? Obviously, because the Parliamentarian would give this same decision, because I have talked to him on this question. Because it was a proposed amendment to the Federal Aviation Act, the Commerce Committee was the committee that would get the jurisdiction. I say this is not good practice when we are dealing with basic criminal statutes.

I have made a record here, which I hope will be studied by members of the House Judiciary Committee and other Members of the House.

Perhaps, as the Senator from Oklahoma has said, the bill does not need to be carefully reformed. I do call attention to the fact that there should be an explanatory statement in the RECORD about the meaning of a concealed weapon, and whether it means any knife, or a knife with a 3-inch blade, or what the extent of the blade must be. I think there ought to be some clarification of the meaning.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed the letter of August 7 from Mr. Miller to the Senator from Oklahoma [Mr. MONRONEY], to which I previously referred, together with the proposed bill submitted by the Attorney General and made a part of that letter, and also a statement given to me this morning by the Assistant Attorney General, which was heretofore incorporated in the record of hearings before the Subcommittee on Aviation of the Senate Committee on Commerce on August 4, 1961.

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

AUGUST 7, 1961.

Hon. A. S. MIKE MONRONEY,
Senate Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed are two proposed statutes. The first is patterned after S. 2268 and contains certain language which will limit the application of the proposed statute.

A second proposed bill is a substantial redraft which has what the Department of Justice feels is an advantage in graduating the offense up to and including the death penalty in the event persons are killed in the course of the hijacking. This concept is patterned after the present kidnaping statute.

Sincerely,

HERBERT J. MILLER, Jr.,
Assistant Attorney General.

Chapter 2 of title 18 is amended by adding the following sections:

"Section 36. Whoever, while on board an aircraft in flight in air commerce, within the jurisdiction of the United States, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of section 113, 114, 1111, 1112, 1113, or 2111 of title 18, United States Code, shall be punished as provided therein.

"Whoever, while on board an aircraft in flight in air commerce, within the jurisdiction of the United States, including the special maritime and territorial jurisdiction, assaults, intimidates, threatens, or interferes with any flight crew member of such aircraft while engaged in the performance of his duties or in any way lessens the ability of such flight crew member to perform his duties, or attempts to obtain or obtains control of an aircraft by force or violence, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a deadly or dangerous weapon shall be imprisoned for life, or for not less than twenty years.

"Except for the employees or officials 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 by the air carrier involved, 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 $1,000 or imprisoned not more than one year, or both.

"Section 36. (a) Whoever, while on board an aircraft engaged in air commerce in the United States, or on board an aircraft operated by a United States air carrier over the high seas—

"'(1) Attempts to obtain or obtains control of the aircraft by unlawful force and violence or the threat of unlawful force or violence while the aircraft is in flight or on the ground; or

"'(2) Assaults, intimidates, threatens or interferes with any flight crew member of the aircraft, while the aircraft is in flight, and the crew member is in the performance of his duties or in any way lessens the ability of such member to perform his duties,

shall be fined not more than $5,000 or imprisoned for not more than five years, or both.

"'(b) Whoever, (1) commits any act specified in subsection (a) which results in injury to any person, or (2) uses a dangerous or deadly weapon in the commission of such acts shall be fined not more than $10,000 or imprisoned for not more than twenty years or both.

"'(c) Whoever commits any act specified in subsection (a) which results in the death of any person shall suffer death unless the jury qualifies its verdict by adding thereto without capital punishment, in which event he shall be sentenced to imprisonment for life.'

and (b) amend section 1651 of title 18 to read as follows:

"'1651. Piracy under law of nations.

"'Whoever, on the high seas *or on board an aircraft over the high seas,* commits the crime of piracy as defined by the law of nations, and is afterward brought into or found in the United States, shall be imprisoned for life.'

"Section 37. 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 of title 18, United States Code, shall be imprisoned as provided therein."

STATEMENT OF ASSISTANT ATTORNEY GENERAL HERBERT J. MILLER, JR., ON S. 2268 BEFORE THE SUBCOMMITTEE ON AVIATION, SENATE COMMITTEE ON COMMERCE, AUGUST 4, 1961

Mr. Chairman, my name is Herbert J. Miller, Jr., and I am Assistant Attorney General, in charge of the Criminal Division of the Department of Justice. Pursuant to the request of this subcommittee, I shall state the position of the Department of Justice with regard to S. 2268, which would 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. My comments are directed to the July 31, 1961, amendment to the bill. First, I wish to emphasize that the Department of Justice endorses this bill but with certain amendments.

S. 2268 would amend the Federal Aviation Act of 1958 by adding a new subsection (i) to section 902 of that act. The new subsection would be further divided into four divisions. The first division would make criminal the actions proscribed by sections 113, 114, 1111, 1112, 1113, and 2111 of title 18, United States Code, when they occur on board an aircraft in air commerce. Section 113 deals with several types of assaults; 114, maiming; 1111, murder; 1112, manslaughter; 1113, attempts to commit murder or manslaughter; and 2111, robbery. It should be pointed out that most of the crimes listed in subsection (i)(1) are also crimes cognizable in State courts. For example, murder or manslaughter in an airplane above a State can be prosecuted in the State over which it occurred. The problem of venue is not obviated by making it a Federal crime. The Federal Government will still have to prove the State and district in which the crime was committed as required by the sixth amendment to the Constitution of the United States.

S. 2268 would apply to specified acts committed aboard any aircraft in air commerce. Air commerce is defined in the act (49 U.S.C. 1301(4)) to include oversea and foreign commerce, which are further defined to include commerce between the United States and any place outside of the United States. Thus, this subsection (1) of S. 2268 would extend Federal jurisdiction over the high seas as well as to foreign countries. As far as jurisdiction outside of the United States is concerned there are two problems. One, jurisdiction over crimes on airplanes of American registry over the high seas is already covered by title 18, United States Code, section 7. Secondly, with regard to jurisdiction over foreign countries it would cover any airplane flying from the United States over a foreign country. The latter extension may well be in conflict with the Convention on International Civil Aviation effective April 4, 1947, in which article 1 provides: "the contracting States recognize that every State has complete and exclusive sovereignty over the airspace above its territory." The Department of Justice is of the opinion that if the Federal Government is to enter this area this part of the bill should be limited to the airspace above the United States.

We also note that the crimes listed in this part of the bill are those commonly contained in title 18, Criminal Code, and, therefore, it would appear to be more appropriate to amend that title than the Federal Aviation Act. This would also clarify the investigative jurisdiction. We believe that these crimes should be investigated by the Federal Bureau of Investigation. If it is determined that this subsection is necessary and that the physical placement of it should be in the Federal Aviation Act, then the investigatory responsibility should be clearly spelled out.

Subsection (i)(2) makes it a crime to assault a flight crew member if the assault prevents the proper performance of duty by the flight crew member. This subsection specifically takes care of the problem posed by the recent occurrences which resulted in the introduction of S. 2268. We suggest that here also the offense should be limited to the United States for the reasons stated above. We also suggest that this subsection should specifically forbid the obtaining or the attempt to obtain control of an airplane

illegally by force and violence, even though such an act would probably include an assault.

The Department of Justice endorses subsection (i) (3) without change.

While the law of piracy in modern times has been found to be archaic and difficult of application (see revisor's headnote to ch. 81, title 18). A convention on the high seas was ratified by the Senate on May 26, 1960, which defined acts of piracy and brought such acts on airplanes within the term piracy. I am advised by the Department of State that this convention is not yet effective since it has not been ratified by the requisite number of countries. We do not object to this subsection.

The Department of Justice believes that the Congress should enact legislation which will permit quick and effective action against persons who endanger the lives and property of large numbers of persons both on board our airliners and on the ground over which the airliners fly. This despicable conduct which foreseeably can jeopardize the lives of more than 100 persons in one plane cannot be tolerated. If the bill is amended as suggested above it will be an effective means for curtailing this cowardly and irresponsible conduct or for punishing it when it does occur.

Mr. MONRONEY. Mr. President, will the Senator yield for a moment?

Mr. CARROLL. I yield.

Mr. MONRONEY. Does not the Senator think that it would be advantageous, for those reading the RECORD, to also include from the printed hearings the colloquy and interrogation of Mr. Miller and his amplification?

Mr. CARROLL. I quite agree. Will the Senator outline the pages he wishes to have in the RECORD?

Mr. MONRONEY. I refer to the hearings before the Aviation Subcommittee, beginning on page 27 and including pages 28, 29, 30, 31, 32, 33, 34, and the top half of page 35.

I only suggest this so that those reading the RECORD may find further amplification or emphasis as to the course of the interrogation, because we in no way wished to cut the Attorney General off. In fact, we were trying to get all the information that was humanly possible for him to give us at that time. As a matter of fact, one of the questions raised had to do with the carrying of a concealed weapon aboard an aircraft. I raised the question, during the interrogation, that the attempt to board an aircraft was just as important as boarding it in this particular case.

I ask unanimous consent to have the portions of the hearing to which I have referred printed at this point in the RECORD.

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

Senator MONRONEY. You were testifying on the original bill, S. 2268, I believe?

Mr. MILLER. The amended bill, Senator, which was introduced on July 31, 1961.

Senator MONRONEY. I thought you included some items that were not within the scope of the amended bill.

Mr. MILLER. I don't believe so, Senator.

Senator ENGLE. We reached the original and added some sections. S. 2268, as amended, is the bill as originally introduced plus the new sections which related to pirating. In other words, S. 2268 is the original, plus the amendments.

Senator MONRONEY. The amendments are in addition to S. 2268?

Senator ENGLE. That is correct. What the amendment did, in effect, was to restate the bill introduced, whenever it was, and added sections with reference to pirating airplanes.

Mr. MILLER. That is correct.

Senator ENGLE. So that the testimony of Mr. Miller is relative to both bills.

Mr. MILLER. That is correct.

Senator MONRONEY. Is it your position that the bill does not have to include any area outside the territorial limits of the United States because those are already covered by existing law?

Mr. MILLER. At the present time, Senator, the special maritime jurisdiction of the United States includes aircraft of American registry flying over the high seas.

This bill, because of the definition of air commerce, which in turn is defined in the Federal Aviation Act of 1958, would include travel over the high seas and would also include, as I interpret the definition, travel over foreign countries.

So it is the position of the Department that the current provisions of criminal statutes applying to the special maritime provisions of the United States, extension of this bill beyond the continental limits of the United States would not be necessary.

Senator MONRONEY. Was it also your position that such well-defined crimes as murder, robbery, maiming, and other items like that are presently adequately covered by law and that the main thrust of this bill should be limited to assault aboard an airplane and things more generally covered in the amendments which Senator ENGLE has submitted to the bill?

Mr. MILLER. That is correct. We have no objection to making it a Federal crime to commit murder over the continental limits of the United States, for example, which would be in (i) (1) Senator Engle's bill. It includes murder, manslaughter, maiming, and several other crimes. We merely point out that this is already covered by reason of the definition of air commerce when the plane of American registry flies over the high seas. Thus, insofar as (i) (1) is concerned, if that were limited to the continental United States, as perhaps the rest of the bill should be, then there would be no problem.

Senator MONRONEY. How about the 113 assaults within the maritime and territorial jurisdiction?

Mr. MILLER. The sections listed here, 113, 4, 1111, 1112, 1113, and 2111 of title 18 would be applicable to the special maritime jurisdictions of the United States.

Senator MONRONEY. Then it is also your feeling that rather than amend the Federal Aviation Act, that these should fit into the Criminal Code, rather than become a part of the Aviation Act because they would be easier to be found or identified, is that correct?

Mr. MILLER. That is correct, Senator.

There are two basic reasons. First, we prefer, where possible, that criminal statutes be included in title 18; simply because it is a proper codification.

Second, if the bills are in title 18, then it will be clear that the Federal Bureau of Investigation will have investigative responsibility for these crimes. We think that this is the proper agency to investigate crimes of this nature.

If the committee should decide to leave this as a part of the Federal Aviation Act of 1958, then we would suggest that a specific provision be included which would vest investigatory jurisdiction in the FBI.

Senator MONRONEY. Senator Engle?

Senator ENGLE. Do you have that language?

Mr. MILLER. The specific language?

Senator ENGLE. Yes.

Mr. MILLER. I don't have it here, sir, but I would be very happy to sit down with members of the staff of the subcommittee and I think we could put it together in a very short time—by this afternoon.

Senator ENGLE. We would like to have that. This bill has been drafted to go to the Judiciary or come to this committee. I serve on this committee, and I think the conclusion is obvious.

Senator MONRONEY. Also the committee, as well as the distinguished author of the bill, is very much concerned with aviation safety. This has a very important bearing, as we heard this morning, upon the safety not only of the aircraft but also perhaps of a hundred persons who may be endangered by acts of violence aboard a plane in flight.

Senator ENGLE. At any rate, this legislation was drafted by attorneys in the FAA. I understood that they had talked to people in Justice, but I don't know who they talked to.

Mr. MILLER. They have indeed discussed the matter.

Senator ENGLE. Mr. Chairman, I would like to suggest that Mr. Miller sit down with Mr. Goodrich, or whoever it is in FAA, and our staff, and draft the necessary amendments to bring this bill into line so that we don't have overlapping jurisdiction.

There isn't any reason to having two laws over the open seas.

Mr. MILLER. I would be happy to do it.

Senator ENGLE. With reference to jurisdiction, I wish you would draft that language in such a way, that is, the FBI, that the FBI would make these investigations. We don't want to put this in as an amendment to the Federal Aviation Act, rather than title 18 to cut them out. We want to be sure they are in. It would be appreciated if you would draft that language for us so that it would be offered as an amendment.

There is another point that you raise and that is the business of how you establish the venue of a crime. From your testimony, I take it, it is just as necessary under Federal jurisdiction to establish the necessary Federal district in which the crime occurs as it is under State jurisdiction.

Mr. MILLER. Yes, sir. The Constitution, amendment VI, provides that the man must be tried in the State and in the district in which the offense was committed.

Senator ENGLE. Inasmuch as that is in the Constitution there isn't much we can do about it.

Mr. MILLER. Not without a constitutional amendment, Senator. I merely pointed out that we would still have the venue problem that you presently have when flying over a State. It is a little better, I might say, from a Federal standpoint, because you don't have as many Federal judicial districts as you have counties within a particular State. Plus the fact that in crimes of this nature, where they, in effect, have an interstate character, occasions arise where perhaps the police and the judiciary of the county involved would not be too interested in prosecuting something that did not occur on their soil, but actually occurred several miles in the sky.

So that even though you do have this identical problem, I still do not think that that runs against the passage of this legislation at all.

Senator ENGLE. I think we are in much better shape. The Federal judicial districts are much larger.

Mr. MILLER. That is correct.

Senator ENGLE. California, for instance, has 58 counties. You could fly over 16 of those while one of these crimes was in progress. A defense lawyer would have a field day making you prove just which county you were over.

Mr. MILLER. In that type of case, I would like to represent the defense instead of the prosecution.

Senator ENGLE. They could get very serious problems on that. I believe those problems are mitigated by a Federal jurisdiction.

Senator MONRONEY. Not only would they be mitigated by a Federal jurisdiction but you would have the same prosecution authority to follow the case if they claimed lack of jurisdiction because you were over the northern district of Iowa, instead of the western district.

Your prosecution could be shifted for the Federal Government to follow its crime through to its conclusion as the jurisdiction was finally defined, whereas the State has not necessarily great desire to prosecute this man who holds a switchblade knife on a crew flying over Nevada. This is an additional expense to them and they weren't aware of the crime happening, and it didn't endanger any of the citizens, at least who were on the ground within the sovereign State.

I feel that only by Federal jurisdiction can you even have a way of cracking this very difficult jurisdictional problem; plus the enforcement problem of that officer flying aboard a plane that is crossing Nevada. He would have great difficulty in establishing whether he was a peace officer or not, depending on whether he had crossed the boundary of the State, whereas a Federal officer would have this jurisdiction anywhere within the limits of the United States.

Mr. MILLER. That is correct, Senator. I don't think there is any question that this legislation is called for and should be enacted.

Senator ENGLE. Can we get these amendments that you suggest by the first of the week?

Mr. MILLER. Certainly.

Senator MONRONEY. We would like to have them before a meeting Monday afternoon at the very latest.

Mr. MILLER. As a matter of fact we will do our best to see if we can't get them up to you late this afternoon or perhaps tomorrow. If not, Monday morning certainly.

Senator MONRONEY. You keep referring to the fact that you want the FBI to be in on the investigations.

Mr. MILLER. Yes, sir.

Senator MONRONEY. The FBI is, of course, a branch of the Department of Justice and is charged with the duty of investigating Federal crimes.

Mr. MILLER. That is correct.

Senator MONRONEY. Would the use of the FBI to prevent the occurrence of a crime by the presence of special agents aboard planes in flight where there is a reasonable area where they may consider it more than normal exposure to hijack an aircraft, would that be a proper use of the FBI special agents?

Mr. MILLER. Senator, I would be perfectly frank with you. I don't know the answer to that. I would think that there would be some problems with it.

One, the Federal Bureau of Investigation is not normally engaged in that type of activity. They investigate; they do not guard.

The so-called guarding arm, which is a part of the Department of Justice, of course, would look to the marshal rather than to the Federal Bureau of Investigation.

Senator MONRONEY. But the marshals are tied down to their respective Federal districts.

Mr. MILLER. But they can be—we can appoint special marshals and they can be moved.

Senator MONRONEY. They could be appointed and could be moved; is that correct?

Mr. MILLER. Yes, sir.

Senator MONRONEY. But it would be beyond the scope or the legal power of the Department of Justice to assign a certain number of special agents to fly in plain clothes on these airplanes; is that it?

Mr. MILLER. As I say, I don't know the answer to that, Senator. My guess is that it would probably be beyond the scope of the power of the Department of Justice.

Senator MONRONEY. Because of the great respect the FBI enjoys, and the feeling that they are dead shots and would not kill any other passengers in case of a riot, as people unskilled with firearms might do, it also seemed to me that the presence or the suspected presence of an FBI agent on flights might have a tendency to dissuade men of these intents, or even psychopathic persons from committing the crime in the first place.

This is a problem that we have. I would think that the plainclothes aspect of the FBI perhaps, and the great reputation they enjoy, would be one of the best insurance policies we could buy to stop this wave which we have seen occur, and which may occur again.

Mr. MILLER. There is one problem which comes to mind, Senator. It is very obvious, and that is how far we can extend the present manpower of the Federal Bureau of Investigation. I don't know if they have the manpower to accomplish this or not, but one thing that always troubled me was that it would be expanded to the point that perhaps the high standards and traditions maintained by the FBI would start to come down. This is one thing that I know we in the Department of Justice, and I am sure Mr. Hoover, have always been very careful to consider.

Senator MONRONEY. Is there any type of commission that the Federal Government could give as you deputize a special officer, a special deputy sheriff, or, in the old two-gun days, the "high noon" type, where you could deputize marshals, that could be given to give legal authority to make arrests aboard a plane to persons selected and employed and screened by the airlines themselves.

Mr. MILLER. There is a provision and I believe it is in title 18. I could be wrong. I don't have the citation with me. It empowers, I believe it is the Attorney General, to appoint deputy marshals; and to swear them in.

If this plan were to be accomplished of course one question which would arise is where would you get the men and how would you make sure that they were adequately trained? That would be first and foremost in importance because you want the most reliable of individuals to serve in this capacity. If anything happened it would be a very trying assignment.

Secondly, of course the question of whether we could obtain additional appropriations to offer this type of activity.

Senator MONRONEY. I am speaking in this case of deputizing employees of an airline.

Mr. MILLER. Deputizing employees of an airline?

Senator MONRONEY. The railroads I know customarily have their special agents. Most of these men for law enforcement in railroad yards and otherwise carry special deputy sheriff commissions. I was wondering, since this transfers the enforcement of this phase to the Federal Government, if there is any mechanism by which some means of placement of officers abroad, particularly during spells when these seem to be occurring, could be provided for at airline expense but still carrying the authority of the Federal Government to make arrests.

Mr. MILLER. I believe Senator, that the mechanism does exist. Whether the practical problems could be obviated I do not know. I don't know, but I assume that the Attorney General would probably want to screen very carefully any individual who was appointed to a job like this for the simple reason that he would be acting as an agent of the United States and we would have to be very careful as to what individual was chosen and whether or not he would operate in the best interests of all concerned.

Because when he is on that plane, as a marshal, he is in effect representing the United States, and anything that he might accomplish of course the United States would be responsible for.

Senator MONRONEY. Let's not fall between two chairs. Let's not march up a hill and say the great powers of Federal enforcement have been met by passing a law through Congress and then not having any way, particularly in spots that appear to be more subject to hijacking of the fleet from abroad or stealing planes from foreign governments, not having any means of implementing it through proper armed guards.

Mr. MILLER. Senator, if I had realized that this subject was going to be discussed I would have been here to present the position of the Department on it. You must realize, of course, that I cannot bind the Attorney General on this particular aspect. But, at your sugestion, I would be very happy to study the problem.

Senator MONRONEY. Maybe the suggestion is not cogent. What do you think, as an Assistant Attorney General in charge of the Criminal Division? Is the passage of a law enough, or does it in your mind need to be implemented perhaps to some degree at least by the addition of some means of having the presence of armed officers aboard, either in plainclothes or as uniformed guards?

Mr. MILLER. I would say this, as a private citizen, Senator: There are two facets to this case, and I don't know sufficiently about one of them to really give an answer. The thing that disturbs me about armed guards or arms on the aircraft itself—certainly it may very well stop a hijacking, but what would happen if there were gunplay? This is the problem that I face.

I think the real solution to this problem is to establish some means—and perhaps it is going to need a vigorous surveillance before getting on the plane—to try to make sure that no weapons are aboard the aircraft. This is my private opinion, I hasten to suggest. But I don't know what happens, for example, if you are flying several miles up in a 707 and somebody pulls the trigger and a bullet goes through the side of the aircraft. I don't know if this affects the aircraft.

Senator MONRONEY. I think it would hold together and decompress slowly enough. They all carry oxygen masks which drop automatically in your lap.

So I am not too concerned about a bullet hole through the plane, and I doubt very seriously if it would puncture a fuel tank if there would be any danger there.

The feeling I have is that we may depend too much on the written word of law and find that we have just made a gesture at meeting what could be and what has been in the last 3 weeks a sort of a wave of this, a thing which stimulates those who are psychopathic to think it is a good idea and to see if they can get away with it.

Senator ENGLE. Will the Senator yield?

Senator MONRONEY. Yes.

Senator ENGLE. Let's assume that an airline came to the Attorney General right now and said, "We are running some flights which could be hijacked to go to Cuba. We think there is a plan afoot, or may be, to take on some of these airplanes. We want to put an armed guard in the cockpit with the pilots and would like to have him deputized." Is there present authority in the law for the Attorney General to do that?

Mr. MILLER. I would say that there is; yes. Subject to reading the actual language of the statute which I don't have with me.

Senator ENGLE. We would not have to amend this bill in order to do that?

Mr. MILLER. No; I don't think it would be necessary to amend this bill.

Senator ENGLE. Will you reassure your mind on that point?

Mr. MILLER. I certainly shall.

Senator ENGLE. If it appears necessary to give the Attorney General that authority, would you draft the language to do it?

Mr. MILLER. I certainly shall, Senator.

Senator ENGLE. I agree with the chairman, we ought to have that authority. The Attorney General ought to have it.

I agree that he is not going to hand just any joker a gun and tell him to ride shotgun, or whatever you want to call it, on an airplane. In particular cases he ought to have that authority, and under proper application from the airline he ought to be able to do it. If he doesn't now have it in the law, we can give it to him very quickly in this bill. It will probably be one of the most constructive things we can do. They talk of locking a cabin. That won't get the job done.

Somebody will put a gun to the head of the stewardess and she will open the door, or else. So that loses its effect.

I was impressed by Mr. Gilman's testimony. He said if those fellows knew the men in the cockpits were armed, it would deter them at least a little. In some instances if it was known that armed guards were riding an airplane that were capable of flying overseas or going to Havana or some place else, that has a deterrent effect. They will take a long look at it.

If it is not in the law now I would like to have an amendment drafted so that the committee at an appropriate time, Mr. Chairman, could consider it.

Mr. MILLER. We can take care of that.

As I say, I think it is in the law now. I haven't the statute with me, so I could give you a reading of it right here.

Senator MONRONEY. You envision now that since the bill would prohibit the carrying of concealed firearms aboard, that this would provide for Federal authority to stop a passenger or disarm a passenger who is seeking to board a plane with a weapon.

How would this be accomplished?

Mr. MILLER. If, for example, somebody was attempting to enter an aircraft, and he had a weapon on his person—I don't recall if this has an attempt provision in it—no, it does not—we would have to wait until he actually got on the plane before we arrested him.

Senator MONRONEY. In other words a man standing in the check-in line, surrenders his ticket, unless he was actually aboard the plane would not be subject to being stopped or asked to be searched?

Mr. MILLER. Senator, when you say would not be subject to being stopped, I am talking about a Federal agent. I would certainly think that the people working for the airline would have the jurisdiction.

Senator MONRONEY. Here again we fall between two chairs. The man is on the airplane and you can't stop him if he is armed. Maybe the door is closed and he then pulls out a gun. It is too late to do any good. If you observe a certain bulge under his shoulder, before he gets aboard, this law I think should be broad enough—do you not think so, Senator ENGLE—to where he would be subject to being detained at least from boarding the plane by officers of the law?

Mr. MILLER. It would be a very simple matter to amend subparagraph 3 to include "or attempts to." That should cover the problem.

Senator ENGLE. Senator BRIDGES has that in his bill, by the way. It is something it seems to me we ought to take a look at. Let's assume that I walked up to an airplane and I had what appeared to be a small violin case under my topcoat, but it could very well be a submachinegun covered up in that fashion. What authority would a law-enforcement officer have to determine whether or not it was a small violin or a small submachinegun?

Mr. MILLER. A Federal officer? Unless he had reason to believe that a crime was being committed, he would have no jurisdiction.

Senator ENGLE. That is precisely what I think. It would violate the laws against reasonable search and seizure, and we could get in trouble over that.

Senator MONRONEY. What I am pointing out is that the airline might have to make the decision to not let the passenger abroad. At that point you might get a bunch of solutions thrown around the loading ramp or something.

Senator ENGLE. Let me read the section in Senator BRIDGES' bill. I don't know where he got it. This is what he says, subsection (2), S. 2370:

"Any air carrier in air transportation may, under regulations prescribed by the Administrator, require that any person seeking to board an aircraft operated by such carrier, submit to a reasonable search for the purpose of ascertaining whether such person is carrying on or about his person a weapon in violation of this subsection."

And the preceding subsection relates to taking concealed weapons, concealed deadly or dangerous weapons, on an airplane.

Senator MONRONEY. Or attempting to board. It includes that language.

Senator ENGLE. Yes.

Is there anything about that particular language that violates the Constitution as far as you know?

Mr. MILLER. Under the circumstances, where you would in effect have a contractual relationship between the airline and the particular passenger, I would think that the airline itself would have the right to investigate the contents of the gentleman's baggage because it would be in effect a contractual agreement, and he would in effect waive his right not to be searched. Of course, the constitutional provision of unlawful search and seizure is primarily directed at the police, and not to private individuals.

Senator ENGLE. In other words it is your view that the language proposed by Senator BRIDGES does not violate the provisions of the Constitution against unlawful searches and seizures.

Mr. MILLER. That is my view at the present time. I would like to study it before I gave you a flat opinion. I just listened to you read it, Senator. I don't think it would.

Senator ENGLE. Can you study that between now and Monday?

Mr. MILLER. Yes, sir.

Senator ENGLE. If you would come up with an opinion on it, it would be very helpful to us in determining whether or not we should include this section from Senator BRIDGES' bill.

Mr. MILLER. May I ask what the number of the bill is?

Senator ENGLE. S. 2370, introduced by Senator BRIDGES yesterday, August 3, 1961.

Senator MONRONEY. Mr. SCHOEPPEL and Mr. WILLIAMS of Delaware are cosponsors of the bill.

Senator ENGLE. Yes.

Senator MONRONEY. Are there any further questions?

Senator ENGLE. No.

Senator MONRONEY. Thank you very much, Mr. Miller, for your very helpful testimony on this. We will try our best to cooperate with you.

Our next witness is Mr. John H. Wanner, General Counsel, Civil Aeronautics Board.

Senator ENGLE. Thank you, Mr. Miller. You have been very constructive in your help.

Mr. MILLER. Thank you.

Senator MONRONEY. We are happy to have you here, Mr. Wanner. You may proceed in your own way.

Mr. CARROLL. I intended to ask the Senator one more question. Under the bill we are about to pass, is the death penalty mandatory, or discretionary?

Mr. MONRONEY. It is discretionary, and only on the finding of the jury will the death penalty apply.

Mr. CARROLL. The Attorney General's Office had a very strong feeling that there should not be a mandatory death sentence.

Mr. MONRONEY. That is correct. I think the Senator will find we complied with every view and desire of the Department of Justice, except that the provisions be neatly indexed in title 18.

Mr. CARROLL. There is no doubt about the purposes of the bill. The Senators who have worked on the bill should be commended, as I have done today. I raise these questions with regard to procedure, so that the RECORD will properly reflect them. I urge the other body not to amend the Federal Aviation Act in this manner. Even though the Commerce Committees of the House and of Senate retains jurisdiction of this bill, in the interest of clarification and to avoid great confusion these new laws imposing extreme criminal penalties should become a part of the Criminal Code under title 18—I repeat study carefully the procedure and the legislative history of S. 2972 and the enactment of Public Law 709, 84th Congress, 2d session, 70th Statutes at Large, page 538.

Mr. GOLDWATER. Mr. President, I should like to direct a question to the junior Senator from Oklahoma, in order to clear up the matter at least in this layman's mind.

This is not a part of the question. If we were to follow the practices suggested by the Senator from Colorado, I suspect that the Judiciary Committee would never finish the work loaded on it during the course of a year.

The fact is that the Federal Aviation Act, passed in 1958, was the child of the Commerce Department——

Mr. MONRONEY. Of the Commerce Committee. The Commerce Department did not help us, because we took the authority away from them.

Mr. GOLDWATER. That is a dreadful misstatement on my part, and I apologize.

The attempt which is now being made is to amend the act by recognizing the crimes under title 18 of the United States Code.

Mr. MONRONEY. That is correct.

Mr. GOLDWATER. Is that not sufficient, in the mind of the Senator, to make the request conform to what the Department of Justice might favor?

Mr. MONRONEY. I think it is. I say to my distinguished colleague from Arizona that, actually, we did not amend the maritime law and make it apply to trucks, buses, streetcars, space vehicles, or things like that.

We were simply attempting to amend the Aviation Act. We felt it was in the interest of air safety, primarily, to do so, and that is how we approached the problem. There had been a few hijackings. The Senator from California [Mr. ENGLE] started to work on the bill, and started an investigation. The Senator talked not only to the Department of Justice but also to the attorneys for the Federal Aviation Agency. We felt this was the course to be followed, after much discussion.

Again I say, this was no hasty job. We decided on the course to be followed. The result, after hearing the Attorney General and others, was the direction,

"You can take either path." Since we are experienced in aviation, the path we chose was, we thought, the better one, rather than to transgress upon title 18 of the Criminal Code. We merely wished to apply to the Aviation Act those sections already in the Criminal Code which would have specific application to aviation.

Mr. GOLDWATER. I point out to my colleagues that this is not an unusual procedure. In fact, it is more usual than unusual. To prove the statement I merely refer to one instance, which is Public Law 101 of the 80th Congress, commonly known as the Taft-Hartley Act. That was written more on the floor of the Senate than it was in the committee. Section 304 of the Act amends section 313 of the Federal Corrupt Practices Act, 1925, United States Code, 1940, title II, section 251, and was never referred to the Committee on the Judiciary.

I was not a Senator at the time, but I have read enough of the history of the Taft-Hartley Act to know that the section was offered as an amendment on the floor. It did not even receive the benefit of formal hearings. In essence what the amendment did was to add to the criminal offenses the spending of money, either by a person or a corporation, for elections at the Federal level.

That act carried much the same penalty that parts of the Aviation Act carry; namely, $1,000 fine or imprisonment for not more than 1 year. Of course, the new proposal is more severe.

I am sorry my friend from Colorado [Mr. CARROLL] has left the Chamber, for I merely wished to point out that we do these things frequently. We amend completely unrelated acts by our actions on the floor. We amend related acts, and we shall continue to do so.

In the opinion of this layman, if we were to send every bill which pertained to established law to the Committee on the Judiciary the committee would be even further behind in its work than it is. The Lord knows, with the vast volume of work it has, the committee is behind today. I am not criticizing the committee. I think the committee is overburdened with legislative proposals.

I merely wished to make the point that what the Senator from Oklahoma is trying to do is not a new procedure and is not an unusual procedure. It is a procedure we have followed. It is not necessary to send the proposal to a group of lawyers to figure out. The American people are getting a little tired of having their destinations changed while they are in the air.

I do not know if the Senator saw the interesting cartoon in the New Yorker magazine the other day. It was a cartoon showing a group of passengers on an airliner, and a little man saying, "Buenos dias, amigos. This is your new captain, Pedro Gonzales."

I think Americans are getting a little tired of that. When I start to Arizona sometime in the near future—I hope—I do not wish to finish the trip in Cuba. I should like to finish the trip in Arizona.

I have a much greater affection for Arizona than I have for Cuba, even though I am quite sure Fidel Castro would love to see me walk down the gangplank in Havana.

Mr. ENGLE. He would no doubt rather see the Senator walk the wing.

Mr. GOLDWATER. I would have a better chance there.

That was the intention of my having the colloquy with the Senator. I merely wished to point out that what we are doing is something we do every day.

CITY OF CORPUS CHRISTI, TEX., SUPPORTS THE PRESIDENT IN HIS DEFENSE OF THIS COUNTRY

Mr. YARBOROUGH. Mr. President, the President of the United States recently made a stirring speech upon the Berlin crisis which has drawn the approval and overwhelming support of the citizens of this country.

The city of Corpus Christi, Tex., under the leadership of its dynamic and able mayor, Ben F. McDonald, elected this year, has approved a resolution of support for the President's program of national defense.

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

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

Whereas the President of the United States has called upon the citizens to support the President and the National Government in this time of crisis in defending democracy from all enemies; and

Whereas the city of Corpus Christi and its citizens are ready and willing to cooperate in the national defense effort proposed by the President of the United States: Now, therefore, be it

Resolved by the City Council of the City of Corpus Christi, Tex.:

SECTION 1. That the City Council of the City of Corpus Christi, as the elected representatives of the citizens of the city of Corpus Christi, Tex., hereby announces the wholehearted support of the city of Corpus Christi and its citizens, as a community, of the President of the United States and the national leaders in their announced program of defense, and pledge the cooperation of all of the citizens of this community in the carrying out of this program, in remaining constantly alert and in carrying out such measures as may be proper and necessary for the national defense.

Passed this the 26th day of July 1961.

BEN F. MCDONALD,
Mayor, the City of Corpus Christi, Tex.

Attest:

T. RAY KRING,
City Secretary.

Approved as to legal form this the 26th day of July 1961.

I. M. SINGER,
City Attorney.

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. MUSKIE. Mr. President, I rise today in support of the provision for long-term financing of the development loan program contained in the Foreign Assistance Act of 1961 as reported out by the committee.

Last Friday, August 4, the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] made out an impressive case for this provision. His presentation was articulate, hardheaded commonsense. He met objections and answered questions with understanding and precision. One need not agree with his views in order to admire his sincerity, honesty, and intelligence. To any who have questions as to the basis for this provision of the bill, there is really no need for further exposition of the case. The case was made last Friday. Certainly I cannot improve upon it. I only hope that I do not detract from it.

I speak because I believe in it. I speak because it is easier to be against it than for it. I speak because foreign aid has no constituency in this country and that, as a consequence, there are political risks in giving it support. The courageous position taken by the distinguished Senator from Arkansas ought to have the support of those of us who agree with him.

And so I rise, Mr. President, to state my reasons for supporting this provision of the AID bill in my own way.

I support this section of the bill because I believe it will improve the effectiveness of our aid program, it will reduce waste and inefficiency, and it will apply a sound financing principle in our international lending operations. It is a sound technique which has worked with great success in a number of domestic lending programs.

The objective of development lending is similar to commercial bank lending to private business. It is designed to produce prosperous clients. The difference is that, in the case of the foreign aid program, the clients we want to prosper are the independent nations of the free world. Like a commercial bank, our new foreign aid program will require its clients to demonstrate that they have a plan for the future, that it is a reasonably good plan, and that they are working toward its fulfillment. They will also have to show that their proposed use of our loans is consistent with their plan.

If we are to expect the underdeveloped countries to act like bank clients and to engage in planning, we ourselves must act as any bank must and assure them that when they have their affairs in order and can qualify for loans, there will still be cash in the vault. This can only be done by providing long-term development financing authority.

The only meaningful type of long-term authority is authority to borrow from the Treasury. This can be done without loss of congressional control. Such control under the bill would be exercised in four ways:

First, by limiting the authorized annual rate of borrowing;

Second, by the enactment of lending standards into law;

Third, by the power of Congress to amend the authorizing legislation at any time; and

Fourth, by the necessity for Congress to approve each year's proposed development lending budget in accordance with

the provisions of the Government Corporation Control Act.

Yesterday, the distinguished chairman of the committee proposed another check. This amendment would provide for a 30-day advance notice and congressional review by the Senate Appropriations and Foreign Relations Committees and House Appropriations and Foreign Affairs Committees of any proposed loan exceeding $10 million. The loan could not be made until 30 days after a complete report on the purposes and terms of the proposed loan had been submitted to Congress. The amendment would further strengthen the reporting and congressional oversight provisions of the bill.

While, in the face of these controls, any long-term commitments made to other countries by the aid agency would be of a contingent nature, under multiyear borrowing authority there is a presumption that funds will be available in the long run unless Congress takes action to curtail or terminate the program. Recipient countries will recognize the possibility that Congress will change its mind. But they will also recognize that the Congress is not a capricious or arbitrary body, and that it will not take such action unless it finds good cause.

There are four principal reasons why the President has deemed it essential that the Congress commit itself unequivocally to a long-term foreign aid program for the United States, and why he feels that long-term borrowing authority is an indispensable part of such a commitment.

Mr. GRUENING. Mr. President, will the Senator yield for a question, or would he prefer to complete his address?

Mr. MUSKIE. I am happy to yield to the Senator from Alaska.

Mr. GRUENING. I have listened with great interest to the presentation of my good friend from Maine. I believe that all of us, who believe that a foreign aid program of some kind should be enacted, whatever has been its past errors, and view with sympathy the idea that long-range planning is necessary, would like to approach this plan with hopefulness, but we have certain questions which naturally arise if the program is to be carried out as the administration visualizes it, and if it is to produce the reforms necessary for its success.

This morning I noticed an article in the New York Times, a dispatch from Punta del Este, where the meeting with Secretary of the Treasury Dillon is taking place. The article is rather alarming because it indicates that the United States has already, even in this preliminary stage, weakened on what to me is the very essence of the success of the program so far as Latin America is concerned: The alliance of progress; namely, the assurance that in exchange for the $20 billion which we are offering over a 10-year program, we will see land reform, equitable taxation, and riddance of the longstanding abuses which we know exists, which have established a political and financial upper class of a few while the great mass of the people live in misery. The whole alliance for progress, according to this administration, is predicated on reform in these Latin American countries. Obviously it is not going to be easy to ask an entrenched aristocracy to get rid of its feudal structure and reduce its privileged status. Yet, instead of being firm, our representatives have already yielded. What chance of success is there under these circumstances? If we do not get these reforms, the result may well be communism in Latin America, which we—and presumably the Latin American governments—are trying to forestall.

I should like to quote briefly from the article because it is pertinent:

LATIN PLAN LACKS REFORM DETAILS

While calling for land and tax reform in participating Latin countries to insure that benefits of the 10-year program are enjoyed by persons at all social levels, the draft does not list specific goals in those areas.

U.S. sources gave this rough breakdown on how they expected the $20 billion economic and social development program to be financed annually at the rate of $2 billion a year: From U.S. Government lending agencies, about $1,100 million; from the International Bank for Reconstruction and Development, the Inter-American Development Bank, and other international lending agencies, about $300 million; from U.S. private capital sources, about $300 million, and from European public and private sources about $300 million.

The five-nation charter draft eliminates entirely an earlier recommendation for a seven-man special multinational committee of experts, which was to evaluate development plans submitted by participating nations. The United States had favored the seven-man committee, but in the interest of maintaining harmony with the participating nations abandoned the idea without a real struggle.

The substitute plan agreed to by the United States calls for development plans and projects to be submitted to Inter-American Development Bank, which would appoint experts to evaluate them. Under the substitute plan, participating nations may submit plans to these experts but are not forced to do so.

Some sources were describing the change in draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the alliance for progress program off the ground.

Mr. President, in other words, in the very preliminary stages, when we are supposed to be getting down to brass tacks and to justify these long-range commitments, the United States has already weakened; has already conceded. Nothing is specific as to what the Latin American governments will commit themselves to do in exchange for our billions.

Consider what has happened in one Latin American country—Guatemala. An article on Guatemala, written by Edwin A. Lahey, was published in the Washington Post a week ago Sunday. It shows precisely the proposals which were made, and that in this other Latin American country land reform and taxation were needed, but have not occurred. The writer of the article, who is a very responsible newspaper correspondent and is known to all of us as a journalist with a national reputation for reliability and effectualness, said:

The architects of President Kennedy's "alliance for progress" say that if we dangle the bait of more billions in aid before the oligarchic societies of Latin America, they will enact tax and other reforms needed to bring themselves into the second half of the 20th century.

The theory is that the propertied classes of Latin America, thoroughly frightened by the wave of Castroism, will give a little now rather than lose it all later to the Communists. The theory simply hasn't worked in Guatemala.

The owner of a Guatemalan coffee plantation with an assessed valuation of $100,000 pays a real estate tax of $300 a year—and that is only part of the picture. According to competent authority here, there are vast coffee estates paying the $3 per $1,000 tax rate on assessed valuations that were computed 150 years ago.

"Actually, this is Guatemala's own business. But since the United States helped overthrow the Communists here 7 years ago, the successor governments have informally promised"—

I note those words, Mr. President—

"informally promised to enact tax reforms so that the propertied class would share more of the burden of the aid program."

These promises have not been redeemed despite many apparently well-intentioned gestures.

In July of 1955, on the first anniversary of the liberation from communism, the late President Carlos Castillo Armas said privately that Guatemala would enact its first income tax law in a matter of months. When Castillo Armas was assassinated in 1957, he still dreamed wistfully of taxing the middle and upper classes.

President Ydigoras has also urged Congress to adopt income tax legislation, but without success. A cynical Guatemalan says:

"The deputies in Congress are lawyers, professional men, and friends of the propertied classes. They are not about to start taxing themselves."

Well, it can be said that this is Guatemala, and it was not spelled out quite as much there as it is to be henceforth. However, yesterday, in Uruguay, the United States yielded on its program under which Latin American nations were to be asked to submit their plans, do not now have to do so.

I am frankly very much distressed that so early in the game we are showing this kind of weakness. The President's program for 5-year loans will fail unless we exact specific conditions, and spell them out, and get firm commitments. We have not shown the necessary fortitude and firmness at this important conference and suggested merely that as in the past we are a soft touch.

The question I would like to ask the Senator is whether he has any suggestion as to how Congress can write into the pending bill conditions which will insure that things of this kind we say we require will be carried out. If we merely go ahead in a kind of hazy, fuzzy, wishful, and idealistic way hoping that what we hope for will happen, it will not happen. All history, which is the only record we have to go by, shows the contrary. I believe this goes to the heart of the question. I would like to support the 5-year program. I believe it is a good idea. I believe it is sound and that it is essential. The corollary to its success is that we must have some assurance that the other part of the program will also be carried out.

Mr. MUSKIE. Mr. President, first of all, I am in complete sympathy with the point of view which the Senator from

Alaska has expressed. I remind the Senator that one of the arguments for a long-term loan program is that it will make it possible to hold out long-term development plans as an inducement to recipient countries to develop essential internal reforms. I will cover that point in my prepared remarks later.

Mr. GRUENING. I ask unanimous consent that the article from the New York Times be printed in the RECORD at this point.

Mr. MUSKIE. I am glad to have that done.

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

LATIN PLAN LACKS REFORM DETAILS—BUT AID NEEDS ARE SPECIFIED IN URUGUAY PARLEY DRAFT

(By Edward C. Burks)

PUNTA DEL ESTE, URUGUAY, August 9.—The draft of an alliance for progress charter offered by Latin American nations today was specific on the foreign aid needed, but somewhat general as to social reform measures planned.

The draft, prepared by Argentina, Brazil, Chile, Mexico, and Peru states that at least $20 billion in foreign aid is to be invested in Latin America during the next 10 years. The United States participated actively in preparation of the draft but has decided to remain in the background and allow what purports to be an all-Latin document to be adopted by the Inter-American Economic and Social Conference of Finance Ministers here.

While calling for land and tax reform in participating Latin countries to insure that benefits of the 10-year program are enjoyed by persons at all social levels, the draft does not list specific goals in those areas.

U.S. sources gave this rough breakdown on how they expected the $20 billion economic and social development program to be financed annually at the rate of $2 billion a year: From U.S. Government lending agencies, about $1,100 million; from the International Bank for Reconstruction and Development, the Inter-American Development Bank and other international lending agencies, about $300 million; from U.S. private capital sources, about $300 million, and from European public and private sources about $300 million.

The five-nation charter draft eliminates entirely an earlier recommendation for a seven-man special multinational committee of experts, which was to evaluate development plans submitted by participating nations. The United States had favored the seven-man committee, but in the interest of maintaining harmony with the participating nations abandoned the idea without a real struggle.

The substitute plan agreed to by the United States calls for development plans and projects to be submitted to Inter-American Development Bank, which would appoint experts to evaluate them. Under the substitute plan, participating nations may submit plans to these experts but are not forced to do so.

Some sources were describing the change in the draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the alliance for progress program off the ground.

The seven-man committee would have operated between the countries applying for aid and the lending agencies. But the larger Latin American countries saw in it an infringement on their sovereignty and a hinderance to their development plans.

Although Secretary of the Treasury Douglas Dillon had described such a supranational screening committee as helpful and influential, the official U.S. stands today was that the killing of the committee plan was perfectly acceptable.

AID IS AVAILABLE

Under the loosely worded substitute plan, a nation applying for aid could, at its own request, submit its plan to experts who would be selected by the Inter-American Development Bank with the help of other Inter-American agencies.

The ad hoc committee of specialists could then lend its services in studying the development plan. This is far short of the original conception of a body of seven "wise men" that would screen projects before passing them on to the bank or to other lending agencies.

Even with the watered-down substitute, U.S. officials expressed hope that the Latin nations would find it more fruitful and speedy to use the services of the bank's expert committees.

U.S. officials conceded that various reform measures were not specific in the charter draft and that "it is not going to be easy" to push them through reluctant national congresses. But pressure is mounting in all countries for the needed economic and social reforms, the U.S. sources added.

In his major address to the Conference, Secretary Dillon said the alliance for progress would require the following: Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots; and lower interest rates on loans to small farmers, and small business.

The draft charter presented today says on the subject of land reform that "frequently" fundamental reforms of land tenancy will be required. One difficulty in Latin America today is lack of agreement on what constitutes agrarian and land reform in the various countries, where there are many tenant farmers.

STRICT MEASURES ASKED

On the subject of tax reform, the charter draft calls for applications of strict measures and provision for collecting adequate and equitable taxes on high incomes and on land.

On agrarian reform, the draft says that "where necessary" reforms in agricultural structures and systems of land tenancy will be carried out so that every farm family can live on a decent level.

U.S. sources say that the charter must of necessity be relatively general but that in cases of poor performance on reforms aid can simply be withheld on the grounds that the applicant did not comply with the charter.

Among the aims of the alliance outlined in the draft are the following: The spread of benefits to all sectors of the population; reduction of dependence on one or two primary export products; industrialization; low-cost housing; minimum of 4 years of education for all children by 1970; the ending of adult illiteracy; better access of Latin exports to United States and world markets; the end of price fluctuations of Latin export products.

The draft charter calls for participating nations to prepare comprehensive development programs in the next 18 months. In the meantime, they are to push short-range development plans.

Mr. MUSKIE. Mr. President, I was setting out, prior to this colloquy with the Senator from Alaska, the four reasons why the President has deemed it essential that Congress commit itself to long-term foreign aid.

First. A long-term commitment by the Congress would support the attempt by the executive branch to obtain a greater sharing of the foreign aid effort by such countries as our NATO allies and Japan. Negotiations looking toward this objective have produced a hopeful beginning with the creation of the Development Advisory Group, which recently met in Tokyo. However, unless the United States is forearmed with long-term development authority, it will be much more difficult to participate in joint development projects, much less to organize them.

Second. Long-term development financing authority is necessary if the United States is to succeed in assisting the underdeveloped countries to undertake the economic and social reforms that may be essential to their economic growth. This is the point which was raised by the Senator from Alaska.

In many underdeveloped countries, today, economic progress is held back by antiquated tax systems that deprive governments of the revenues needed to build the schools, roads, water supply systems, and other facilities that are the first steps to development. Outdated land tenure systems deprive farmers of any incentive for increasing or diversifying their production. And, entrenched interests also keep governments from adopting the budgetary and administrative measures that are a precondition for progress.

Long-term development financing authority will make it possible to give long-term commitments to underdeveloped countries. If they call upon their citizens to make the temporary sacrifices that are a part of reform, U.S. aid will be forthcoming to help them over the difficult readjustment period. The assurance of such U.S. aid will help the countries to build popular support for the reform efforts. Our assistance could well spell the difference between successful reform and failure.

Third. Long-term development financing authority will mean better value for the U.S. aid dollar. To plan the best use of a country's resources and to identify the highest priority projects takes study and time. Even after a project is selected, it may take months before all the conditions for a loan can be met. To allocate development loan money for only a single year, therefore, inevitably means that many projects will be selected hastily in order to qualify for loan funds before the funds run out. Under such conditions, it is no wonder that the priorities that make the most sense in terms of long-term development goals are often ignored.

Long-term development financing authority will eliminate the need for hasty decisions. Combined with strict lending criteria, it will give an incentive to countries to utilize their most talented civil servants in ascertaining how their resources, and ours, can be combined to produce the maximum benefits.

Finally, a long-term commitment by the Congress to a foreign aid program is one of the best ways to improve employee morale. This is essential to high performance and to the recruitment of outstanding public servants from other parts of the Government, from business, and from the universities and foundations.

These are, I submit, ample arguments on behalf of the long-term lending authority requested for the Development Loan Fund. As I have indicated earlier, in adopting this approach to the financing of foreign aid lending projects, we are using a sound and established principle already in use in about 20 domestic lending programs, including the loan program under the Area Redevelopment Act, which we passed earlier this year.

This is an approach which has been used by Republican as well as Democratic administrations. As has been pointed out in this debate, the technique was first used in 1932, under President Hoover, to provide funds for the Reconstruction Finance Corporation. Furthermore, President Eisenhower requested the borrowing authority for development loans in 1957.

Using borrowing authority for long-term foreign aid lending activities is not new. From 1948 to 1954, under the Marshall plan, borrowing authority was used to provide funds for long-term, dollar repayable loans to 13 European Nations and to Turkey. Loans under this program totaled almost $1.2 billion. Amortization of these loans began in 1956, with the exception of Turkey, which was granted a moratorium until 1966. As of June 30, 1961, all of these loan accounts were current, and a total of $62 million in principal and $213.6 million in interest payments had been made. It is estimated that during fiscal year 1962 payments of $19 million in principal and $26 million in interest will be made. All of this money has been deposited with the Treasury Department.

And yet, in spite of the successful use of this technique in domestic and international lending programs, there are those who tremble and quake at the suggestion that we enact such a provision in this bill. They conjure up images of bureaucrats from the Department of State creeping into the back door of the Treasury Department in the still of the night to spirit away funds for secret operations in far-off lands. We, as Members of Congress, are warned against giving up rights which were ours from the foundations of the Republic, even though authorizations and appropriations were not separated until 1922. We are told that this is but another wedge in the drive to take away Congress power over the purse strings. The rhetoric is magnificent, but the logic is weak.

Under the terms of the Act for International Development, the annual rate of borrowing is specific and limited. Section 202 of the bill provides:

> The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $1,187,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,900,000,000: *Provided,* That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note-issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year.

In other words, the flow of funds for lending operations has an outside limit each year, and their use will depend on the actual demands on the program.

Borrowing from the Treasury for the Development Loan Fund is done out in the open, through the front door; the amounts borrowed are treated as "public-debt transactions of the U.S. Government" and are carried on the budget books, just as are appropriated funds.

Mr. GORE. Mr. President, will the distinguished Senator from Maine yield?

Mr. MUSKIE. I am happy to yield.

Mr. GORE. I find it intriguing that we hear currently used the expressions "back-door financing" and "front-door financing." Is not this a public session of the U.S. Senate?

Mr. MUSKIE. The Senator is correct.

Mr. GORE. Is not the Senate now debating a proposal to act in the near future upon a measure, with our eyes wide open, in public session, in public debate, with recorded votes, to act upon this manner, this means, of making funds available for purposes which the Senate considers to be in the national interest?

Mr. MUSKIE. The Senator from Tennessee is absolutely correct. I would add that, as has been stated by the Senator from Tennessee and other Senators in the course of the debate, this method of financing important development programs, both domestic and foreign, is traditional and has been used for many years. The public is familiar with it, and Congress is familiar with it. So there is nothing secretive, hidden, or mystifying about it.

Mr. GORE. Does not the Senate now have full opportunity to reject or approve the proposal?

Mr. MUSKIE. Exactly. It will have a similar opportunity every year, if the proposal is enacted.

I thank the Senator from Tennessee for his contribution to the debate.

Mr. President, repayments on loans made under this authority are made directly to the Department of the Treasury in U.S. dollars. They are not deposited in revolving fund accounts as are some of our domestic lending programs.

Lending standards are set in the act. This is a most important feature. Under section 201:

> The President is authorized to make loans payable as to principal and interest in U.S. dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtainable in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives.

Fifth—and this is responsive to the point raised by the Senator from Alaska—

> The extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, and (6) the possible effects upon the U.S. economy, with special reference to areas of substantial labor surplus, of the loan involved. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

In addition to the annual reports required from the President on the overall operations of the Act for International Development, section 204 of the act imposes the following requirement for quarterly reports:

> At the close of each quarter of the fiscal year, the President shall submit to the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives a report of activities carried out in such a quarter under this title, including appropriate information as to the amount of loans made under section 201(b), and notes issued under section 202(a), as well as any undertakings which have committed the U.S. Government to future obligations and expenditures of funds.

In the third place, Congress may amend the basic authorization at any time, including the borrowing authority. We do not give up that power by giving the administrators of the program more flexibility in managing the flow of lending funds. Furthermore, I see no reason to raise questions by implication about the capacity of our colleagues on the Foreign Relations Committee to oversee the operation of the program.

Finally, Congress must approve each year's proposed development lending budget in accordance with the provisions of the Government Corporation Control Act. Section 203(b) of the Act for International Development is very specific on this point:

> In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

Under the Government Corporation Control Act, the Development Loan Fund will be required to submit an annual business-type budget program to the Bureau of the Budget, containing "estimates of the financial condition and operations of the corporation for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary and desirable to make known the financial condition and operations of the corporation, title 31, United States Code, section 847.

The President is required to submit the budget program "as modified, amended, or revised by the President, to the Congress as part of the annual

budget required by the Budget and Accounting Act, 1921," title 31, United States Code, section 848.

Congress, in turn, must consider and act upon the budget request. Section 103 of the Government Corporation Control Act—title 31, United States Code, section 849—is very specific on this point:

The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine.

This authority gives the Appropriations Committees power to review and act upon the annual budget of the Development Loan Fund. As the Foreign Relations Committee has stated in its report, the Agency for International Development must "obtain from Congress authority to obligate funds to carry out this program. As with appropriations, the amounts to be borrowed must be included each year in the Federal budget as new obligational authority. Congress, if it chooses, can limit the funds, that otherwise would be available for use; consistent with legislative practice in the case of other Government agencies having borrowing authority, it is anticipated that this would be done only in unusual circumstances"—Senate Report No. 612, page 10.

Because of the general interest in the question of annual review of development lending activities by the Appropriations Committees of Congress, Mr. President, and because of the questions which have been raised about the application of the Government Corporation Control Act to the AID bill, I requested an analysis of this matter by the executive branch. In response to this request, I received an excellent memorandum which presents in great detail the kind of congressional control which will apply to the Development Loan Fund under the bill as reported by the Senate committee.

Mr. President, for the purpose of presenting the administration's interpretation of the requirements of the Government Corporation Control Act, I ask unanimous consent that a memorandum entitled "Annual Review of Development Lending Program by Appropriations Committees" be printed at this point in the RECORD.

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

ANNUAL REVIEW OF DEVELOPMENT LENDING PROGRAM BY APPROPRIATIONS COMMITTEES

Much of the discussion which has taken place thus far regarding the proposal of the AID bill to finance the development lending program by means of 5-year borrowing authority has proceeded on the assumption that the granting of such authority would result in the elimination of any review of the development lending program by the Appropriations Committees of the House and the Senate during the 5-year period. This assumption is not correct. As a result of the inclusion in the AID bill of a provision making applicable to the development lending program certain provisions of the Government Corporation Control Act, the exercise of the borrowing authority will in fact be subject to annual review by the Appropriations Committees of both Houses.

Section 203(b) of the AID bill provides, in substance, that the development lending program shall be subject to the budget provisions (secs. 102, 103, and 104) of the Government Corporation Control Act. Section 102 of the Control Act requires the annual submission to the Bureau of the Budget by each corporation or agency which is subject to such budget provisions of a business-type budget, containing, among other things, an estimate of the financial operations of the corporation or agency for the ensuing fiscal year, including a statement of income and expense and a statement of sources and application of funds. Section 103 provides that all such budget programs shall be transmitted to the Congress as part of the President's budget. Section 104 reads as follows:

"The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831(y) of title 16. 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."

The language of section 104 contains certain ambiguities, and these ambiguities are not fully clarified by the legislative history of the Control Act. As a result, the meaning of section 104 has been the subject of disagreement in past years. The following discussion sets forth the views of the executive branch as to the proper interpretation of section 104.

The Government Corporation Control Act can best be understood in the light of the statement of policy which the Congress included in that act reading as follows:

"It is hereby declared to be the policy of the Congress to bring Government corporations and their transactions and operations under annual scrutiny by the Congress and provide current financial control thereof."

The procedures which are provided to accomplish the policy as set forth above are spelled out in a report by Senator FULBRIGHT on the Control Act for himself and Senator BUTLER of the Senate Committee on Banking and Currency (S. Rept. 694, 79th Cong., 1st sess., 1945). The report states:

"The President is directed to transmit to Congress, as a part of the annual budget required by the Budget and Accounting Act of 1921 the budget programs of the corporations as modified, amended, or revised to conform to his recommended program for the Federal Government as a whole. The Congress will consider these budget programs and enact legislation making available such funds or other financial resources, with such directives and limitations as it may deem necessary. In this manner Congress will for the first time have a systematic procedure for annually scrutinizing and passing upon the budgets of the Government corporations as it now does for the regular agencies of the Government. Only in this way can the operations of Government corporations be brought into balance and proportion with all other Federal activities and in harmony with the financial and economic policies of the Congress. The budget procedure established by the bill provides for the information and the facilities for the exercise of congressional control over the budget program of each of the wholly owned Government corporations in the manner and to the extent considered appropriate and desirable."

Ever since the enactment of the Control Act, it has been the consistent practice of the executive branch to lay before the Congress annually budget programs for all corporations or agencies covered by the budget provisions of the Control Act, which have included appropriate information on the programs and financial transactions contemplated. Moreover, it has been the consistent practice of the Congress to review such budget programs and to include in appropriation acts specific language authorizing the conduct of the programs for the ensuing fiscal year, and providing limitations where Congress has so decided. One instance is known in which Congress failed to enact the usual legislation for a particular year with respect to a particular agency (Institute for Inter-American Affairs.) It is understood, however, that this failure was the result of a clerical error by which the name of the agency in question was accidentally dropped from a list of agencies forwarded by the executive branch with the usual recommendation for legislation.

The customary language used by the Congress for approving budget programs is as follows:

"(Name of agency or corporation) is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such (agency or corporation)."

As applied to the proposed development lending program, it is understood by the executive branch that the following procedure would prevail:

1. The President would annually submit a budget showing both obligations and expenditures for the contemplated program, in accordance with law.

2. The Congress would have the responsibility of reviewing the program and acting to authorize the use of the borrowing authority year by year. In accordance with past practice, from which there has been no deviation, this review would take place in the first instance in the Appropriations Committees of the respective Houses in the same manner as all other budget proposals. The authorization for the use of funds would appear in an appropriation bill.

3. Congress could limit the use of funds in accordance with its judgment. Limitations could be proposed by the Appropriations Committees or by amendment to the bill on the floor of either House in the same manner as Congress acts with respect to all other items in an appropriation bill.

4. The executive branch would be limited, both as to obligations and expenditures, by the amounts made available in the AID Act or in the appropriation act, whichever is the more limiting.

5. The President has already transmitted to the Congress his amendments to the 1962 budget for foreign assistance, including proposed language for development loans. Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred. If in some subsequent year Congress failed to enact the necessary language approving the budget program and making the funds available for that fiscal year, the development lending program could not enter into further obligations or make expenditures other than those necessary to liquidate obligations entered into under previously authorized programs.

As indicated in the foregoing numbered paragraphs, the contemplated procedure admits of the possibility that limitations on

the development lending program might be imposed by the annual section 104 legislation. This is in accordance with an explicit provision of section 104 to the effect that the use of funds may be limited where Congress determines. However, the executive branch understands that it was the intent of the Congress, in enacting section 104, that limitations on budget programs would be imposed only where affirmative reasons existed for imposing them. There is strong support in the legislative history for this position. Thus, the report of the House Committee on Expenditures in the Executive Departments which accompanied the control act bill in 1945 contained the following statement:

"Section 104 provides for the consideration by the Congress of the budget programs and the enactment of legislation, if necessary, making available such funds or other financial resources as the Congress may determine. Under this procedure, it is contemplated that the budget programs as transmitted by the President to the Congress would include, as in the case of estimates of appropriations, language suitable for enactment as the authorizing legislation. Such programs would be referred to the House Committee on Appropriations and, after hearings, be reported to the House, in the form of (1) simple authorizing legislation, showing that the Congress had considered and approved the budget program but not setting a limitation on the corporate financial activities other than that provided by substantive law, or (2) legislation incorporating such specific limitations as necessary to enforce the will of Congress in the carrying out of the corporate financial activities or to conform such activities to the general financial program of the Government." (H. Rept. No. 853, 79th Cong., 1st sess., p. 12).

In fact, as the practice has developed under section 104, limitations have regularly been imposed with respect to administrative expenses. However, only in a few instances (e.g., in the case of the Federal Home Loan Bank Board and of the Federal Prisons Industries, Inc.) have limitations been imposed with respect to operating expenses. It would be the expectation of the executive branch that, in the case of the development lending program, limitations would be imposed upon the development lending program by the annual section 104 legislation only if affirmative reasons existed for imposing such limitations in order to assure the carrying out by the executive branch of the will of the Congress with respect to the development lending program, as expressed in the AID bill, or to conform the activities of the development lending program to the general financial program of the Government.

It is worth pointing out, as a point which is separate from, although related to, the points which are made in this memorandum with respect to the application of the Government Corporation Control Act, that section 202(a) of the AID Act, which establishes the borrowing authority, places fiscal year limitations upon the availability of funds pursuant to such authority. The result of these provisions is that the executive branch could not in any event enter into firm obligations with respect to the funds provided for any fiscal year prior to the commencement of that fiscal year. In other words, any long-term commitment which the executive branch might make providing for the lending of funds becoming available in a future fiscal year would have to be made subject to the condition that the borrowing authority had not been revoked prior to the commencement of that fiscal year.

The net result of the factors considered in this memorandum is that the exercise of the borrowing authority provided under section 202(a) of the AID Act would be subject to annual Appropriation Committee review and congressional action pursuant to section 104 of the Control Act. Long-term commitments of funds provided by the borrowing authority would have to be made subject to such congressional review and action (as well as being made subject to the nonrevocation of the borrowing authority, as indicated in the preceding paragraph). However, the executive branch would consider the enactment of the borrowing authority in the AID Act to constitute an expression of intent on the part of the Congress to provide funds over the 5-year period in the aggregate amount of $8.8 billion, and it would feel free to enter into conditional commitments with respect to these funds. It would be the expectation of the executive branch that the level of these funds would not be reduced, so as to render it impossible for the commitments of the executive branch to be carried out, unless the Congress considered that affirmative reasons existed for such reduction.

Mr. GRUENING. Mr. President, will the distinguished Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. GRUENING. I wish to ask the Senator from Maine, and also the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Idaho [Mr. CHURCH], two members of the Committee on Foreign Relations whom I observe in the Chamber, whether they have read the article in the New York Times this morning, a special dispatch from Uruguay, which indicates that the U.S. delegation has already weakened with respect to the proposal to try to secure assurances that in exchange for the $20 billion the United States is offering, there will be land reform, tax reform, and a different attitude generally. I have already received unanimous consent to have the article printed in the RECORD. I hope every Senator will read it. It is a most factual article. It shows that the original proposal of the United States, which was an attempt to guarantee that the Latin American nations would agree to consider this proposal, has been weakened. They have refused to agree and have submitted an alternative plan, which is much weaker, and we have yielded.

I am very much distressed by this event. I hope other Senators also will note it. We who would like to support the 5-year loan program wish to be assured that there will be some definite guarantees which the beneficiaries of the program will comply with; that in exchange for this generous system of grants and loans there will be land reform and tax reforms, and that there will be a definite understanding that the program will be carried out, not, as in the case of Guatemala, merely a promise to let it be carried out.

Mr. SPARKMAN. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield.

Mr. SPARKMAN. I call the attention of the Senator from Alaska to the fact that included in the bill is an amendment which I have proposed to it myself, conditioning the aid program for Latin America upon the Bogotá agreement, which was entered into a year ago. It provides that the nations participating will have to engage in tax reform, land reform, and similar activities. I believe what the Senator is referring to now—I have not read the particular article—is the reluctance of Latin American nations to accept the tight overseeing commission which the United States has proposed.

Mr. MUSKIE. Mr. President, I wish to complete my remarks within the time still available to me.

The PRESIDING OFFICER. The hour of 2 o'clock has arrived. Under the unanimous-consent agreement——

Mr. MANSFIELD. Mr. President, the meeting to which I referred earlier is still in progress. I, therefore, ask unanimous consent, in order to take care of the wishes of the Senator from Maine and the Senator from Virginia [Mr. ROBERTSON], that the vote on the passage of the pending bill be taken at 2:15 o'clock.

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

Mr. MUSKIE. Mr. President, the administration has offered a new aid program which makes use of sound banking procedures in our investment in the development of free nations.

This approach was advanced and strongly endorsed by Secretary of State John Foster Dulles. His statement before the Senate Foreign Relations Committee in 1957 is very pertinent:

The Development Loan Fund should be established upon a basis of continuity with sufficient capital for several years' operations. As I said here last month, economic development is a long-term process. It is not an annual event. If our assistance is to be useful at all, it should be provided on a sustained basis, that is consistent with the long-term nature of the job to be done.

It is not necessary that all the capital of the Fund be provided at once. But it is essential that there be initial provision for future availability. For this reason the President has asked that there be provided this year an appropriation of initial capital and the authority to borrow additional capital from the Treasury in the second and third years. Such borrowing authority has been used to capitalize other U.S. lending agencies. These additional funds which would be borrowed from the Treasury would not be available for obligation until such second and third years. However, the fact that they would be available will give the countries we wish to help and our own administrators the assurance they need to plan ahead.

The new approach we contemplate requires that we get away from the annual authorization or appropriations. These inevitably tend toward a system of illustrative programs as a basis for justifications. These are not compatible with the assurance of continuity essential to good planning and to the new long-term loaning concept. They are not compatible with cooperation with such organizations as the International Bank for Reconstruction and Development and Export-Import Bank which operate on a long-term businesslike basis, with established capital.

We can disagree—and do—as to the merits or the effectiveness of a national effort to assist underdeveloped countries. But surely we can agree that, once this effort is undertaken, it should be done effectively and efficiently. Surely we can agree that everything possible should be done to insure its success.

If, without relinquishing essential control, we can enable the administrators

to do a better job, to move more effectively toward the objective of the program, to get more results for the tax dollars expended, it seems to me it is our responsibility to do so. It is our duty to avoid waste of effort, waste of energy, waste of resources. Such waste is a disservice to our constituents. It dilutes our contribution on behalf of freedom, and economic and social growth in all parts of the globe.

It is because I believe the proposed long-term borrowing authority will promote efficiency and reduce waste that I support it.

APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT

The Senate resumed the consideration of 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.

The PRESIDING OFFICER. The hour of 2:15 p.m. having arrived——

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. STENNIS. Mr. President, the recent hijacking of American passenger planes constitutes insults to the United States and seriously impairs our prestige in a family of nations. Further, it is a menace to the safety and welfare of our individual citizens. We owe them the utmost in protection.

No one can say exactly to what extent these events have been encouraged or participated in by the Castro regime. But it is certain that nothing has been done by the Castro government to discourage such incidents, and the evidence is clear that at least two of the incidents have been entirely condoned. In effect, the act of hijacking was approved and adopted by the Cuban Government when it failed to quickly repudiate it and to do everything possible to make restoration in every particular.

It is further clear that the quick return of the American plane and passengers, following the hijacking yesterday in Mexico City, was prompted by the fact that a high official of a South American country was aboard.

To protect our position and our individual citizens, the United States must announce our intentions and exactly what we will do if and when similar events again occur.

To this end, we must formulate and announce a policy that we shall follow in the event of recurrences. Our plan should include the announcement that we will keep military power standing by; that, in the event of recurrences, we will directly intervene and use, if necessary, force to protect the rights of our citizens.

Under present conditions, virtually every American citizen who boards a plane in this hemisphere runs the risk of being imperiled by this menace. No air traveler is safe. No longer can we afford to postpone a definite policy and firm action.

Perhaps these hijackings are all Communist inspired. The hour is already here when we must act in order to avoid what otherwise will be certain to come in the future. Frankly, I see no danger whatsoever of starting a war through protecting ourselves in this matter. In fact, the best way to avoid a war is to announce immediately our policy, and then follow with a plan of action from now on.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? 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 Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mrs. NEUBERGER], 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 Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mrs. NEUBERGER], 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.

The Senator from Kansas [Mr. CARLSON] is absent on official business.

The Senator from Maryland [Mr. BEALL] and the Senator from Kentucky [Mr. MORTON] are detained on official business.

If present and voting, the Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Kansas [Mr. CARLSON], and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The result was announced—yeas 92, nays 0, as follows:

[No. 132]

YEAS—92

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

NAYS—0

NOT VOTING—8

Beall	Chavez	Neuberger
Butler	Fulbright	Symington
Carlson	Morton	

So the bill (S. 2268) was passed.

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. ROBERTSON. Mr. President, I ask unanimous consent that my remarks on the foreign aid bill be printed in the RECORD after the taking of the vote on the aircraft hijacking bill.

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

Mr. ROBERTSON. I also ask unanimous consent that if I am unable to conclude my remarks in 15 minutes, I may then yield, to permit the vote on the plane hijacking bill to be taken, with the understanding that following the vote, I shall have the floor again.

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

Mr. ROBERTSON. Mr. President, I wish to register three objections to the pending bill to authorize an enlarged foreign aid program on a 5-year basis. In the first place, we are now spending a larger percentage of our gross national product, and needless to say by far the largest amount in the terms of money, than that being spent by any other nation in the world, to protect the free world from the encroachments of communism; and in view of the very large deficit that will be incurred by spending schemes already authorized, I do not feel that we are in a financial position to borrow additional money to be given away or loaned with little chance of repayment. In the second place, I have consistently opposed the financing of genuine revolving funds as well as outright grants and unsecured loans tantamount to grants by authorization to draw directly upon the Treasury, commonly referred to as back-door financing. And, last, but by no means least, I urged the then Administrator of foreign aid, Mr. Paul Hoffman, in the late fall of 1949, to provide no more of our money to be poured down the rathole of socialistic schemes.

But that protest had no effect then, nor has the overall policy in that regard been materially changed.

The tremendous spending program of the current session of the Congress, involving deficits which may become highly inflationary, is too well known to need discussion at this time. For instance, House and Senate conferees agreed yesterday on the defense appropriation bill authorizing very essential spending in behalf of national security, totaling about $46½ billion. The Berlin crisis is still a very real crisis; and when the President recommended that we

strengthen our defense posture by increasing the Eisenhower defense budget by approximately $5 billion, we dare not assume the responsibility of saying, in effect, that we have nothing to fear concerning the Berlin situation, and, therefore, we refuse to cooperate along the lines he suggests for its successful solution.

Mr. President, in the preceding speech on this subject made by the distinguished Senator from Maine [Mr. MUSKIE], he was asked by the Senator from Tennessee [Mr. GORE] whether the Senate could vote down the provision of the bill granting the privilege to draw directly on the Treasury. The answer is, of course, that the Senate could do so.

The burden of my remarks is to express the hope that the Senate will strike out that provision, by adopting the amendment proposed by my colleague, the senior Senator from Virginia [Mr. BYRD].

BACK-DOOR FINANCING

Mr. President, back-door financing ordinarily refers to authority to expend from public debt receipts—in other words, to borrow directly from the Treasury—and to contract authorizations, when these are part of legislative bills. The term "back-door financing" may also refer to the operation of certain revolving funds and the cancellation of notes of Government corporations or other agencies.

Back-door financing generally involves nonappropriated Treasury funds expended by Government corporations or other agencies, or appropriated Treasury funds expended under contracts entered prior to the time appropriations were made. Authorizations to expend from public debt receipts are usually reported by congressional committees other than the Committees on Appropriations.

The most extensive use of back-door financing involves contract authority and authority to borrow directly from the Treasury. Article I, section 9, of the Constitution of the United States requires that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

This constitutional provision has been implemented in both Houses of Congress by adopting rules establishing the standing Committees on Appropriations. Rule XXV of the Standing Rules of the Senate pertains to the jurisdiction of the Committee on Appropriations. The rules requires that there be referred to the committee "all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects: First, appropriation of the revenue for the support of the Government."

Both the Constitution and the Standing Rules of the Senate, in my opinion, require the adoption, wherever possible, of the annual appropriations process for all types of Federal programs. To the extent that a bill—by back-door Treasury financing provisions—calls for the payment of money from the Treasury without the necessity of further action by the Congress, both the mandate of the Constitution and the mandate of the Senate are bypassed. To the degree that proposed legislation permits, prior to appropriation, Government agencies or other bodies to enter into contracts for future expenditures, these same mandates go by the board. Now is the time for us to reaffirm the wisdom of the Founding Fathers, as well as to comply with the rules of the Senate itself, by calling for annual appropriations, and by rejecting the unsound principle of back-door Treasury financing.

If, on the other hand, we allow back-door Treasury financing to proliferate, the Congress will offer additional blank checks on the Treasury, payable on demand, and without notice, for any amount up to statutory limits. That, in my opinion, is no way for the Congress to legislate in connection with its power to spend, tax, and print money. Let us, rather, hold fast to the long-tested regular appropriations process. This gives the Congress a regular oportunity to review programs, to authorize expenditures of maximum amounts, to influence the timing of such expenditures within fiscal years, and to recommend changes whenever needed in the public interest.

Appropriations financing has always provided a direct method of redirecting, expanding, reducing, or calling a halt to a program, in accordance with the past experience of the program and the demands of the future. Back-door financing, however, means that the regular appropriations process is utilized only to provide a formal annual authorization, if any; control over the program may be effected only through indirect limitations over administrative expenses. To correct the administration of a back-door-financed program might well require a large-scale investigation, followed by legislation for its revamping. The delays and expenses inherent in such a process provide a sufficient argument against this method of congressional operation.

The Comptroller General of the United States for a number of years has criticized back-door financing as a method of bypassing the regular appropriations procedure. In a letter dated April 22, 1958, to the chairman of the Senate Committee on Banking and Currency, Comptroller General Campbell stated, in part:

> The General Accounting Office has for many years taken the position that funds to finance Government activities should be made available to the corporations and agencies responsible for administering the programs through the normal appropriations processes rather than through authorizations to finance through public debt transactions.
>
> Authorizations to finance through public-debt transactions result in moneys being expended without the initial review by the Appropriations Committees and are usually stated in terms of a continuing maximum amount of obligations to the Treasury which can be outstanding at any time, thus avoiding the annual reviews by the Appropriations Committees. We believe that the financing of loan programs through public debt transactions, by combining program authority with funding, tends to perpetuate programs that might not otherwise stand the test of continued congressional scrutiny.

Back-door Treasury financing has already grown to unreasonable dimensions. At the end of the fiscal year 1960, outstanding borrowings from the Treasury under public debt transactions exceeded $33 billion. Up to the same date, a cumulative total of $114 billion had been borrowed. At the same time, unused authorizations outstanding under which additional borrowings could be made were more than $25 billion. I shall offer for the RECORD a table showing public debt transactions by each fiscal year from 1932 through 1960.

Authorization to spend money borrowed directly from the Treasury was first granted to the Federal land banks in 1918. The RFC in 1932 represented the first more recent use of such authority. The proponents of back-door financing argue that these and more recent precedents justify additional back-door Treasury financing. On the contrary, they merely emphasize the necessity of going no further, lest the great majority of Federal agencies and other bodies eventually operate on the same basis.

Some persons advocate using the borrowing authority for loan programs, and using the appropriations process for expenditure programs. I do not agree with this position. Merely because a program operates to extend loans, there is no guarantee that such loans will be repaid. We know of many cases in which the making of a loan was not equivalent to the making of an investment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows previous back-door financing amounts to $114,490 million.

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

Public debt transactions, June 30, 1932, to June 30, 1960

[In millions of dollars]

Fiscal year	Borrowings and other advances from Treasury during year	Unused authorizations outstanding at yearend	Outstanding borrowings from Treasury at yearend
1932	350	1,150	350
1933	1,235	2,537	1,585
1934	1,670	7,571	3,255
1935	825	5,590	3,655
1936	865	4,587	4,030
1937	227	4,998	3,630
1938	345	5,784	883
1939	426	6,235	273
1940	642	6,874	104
1941	798	9,374	302
1942	4,178	18,868	4,079
1943	6,969	15,775	7,519
1944	7,615	15,157	10,717
1945	4,149	16,810	12,169
1946	3,553	24,527	12,505
1947	7,347	21,206	16,580
1948	5,505	15,167	9,123
1949	5,851	13,474	13,184
1950	4,032	16,991	14,757
1951	3,781	17,605	15,361
1952	2,739	21,327	15,854
1953	4,420	20,006	18,369
1954	5,398	20,738	19,067
1955	6,224	19,245	22,348
1956	5,273	17,980	26,173
1957	6,078	19,834	28,888
1958	7,302	25,197	28,019
1959	9,959	25,186	32,828
1960	6,734	25,734	33,068
Total	114,490	----------	----------

Source: "Combined Statement of Receipts, Expenditures, and Balances of the U.S. Government for the Fiscal Year Ended June 30, 1960," U.S. Treasury Department, pp. 492-493.

Mr. ROBERTSON. Nor is there any reason why, in my opinion, Federal moneys advanced for loans should not be subject to the same annual scrutiny provided by the appropriations process for other types of outlays.

Recently, the Senate considered the omnibus housing bill, which committed the Federal Government to underwrite $9 billion in housing loans and grants over many years. Over $5 billion of this total was in the form of outright grants, and the remainder was in the form of loans. Nearly all this vast sum was authorized under some type of back-door-financing arrangement. When the Congress approved the bill, it in effect lost control, within specified limits, over the amount and timing of these back-door housing loans and grants, in some instances for as long as 40 years. It waived control for as long as one generation, despite whatever other demands might arise upon the Federal budget, and regardless of whatever future conditions might prevail in the general economy or in the housing market. Now is no time to compound this and other mistakes by authorizing additional use of back-door financing.

Our long-term commitments—even excluding the $26 billion in unused authorizations outstanding to draw funds directly from the Treasury, through back-door financing—are large, indeed. These commitments currently include approximately $9 billion in annual interest on the national debt, $1 billion in annual veterans' pensions, and other built-in expenditures over which the Congress holds no real control. We have already gone far enough—if not too far—in complicating Federal fiscal and monetary policy through the proliferation of different types of expenditure authority subject to little, if any, immediate congressional control.

Mr. President, my third objection is to the financing of socialistic projects.

THE FUTILITY OF FINANCING SOCIALISTIC PROJECTS

In the fall of 1949, other members of the Senate Appropriations Committee and I visited 14 countries in Europe, which were participating in what we then called the Marshall plan. I found evidences of lavish spending and inefficiency; and, immediately upon my return, I publicly advocated that the amount being appropriated should be reduced by at least a billion dollars. I also wrote to the then Administrator, Paul Hoffman, a long letter in which I commented upon the lavish use, by foreign governments, of American dollars, in the operation of socialistic enterprises which, in my opinion, could never successfully compete with the type of enterprise we have in this country; and I also predicted that there would be no real recovery in Western Europe unless and until the countries then receiving lavish help from us modified their extreme nationalism and promoted trade between themselves, by the reduction of tariff and currency barriers.

I wish to read that letter to the Senate, first, because everything I said has subsequently been proved to be true; and, second, because we are now engaged in making the same kind of mistake in South America, where our distinguished Secretary of the Treasury has promised not only a 5-year plan, but also a 10-year plan and a greatly increased contribution on our part, over and above the pending bill, unless European nations help out, which is most unlikely. Typical of the waste incident to socialistic operations are the tin mines in Bolivia, which under private ownership and operation were highly profitable, but under government operation and without any capital investment whatever have been kept afloat only through the use of our foreign aid funds.

And Chile is proposing to duplicate that unfortunate experiment where 90 percent of the tin-producing mines are now owned by American citizens. Chile plans to nationalize those tin mines either with a nominal payment to the present owners or through the issuance of bonds of the hope-long-deferred type, and eventually, like Bolivia, will wind up operating those mines through the use of the foreign aid recently promised them by Secretary Dillon. In the meantime, down the rathole of socialistic schemes will go our hard-earned American dollars. And the brave, eloquent words of Secretary Dillon: "We must add the new and broad dimension of social development in a conscious and determined effort to further social justice in our hemisphere" will become as a sounding brass and a tinkling cymbal. If there is any fundamental difference between the freedom of a representative democracy and the dictatorship of communism, it is the economic fact that social justice can neither be developed nor broadened by the state's taking over the instrumentalities of production, as recommended by Karl Marx.

In his new book entitled "George Mason: Reluctant Statesman," Dr. Robert A. Rutland, after quoting Mason's draft of Virginia's bill of rights concerning the inalienable rights of life, liberty, "and the means of acquiring and possessing property," said:

> Leave men alone and they will be clever enough to see that freedom and tolerance best serve their self-interests and permit them to enjoy the blessings of life and property. That is true liberty and the unfettered pursuit of happiness.

The pending foreign aid bill contemplates tremendous expenditures for military aid to Western Europe which has become so very prosperous since it eliminated the trade and currency barriers, to which I referred in the Paul Hoffman letter, that those countries are serious competitors of ours in the markets of the world and are sending textiles, steel, veneer, glass, and other imports into this country to an extent that it is creating genuine hardship among our domestic producers of the same products.

Mr. President, upon my return to the States after the inspection trip to Western Europe to which I referred, I wrote, on December 4, 1949, a letter to Hon. Paul G. Hoffman, Administrator of ECA. I ask unanimous consent that the letter may be printed in the RECORD at this point.

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

DECEMBER 4, 1949.

Hon. PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration, Washington, D.C.

DEAR PAUL: As the result of slightly more than a month in Western Europe, I feel that I have gained a better understanding of some of our economic and military problems in that part of the world. Surface impressions, of course, can be erroneous but, in addition to attending all official meetings, I made it a practice in each country to interview as many as I could with no government connections, hoping thereby to get an accurate cross section of opinion.

My visit to Europe has definitely convinced me that ECA was soundly conceived as an integral part of an overall peace program and has been as efficiently administered as so vast a program in a large number of foreign countries could hope to be. Our primary objective of stemming the onrushing tide of communism has been achieved.

The people of Western Europe now have, in an amount sufficient for a sustained effort, the three essentials of life—food, clothing, and shelter. Their productive capacity has not only been restored but in all countries except Germany and Greece, slightly exceeds the prewar level. Their chief problem now is one of exchanging items of which they have a surplus for items they do not possess or which are in short supply. In other words, the economic stability of Western Europe is now more dependent upon economic integration than upon our further dollar aid. The small nations of Western Europe favor economic integration but France and Great Britain pay lipservice to it only.

While there may be some lowering of trade restrictions in Western Europe before our aid ends, my present impression is that the program will be quite inadequate. The trend undoubtedly will be to unilateral trade agreements or small grouping, like Benelux, but nothing approaching free trade in Western Europe or free currency convertibility.

Anti-Communist governments are now safely entrenched in the area in question and have the ability, with such military aid as may be given them under the Atlantic Pact, to make it tough for a potential aggressor. But if the people of a given country do not prize their personal liberty enough to fight for it, American gold will not put that divine spark in their hearts.

I think that we have assumed at least a moral obligation to continue the ECA program through fiscal 1952. In fact, I personally feel that our own best interests would require us to do so. But I likewise feel that the time is approaching when we can make a substantial reduction in the dollar aid. When we told foreign representatives that our national debt was approaching $260 billion and that we would probably end the current fiscal year with a deficit of $5½ billion, it left them unimpressed. They seem to think we have the Midas touch and if we don't convert things into gold for them, it will be because we are selfish and want them to be underlings.

But I am deeply concerned over the fact that in the last few years, excluding strictly war expenditures, we have spent more than during the period from President George Washington to President Truman. I am convinced that if we go broke, which is a possibility, there is not a nation in the world that would lend us a thin dime. Consequently, as a member of the Appropriations Committee during the 2d session of the 81st Congress, I shall make the best fight of which I am capable for a reduced budget. Such a fight, of course, must include the next appropriation for ECA. I hope it will

be feasible for us to limit it to about $2½ billion and end it the following year with about $1 billion.

I realize, of course, that when the program ends, we will be cordially disliked in Europe and in some sectors actively hated. But Europe does not have our system of private enterprise as a stimulant to production, and never will, it does not have our area of free trade; no one country is so nearly self-contained with respect to raw materials as we; and, for other reasons needless to be enumerated, Western Europe did not have our standard of living before either of two World Wars and will never have it in the foreseeable future unless we are foolish enough to spend ourselves into bankruptcy.

As a means of curtailing ECA expenditures, I would recommend that ECA make no more loans, referring those who wish to borrow to the World Bank or the Export-Import Bank. We can't expect any European nation to go to the World Bank for 4½ percent money if we set up an agency to lend it at 2½ percent and possibly with a tacit understanding that it will never be repaid.

We should make every effort to establish satisfactory trade with India, from which country we can receive acceptable imports in exchange for surpluses we need to dispose of.

In the interests of a more stable world we should urge all nations who hold British war debts to refund those debts on a long-time basis and at an appropriate rate of interest. The Labor government of Great Britain will never realistically face the problem of competition in world markets so long as she can keep members of the labor unions employed in the production of high-priced goods for sale to sterling areas.

Spain desperately needs our wheat, cotton, and machinery, and never in her history has Spain defaulted on a debt. I would like to see Spain given an Export-Import Bank loan with a gentleman's agreement that the funds would be expended for the items mentioned.

When you have had an opportunity to reflect upon these suggestions, I shall welcome your reactions. As I said in the outset, they are merely surface impressions based upon an inadequate study, but I don't believe all of them can be wrong.

Cordially yours,

A. WILLIS ROBERTSON.

Mr. ROBERTSON. Mr. President, in that letter I called attention to the fact that our funds were being wasted in Europe on socialistic schemes, and how those countries needed to cut down their trade barriers. There was no real prosperity in Western Europe until the Common Market was created.

In Mr. Hoffman's letter in reply to my letter, he promised to cut out the program 2 years from that time. That would have been 10 years ago.

I ask unanimous consent that the letter from Mr. Hoffman in reply to mine be printed at this point in the RECORD.

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

ECONOMIC COOPERATION ADMINISTRATION,
Washington, D.C., December 13, 1949.

The Honorable A. WILLIS ROBERTSON,
U.S. Senate.

DEAR WILLIS: I am most grateful to you for your letter of December 4, 1949. In this complicated job ECA has to do it is of inestimable value to me to have the observations and conclusions of, intelligent, independent observers of the European scene. If such reports are available to us we have the means of verifying or correcting our own conclusions and as a result we are enabled both to avoid making continuing mistakes and to deal with new problems of which we may not have been fully aware.

I am also grateful to you for your kind words about the important place of the European recovery program in an "overall peace program" and for your endorsement of its administration.

I appreciate your suggestion to me that you would be glad to have my reactions to the points you make in your letter and I shall give these to you in complete frankness.

At the outset let me say that you have put your finger upon some of the most important questions and difficulties with which we are concerned. I fully agree with you that the success of the recovery program in Western Europe depends upon achieving effective economic integration, that we cannot permit the Western Europeans to overlook the conclusion that our aid must be a declining amount with a definite terminal date, that the future of the world depends upon the United States continuing strong and solvent and that the participating countries must realistically face the problem of increased dollar earnings and of competing in world markets. As you perhaps know, in my speech to the Council of the OEEC on October 31 I pounded hard on certain of these subjects and I believe with you that the participating countries must make substantial progress in dealing with these questions without delay.

I should now like to discuss in more detail some of the specific statements and conclusions in your letter.

You say, "But I likewise feel that the time is approaching when we can make a substantial reduction in the dollar aid." The context in which this appears in your letter might be taken to imply that you feel ECA does not agree with you on this point and will be reluctant to accept this policy. In fact, I feel as strongly as you do about this and I believe our actions bear this out. The first year of the program involved appropriations of roughly $5 billion, plus about $564 million for government and relief in Germany, which was contained in a separate appropriation for the Department of the Army. For the second year we requested about $4 billion and the Congress finally appropriated $3,778 million. This figure again was exclusive of a separate appropriation to cover expenditures for gvoernment and relief in Germany. If this latter item is added in, the total available for Western European recovery in the fiscal year 1949–50 comes to roughly $4,150 million. In testimony before congressional committees earlier this year, I stated my belief that further large cuts in subsequent fiscal years could be expected. Our continuing examination of the recovery program since that time confirms this belief. Though the President and the Bureau of the Budget have not as yet determined the amount to be requested for the fiscal year 1951, I can assure you that the request when submitted will show "a substantial reduction in the dollar aid."

You mentioned in your letter that you "hope it will be feasible for us to limit it to about $2½ billion." I assure you I should like nothing better than to be able to accomplish this but I believe that too large a cut would entail a most serious risk of failure in what I think we all agree has been a program of the greatest significance to world recovery and to the prospect of peace and security. I still believe that it does not make sense to use a 15-foot rope to rescue a man who is about to drown 20 feet from shore. I assure you we are not going to ask for a single dollar that we do not think is really needed for the purposes of successfully achieving our objective and I think you will agree that our record to date warrants confidence in us on this score. I would, therefore, urge you to preserve an open mind on this subject and not to conclude that $2½ billion will be enough until we have presented before you and others in Congress our detailed justification of our final budget estimates.

You are rightly concerned, as I am, with the tremendous expenditures of the U.S. Government and the possible consequences of such expenditures to our own stability and solvency. I assure you, however, that if enough funds are not appropriated to achieve European economic recovery and Europe relapses into the conditions of 1947 and early 1948, we should soon find communism on the march again with a consequent potentially disastrous threat to our own security. I for one am convinced that under these circumstances we should soon be forced to spend many times on increased military preparedness what we might have saved by relatively small reductions in ERP appropriations. Such a course, it seems to me, is not the way to protect either our solvency or our security or the peace of the world.

As I have already indicated both in this letter and in my speech to the Council of the OEEC, I agree with you concerning the vital importance of real progress toward economic integration in Western Europe. I have some disagreement with you, however, when you state "the economic stability of Western Europe is now more dependent upon economic integration than upon our further dollar aid." My view is that the economic stability of Western Europe is still dependent upon both and that it is impossible to say upon which of the two it is more dependent. It is quite true that an important element in recovery and stability will be the increase in exchange of goods between the participating countries. However, even with the maximum achievement in this respect there are certain goods needed by the participating countries for their recovery which are not produced in sufficient quantities anywhere in these countries and must be bought for dollars in the Western Hemisphere. If these countries were exchanging their surpluses either in Europe or elsewhere in the world for currencies convertible into dollars they would not require dollar aid but I am afraid this happy state of affairs is not immediately in prospect. In any event their continued recovery and stability cannot yet be fully achieved solely by improving exchanges among themselves and must for a while continue to depend upon some dollar aid.

You say in your letter, "While there may be some lowering of trade restrictions in Western Europe before our aid ends, my personal impression is that the program will be quite inadequate." I agree that this is a real danger. But at the same time I assert that, even though we may have some apprehension on this score, neither the Western European countries nor we ourselves can permit this program to be inadequate. Recovery and independence from our aid depends to such an important degree upon success in removal of trade restrictions that we just cannot accept the prospect of failure in this part of the program. I believe this is well understood by the leaders of the Western European nations and I for one believe that because it is so urgently necessary we shall see a real achievement in this respect.

You point out that, "Anticommunistic governments are now safely entrenched in the area in question and have the ability, with such military aid as may be given them under the Atlantic Pact, to make it tough for a potential aggressor." I submit that the main reason why this is so today is the improvement in economic conditions which has been brought about by the European recovery program. I think you will agree that without this improvement the condition you describe would not exist today. It seems to me that it follows inevitably that economic deterioration due to a failure to continue an adequate recovery program would soon

reverse the trend. Under such circumstances, even with continued military aid, I should doubt that we would find the anti-Communist governments very safely entrenched. I believe that in turning back the tide of communism the European peoples have demonstrated two things: first, that they do prize their liberties enough to work and fight for them, and second, that the stamina to make this major effort depends on the hope of tolerable and improving economic conditions. The economic prospects of Europe are not yet firmly enough based to survive the withdrawal of U.S. aid, nor an overdrastic cut in our support.

I think your statement that "we have assumed at least a moral obligation to continue the ECA program through fiscal 1952" needs some qualification. Our assumption of any obligations was contingent upon the participating countries performing their part of the bargain. So long as they do so and we see a reasonable prospect of success in the program, I do feel we have a moral obligation to continue. My view is that we must be able to continue to justify our participation as being in the interest of the United States and of a stable and peaceful world or we have no obligation. I may say that I presently think the continuation of the program can be abundantly justified on these grounds.

I note that you are disposed to recommend that ECA make no more loans and that we refer those who wish to borrow to the World Bank or to the Export-Import Bank. I should like to state that we have in fact constantly followed the policy of considering whether or not in any given situation a loan from these banks instead of an ECA loan was feasible. The problem is, however, that there are certain dollar expenditures of some of the participating countries which are essential to their recovery but which cannot properly be covered by bank loans. I think you will be able to repay loans and, therefore, it full agreement on this point. In these cases, however, the National Advisory Council has determined that the countries in question will be able to repay loans and, therefore, it is not necessary for ECA to furnish assistance on a grant basis. It seems to me better to obtain from these countries an obligation to repay than it is to give them the dollars without any repayment provision. If the problem were not handled in this way and in view of the fact that the necessary dollars could not be obtained from the banks, the result would be that certain countries would be short of dollars required for recovery purposes and thus the program would be threatened in these countries. I do not agree, therefore, that cutting out of ECA loans, even though these are a relatively small proportion of the total of recovery funds, would be a practicable way of curtailing ECA expenditures.

I quite agree that the British war debts constitute a very difficult problem. Both ECA and the Government of Great Britain are concerned with the so-called unrequited exports from Great Britain involved in this situation. As you correctly pointed out, the tendency is for British goods to move into certain parts of the world in payment for debts owed by Great Britain to these areas and as a result there is less incentive to the British exporter or manufacturer to compete in the tougher dollar market. I have, as you know, laid great stress on the importance of giving incentives and removing obstacles to greater sales in the dollar market and we do not propose to relax our efforts to deal with any situation which has a bearing on this problem.

I apologize to you for the length of this communication but you have raised such important and basic questions in your letter that they cannot be dealt with adequately in a few sentences. I should welcome very much the opportunity to discuss with you even more fully any of these points for it is vital that there be a real analysis of them and a thorough understanding as between the legislative and the executive branches of our Government concerning the objectives and requirements of the European recovery program for the coming year.

With kind regards.

Sincerely yours,

PAUL G. HOFFMAN,
Administrator.

Mr. ROBERTSON. I replied to that letter in a letter of December 19, 1949, which I ask unanimous consent to have printed at this point in the RECORD.

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

U.S. SENATE, COMMITTEE ON BANKING AND CURRENCY,
Lexington, Va., December 19, 1949.

Hon. PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration, Washington, D.C.

DEAR PAUL: Your letter of the 13th is intensely interesting to me. You need make no apology whatever for its length, because I know you realize that no Member of the Congress is more deeply interested than I in our whole program of international cooperation or more earnestly striving to get the type of information so essential for sound and wise conclusions. Even with the best efforts I can put forth in that behalf, I constantly feel the need, as expressed by Benjamin Franklin to the Philadelphia Constitutional Convention, for "the Father of Light to illuminate our understanding."

I am happy to learn from your letter that you and I are still in substantial agreement concerning the ECA program. Long ago I gave up any hope of comprehending the magnitude of a billion dollars and sometimes wonder if I really understand what even a million dollars means since it is so far beyond my personal transactions and experience. Consequently I take the position if one man says that the future foreign job can be done for $2½ billion and another says it should be $3 billion that neither is in position to be categorical about the exact amount. In dealing with sums beyond our finite grasp we can merely make guesses on the basis of the best available information: Therefore I hasten to assure you that I shall keep an open mind on the exact amount of the next ECA appropriation bill and shall closely follow the detailed information to be presented to our committee by your organization at that time, with full realization of the fact that no Member of the Congress spending 2 or 3 days in 12 ECA countries can come home with as much reliable information as you are able to present.

In my opinion, Mrs. Anna O'Hara McCormick of the New York Times is one of the best political commentators of the Nation. In a recent article on this subject, she took me gently to task for saying in my letter to you that Western Europe is more dependent upon economic integration than upon further dollar aid. The first letter that I prepared to send to you, written on the boat as we were returning from Europe, was twice as long as the second one which was mailed from New York. I frankly felt the second letter was too long to send to a man so busy as you, but in an effort to condense my views I made some sacrifice of clarity to brevity. I thought in other paragraphs that I had made it plain that our own self-interest as well as a moral obligation conditioned, of course, upon mutual performance required us to continue the program for the promised period. In the reference to economic integration and currency convertibility, which is a part of the mutual agreement, I merely sought to convey my personal impression that that type of self-help on the part of the Western Europeans was more important than a continuation of dollar aid in the present volume and that without it I did not see how any amount of dollar aid whatever would ever put Western Europe on a permanent self-supporting basis.

I went to Europe with the background of not only thousands of pages of testimony we had taken on the subject of ECA but with a previous experience of 10 years on the Ways and Means Committee of the House, during which I had made an eager and painstaking study of tariffs and international trade as well as our domestic tax structure. I went to Europe, therefore, knowing exactly the type of information I desired and was frankly flattered when other members of our party told me after each country we had visited that apparently I had been able to secure more information concerning economic conditions in the country visited than had they. In the course of my travels I asked pointed and searching questions not only of officials in our Government and officials of the country visited but of all the American and foreign businessmen I could reach. As indicated in my letter to you, I found the small countries are eager for freer trade in Western Europe but was frankly discouraged by what I found in France and Great Britain, without whose active cooperation the program cannot be a success. However, in the words of Robert Louis Stevenson, "I shall travel hopefully" with what you say in the second paragraph of page 3 concerning the success of that part of our program.

I also agree, with respect to Italy and France, with what you say in the following paragraph about the continuing danger of communism. But a great Greek fable writer wrote a story about a boy who cried wolf once too often, which I would like the present generation of Frenchmen to reread. I do not know what the official figures show but I was told in Paris that we are now putting up one-half of what the French Government is spending. If that be true and the statement is accompanied with a detailed analysis of what the French Government is spending on socialistic schemes instead of a rearmament program, it will be an issue next year a bit tough for the friends of the program to defend.

I am prepared to accept all that you say in the third paragraph on page 4 concerning loans, since the total thereof as you explained to me over the telephone in Washington is far less than I thought. I am also reassured to hear you say that your present loan program has the approval of the World Bank and the Export-Import Bank. I did not get the information from McCloy in Germany but did gather the impression from another responsible person in Europe that officials of the World Bank feel that 2½ percent ECA loans are making it tough for the World Bank to place loans at a much higher interest rate.

Since writing you the letter mentioning British war debts to India, Pakistan, Egypt, and so forth, totaling perhaps $3 billion, I heard a radio program in which the refunding of those debts is listed as a "must" for permanent British recovery. It, naturally, pleased me to have that information for it confirmed the information I had gotten on that subject in London.

As the late Dr. Alderman used to say, "I covet an opportunity" to more fully discuss these matters with you when I get back to Washington in January. In the meantime, I send you heartfelt wishes for a happy Christmas season and may a kind and graceous providence give you the wisdom to continue to lead us along the highroad to peace with the strength to be patient with those less informed than you but who, nevertheless,

seek to contribute to the success of the undertaking.

Faithfully yours,

A. WILLIS ROBERTSON.

Mr. ROBERTSON. Mr. President, on December 16, 1949, I addressed the student body of Washington and Lee University on this same subject, recounting how Senator STENNIS and I and others had visited Europe, that we had seen great cathedrals, but how they were all empty, and that the people there were not worshiping God any more, and that we had seen how our money was going down the rathole of socialistic schemes. I stated that we would not get any return on our lavish foreign aid expenditures unless we insisted that those funds be spent under a system of private enterprise, such as we had—which has not been done, and it is not going to be done in Latin America.

I ask unanimous consent to have printed in the RECORD at this point the speech I made at Washington and Lee University, Lexington, Va., on December 16, 1949.

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

ADDRESS OF SENATOR A. WILLIS ROBERTSON BEFORE THE STUDENT BODY OF WASHINGTON AND LEE UNIVERSITY, LEXINGTON, VA., AT TAP DAY CEREMONY OF ODK, FRIDAY, DECEMBER 16, 1949

Even in ruins, the monuments of ancient Greece and Rome are great but the visitor familiar with his ancient history knows that they are the products of slave labor, working under the lash of cruel taskmasters. When ancient Athens had a population of 1 million, 700,000 of them were slaves. As one Greek explained to me, on a recent visit to Athens, those slaves furnished the horsepower for the erection of the massive marble columns of the Parthenon and the Temple of Jupiter. History tells us that at one time every Roman Senator had a minimum of 400 slaves, the lives of whom had no value except at the caprice of the master.

It was the Christian religion, first brought to Rome by St. Peter and St. Paul, that eventually changed man's conception of human dignity and human rights. While in Rome this fall I visited the dungeon in which Peter and Paul had been imprisoned, the great cathedrals which bear their names and the picture galleries which reflect the sufferings of the early church. In Athens I visited Mars' Hill, where Paul addressed the men of Athens, and in Switzerland the dungeon of the Castle of Chillon, where Bonnivard was in prison for 6 long years because of his religious faith. As I stood before the bust of Lord Tennyson in Westminster Abbey, I recall that he had said, "We are the heirs of all the ages." The greatest thing that the British inherited from those ages is the Christian religion, on the basis of which we formulated our democratic institutions.

Communism cannot win in the world until the Christian religion has been destroyed—and that is one of the major objectives of the Soviet Politburo. In Europe are the largest and most beautiful cathedrals in the world, but they were virtually deserted. Consequently in our interview with Pope Pius, whose leadership of the Catholics of the world against communism is a major contribution to the present security of the world, I said that if the 600 million who profess Christianity would unite and become activated with the same zeal for their cause that motivates the 800 million or more Communists of the world we should have no difficulty in winning. With that Pope Pius agreed.

While I was in London the University of London conferred an honorary degree upon our Ambassador and my personal friend, Mr. Lewis W. Douglas. In presenting that degree the chancellor of the University of London referred to the material and spiritual forces which make up our world, to the fact that the University of London has always stressed the humanities and the social sciences and he said it did not intend to yield to the current pressure for emphasis upon the physical sciences.

One has to visit the wartorn areas of Europe to adequately appreciate the physical damage that was done. Those familiar with those areas told me that the Marshall plan aid worked a miracle in their restoration. Europe would not have won the war against communism without that aid and the aid was more than physical. It gave to the war-weary and depressed people of Europe a new hope. But apparently the political leaders of Europe are not giving it what it needs as much as dollar aid, namely spiritual leadership and a rebirth of the zeal and the courage of those early Christian leaders who were willing to die for their faith.

The people of Great Britain will fight for their freedom and so will those of the Scandinavian countries. My personal belief is that the divine spark of freedom still burns in the heart of the average Frenchman, but, with 182 Communists in the French Parliament and with the labor unions of France dominated by Communists, the picture there is far from clear.

Since the war we have spent through UNRRA, surplus military supplies, military relief in occupied areas, and the Marshall plan over $22 billion in our program of international cooperation. Industrial production in all Marshall aid countries, except Germany and Greece, is now above the prewar level while the acute need for food, clothing, and shelter has been met. Under these circumstances, I am satisfied that next year we can make a substantial reduction in our ECA appropriations and end the program in 1952.

While our Nation is blessed with vast natural resources and a large area of free trade, our world supremacy in productive capacity is not due to those two factors alone, and neither will those two factors be enough to maintain it. We excel in world production primarily because under our system of private enterprise we give the greatest incentive to the individual to produce. There is not a faint resemblance to that system anywhere in Western Europe or for that matter in the world. Each of the 14 countries we visited is socialistic to a greater or less degree. They do not have our standard of living now and the socialistic program will never produce it for them.

I had no opportunity, of course, to observe what communism had done to the countries behind the Iron Curtain, but all the evidence we could get on that subject led us to the belief that the standard of living in all Communist countries is below that of Western Europe.

But from our standpoint, the standard of living in Europe is bad enough and I returned home with the firm conviction to make the best fight of which I am capable to preserve American constitutional freedom and the American standard of living, based upon a system of competitive enterprise. The socialistic governments in Europe with our aid are trying to give the people what the government cannot afford to give and for which the people are not paying. The closest approach to paying is in Great Britain, the heaviest taxed country in the world outside of Russia. And yet, since the war, the Labor government has received dollar aid from the United States and Canada in the sum of $7 billion. As John T. Flynn, in his recent book, "The Road Ahead," says, "Socialism did not come to Great Britain by that name," and those who are trying to bring it to us have not so labeled it. With the exception of the liquor and tobacco monopolies in Italy, every nation in Europe is operating the enterprises owned by the government at a loss, or a profit that is nominal. Yet there are those in this country who would like for us to take over the utilities, the communications systems, the transportation systems, the coal mines, etc. And a bill was introduced in the House last year at the urgent request of the administration to authorize the appropriation of a vast sum of money to put our Government into the steel business.

Our salvation, as well as that of the remainder of the world, is for us to remain financially solvent. To do that the next session of the Congress must drastically curtail the spending program and make every effort to balance the budget, and it must likewise stoutly resist those bills, such as the civil rights bills, which all impartial lawyers recognize as being unconstitutional.

As a Member of the Senate I have been put on notice that, as soon as we meet, there will be brought up for action the pending FEPC bill, which is unconstitutional, economically and socially unsound and smells to high heaven of political demagogery.

We are living in a new world and it presents a challenge to the new generation. I give thanks for a school like Washington and Lee, which still trains young men in the humanities and the social sciences. They leave its sacred walls imbued with the spirit of Robert E. Lee, who taught the youth of the South after it had felt the iron heel of war, that if their fair Southland was to be rebuilt in a manner in which it could achieve its manifest destiny, it must be on the fundamental principle that duty is the sublimest word in the English language. No one knows how long the cold war will last or what it will cost. Those who passed on to us constitutional freedom and private enterprise sacrificed to do so. The cold war is a challenge to our democratic institutions and if we be unwilling to sacrifice to preserve them they could be lost forever.

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

Mr. ROBERTSON. I yield.

Mr. ERVIN. The Senator from Virginia made an allusion to the Secretary of State's suggestion that there should be social justice.

Mr. ROBERTSON. That is correct.

Mr. ERVIN. The record shows that the United States has been extending aid to Central American countries, under a similar plan, since 1954. Is that correct?

Mr. ROBERTSON. That is correct.

Mr. ERVIN. The owners of large coffee plantations in Central American countries pay taxes on their property at a rate of 30 cents for each $100 evaluation, and they pay no income tax whatsoever. In view of the fact that the average American pays taxes upon his property at a rate of approximately $2.25 for each $100 of the value of his property, and in addition to that, pays to the Federal Government a tax upon his income at a rate of from 20 percent to 91 percent of his net income, and in view of the fact that the average American taxpayer in most cases also pays a substantial amount of income tax to the State in which he lives, does not the Senator from Virginia think that somebody ought to be concerned about the social injustice of taxing American citizens in such an exorbitant fashion as

that for the purpose of giving the money they pay in taxes away to people who refuse to tax themselves?

Mr. ROBERTSON. Absolutely. There is a great misconception about the word "equal." The word "equal" never has meant that everybody should have equal wealth. The word "equal" has never meant that everybody is equal in character, mentality, and energy. Social justice should mean only the opportunity, as George Mason said in our Declaration of Rights, of a man to acquire and possess property. And if people do not work for it, if they do not have our private-incentive system, they will never achieve the standard of living we have achieved. And anybody who tries to equate social justice with an equal standard of living is trying to do what never has been done and what never will be done.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 26, 41, 54, 64, and 65 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 69, 71, 74, and 75 to the bill, and concurred therein, severally, with an amendment, in which it requested the concurrence of the Senate.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

Mr. SCHOEPPEL. Mr. President, I move that the Committee on Government Operations be discharged from further consideration of Senate Resolution 186, covering Reorganization Plan No. 7, relating to the Federal Maritime Board.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Must not the Senator who makes such a motion state that he supports the resolution?

The PRESIDING OFFICER. The rules so require. Does the Senator from Kansas support the resolution?

Mr. SCHOEPPEL. Yes.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Under the procedures by which it is proposed to consider the resolution, as I understand, there is to be an allocation of 1 hour of time, to be equally divided between the proponents and the opponents.

The PRESIDING OFFICER. Will the Senator from Montana permit the Chair to state the question?

The question is on the motion of the Senator from Kansas to discharge the Committee on Government Operations from further consideration of Senate Resolution 186, the subject of which is Reorganization Plan No. 7, relating to the Federal Maritime Board. The time will be equally divided between those favoring and those opposing the resolution, and debate thereon is limited under the law to not to exceed 1 hour.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be allocated so that 30 minutes will be under the control of the Senator from Kansas [Mr. SCHOEPPEL], and 30 minutes under the control of the chairman of the Committee on Government Operations, the Senator from Arkansas [Mr. McCLELLAN].

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

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Arkansas yield to himself?

Mr. McCLELLAN. Three minutes.

The procedure now being followed is a special procedure, and not the general rule of the Senate. This is a procedure that is prescribed when a reorganization plan is submitted, and the committee to which the reorganization plan is referred fails to take action on a resolution of disapproval that may have been referred to that committee.

So I felt that in view of the special procedure that is now being undertaken, I, on behalf of the committee, should make a brief statement for the RECORD, so that all Senators will understand why this course of action is being pursued.

Reorganization Plans Nos. 6 and 7, providing for reorganizations of the Federal Home Loan Bank Board and of the Maritime functions of the Federal Government, respectively, were submitted to the Congress on June 12, 1961, and referred to the Committees on Government Operations.

Resolutions of disapproval were filed in the House on June 12 and 13—House Resolutions 335 and 337 on plan No. 6 and House Resolutions 336 and 338 on plan No. 7. Hearings on the plans were held before a subcommittee of the House Committee on Government Operations on June 27, and the full committee voted to table the resolutions of disapproval on July 14, 1961.

Extensive hearings were also held before the House Committee on Merchant Marine and Fisheries on plan No. 7 on July 11, 12, and 13, 1961. An executive session was also held on July 18.

Under the procedure prescribed by the provisions of the Reorganization Act, motions to discharge the committee and to call up the resolutions—House Resolution 336, providing for the disapproval of plan No. 7, and House Resolution 335, providing for the disapproval of plan No. 6—for floor action were defeated in the House on July 20 and August 3, 1961, respectively. These actions were tantamount to approval of both plans by the House of Representatives.

As chairman of the Senate Committee on Government Operations, I requested the respective chairmen of the committees having legislative oversight jurisdiction over plans No. 6—the Senate Committee on Banking and Currency—and No. 7—the Committee on Commerce—to submit their views and recommendations on the plans.

I understand the Senate Committee on Commerce held hearings on plan No. 7 on July 19, and, at an executive session held on August 1, 1961, failed to reach an agreement as to what specific recommendations should be made to the Committee on Government Operations.

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

Mr. McCLELLAN. Mr. President, I yield myself an additional 3 minutes.

I have since received letters from the chairman, submitting the views of eight members of the Committee on Commerce. The chairman informed me that a majority of the committee favored the plan.

A letter was received by me as chairman of the committee from Senator JOHN SPARKMAN, chairman of the Subcommittee on Banking and Currency which considered a similar request made to that committee, favoring plan No. 6.

Senate Resolution 186, disapproving plan No. 7, was filed in the Senate on July 28, 1961, by the Senator from Maryland [Mr. BUTLER]. Senate Resolutions 187 and 188, disapproving plan No. 6, were filed on July 28 and July 31 by Senators DIRKSEN and CAPEHART, respectively. The one by Senator DIRKSEN 13 days ago, and the one by Senator CAPEHART only 10 days ago. All three of these resolutions were referred to the Committee on Government Operations.

The committee has had no requests for hearings on either of these resolutions. No communications have been received expressing opposition to either plan No. 6 or No. 7 except one wire from Mr. Everett T. Winter, ex-vice president of Mississippi Valley Association, against plan No. 7 and one other letter from the Maritime Audit Service. Three savings and loan organizations have, however, expressed an interest in plan No. 6, relating to the Federal Home Loan Bank Board, indicating that it would, in their view, improve the administration of the Board, if permitted to go into effect.

Inasmuch as hearings have been held on both of these plans by House committees and on plan No. 7 by the Senate Commerce Committee, and resolutions of disapproval were filed in the Senate on the dates I have stated, and only 14 days prior to the date the plans will become effective—August 11, 1961—unless disapproved by the Senate, it is my view that there has not been either sufficient time or the necessity for the Committee on Government Operations to hold hearings and thus duplicate the hearings held by other committees, nor is there sufficient time left to prepare and submit adequate reports to the Senate.

I point out those circumstances so that the Senate may know that the Committee on Government Operations actually has not had the time to hold hearings in order to process properly the resolutions of disapproval.

Subsequent to the filing of the resolutions, the Committee on Government Operations had no requests to hold hearings on the resolutions. The procedure today is in accordance with the Reorganization Act. If the committee takes no action, it is proper procedure for any Senator favoring the resolution to move to discharge the committee and to have a vote. Therefore, I say there is no serious objection on the part of the committee to being discharged from further consideration of the resolution but I wanted the RECORD to show that the reason the committee has not taken action is that there was actually no request for it, and because the resolution of disapproval was filed so late that we have not had fair opportunity to do so.

Mr. President, I yield 4 minutes to the Senator from Alaska.

Mr. BARTLETT. Mr. President, I support Reorganization Plan No. 7 relating to Maritime and, consequently, oppose the resolution of disapproval. Basically at issue is that part of the plan which proposes to vest in the Secretary of Commerce the authority for promotion of the American merchant marine as embodied in the Merchant Marine Act of 1936. There appears to be substantial agreement that the separation of the functions—administrative from quasi-judicial—is desirable for better fulfillment of each. From this point it has been argued that since Congress can only accept or reject these plans it is the higher course of wisdom to take the bitter with the sweet and accept the new promotional structure.

It is my judgment that this argument overlooks the affirmative virtues of the plan before the Senate today. This was no hastily drafted or ill-thought-out product; it is perhaps the most carefully considered of all the plans submitted because it makes structural changes in an unusually sensitive field. The maritime industry and the agencies regulating it occupy positions where an atmosphere of public confidence is of the utmost importance. Theirs is a virtual partnership, frequently subjected to sharp criticism, but essential if the merchant marine is to fulfill its vital mission in both peacetime commerce and strategic emergency.

As I understand it, the initiative for defeating this plan comes from the merchant marine industry itself because of the fear that their substantial investments will be at the mercies of an arbitrary Secretary of Commerce. As the Senator from a noncontiguous State 99 percent dependent on service from an American merchant marine, no one realizes better than I do the need for protection and development of our privately owned ocean carriers. Primary assistance must be given to those long-term, responsible operators that will provide essential services despite the economic cycles common to trade by the seas. I would be as fearful as the industry if I thought that whim rather than fact, politics rather than principle, were to control the future course of their companies.

It is my firm belief that these fears are exaggerated. The Secretary of Commerce will have the affirmative function to promote the American merchant marine. And this is a measurable responsibility with reliable guides and standards developed over a period of time. Six, eight, twelve, or fourteen months from now Congress can evaluate how successful he has been—and Congress will be vigilant in this respect just as we have been a little negligent in the past. It can be determined readily whether the assigned function is being fulfilled—the Secretary is aware of this as well as the industry.

Moreover, one can hardly imagine a more forceful and powerful ally for this essential field than the Secretary of Commerce. Never before has this industry enjoyed a voice in the highest council of our Government, the Cabinet. Under this plan, they will have this representation. And far from him being a hostile spokesman, it has been the inevitable course of our administrative agencies for the sword to become a shield. Beginning with the ICC 80 years ago, the agencies always become the stanchest supporters and friend of the industry that originally imagined its death knell was sounding.

There is still another protection for the legitimate aims and investments in our merchant marine. In each case where a hearing is required or a hearing provided, the parties are entitled to and will receive all the guarantees of the Administrative Procedure Act. This act applies in every case unless specifically excepted—in the case of Reorganization Plan No. 7, there are no exceptions. As my colleagues know, these guarantees include appeal to the courts where abuse of discretion or arbitrariness can be corrected as in the case of other agencies.

The only argument advanced in opposition to plan No. 7 is that one man will now have the decisionmaking function previously exercised by a board of three. This appears to rest more on form than substance; however, to allay these fears the Secretary has agreed that the initial decision in subsidy matters should be made by the Maritime Administrator and his two top lieutenants. If he so chooses to exercise his authority it is an acceptable method. However, in the drafting of this plan extensive consideration was given to the problems of the past—mainly administrative delays and public distrusts of the exercise of the promotional functions. Many of us in this Chamber have at one time or another been sharply critical of the agency for deviations in these two particulars. And I believe this plan provides the mechanism for overcoming these shortcomings. When responsibility is diffused over a board of three—rather than centered in one man—there is the power to obstruct and delay. As we have experienced in the past, each points over his shoulder at the other but no decision ever appears. Finally, when one man is isolated with the decisionmaking power he is placed in a veritable glass cage where everyone can watch. He must of necessity place himself above suspicion of a decision influenced by ex parte representations or other communication. He can least afford the possibility of public distrust when he is above all the Secretary of Commerce.

Mr. President, far from this being a plan that is "livable," I believe it one that deserves the full support and cooperation of the Congress and the industry. It has been carefully designed to correct the failures of the old organization and prepare the groundwork for a more successful fulfillment of the ideals of the Merchant Marine Act, 1936. I hope that on closer examination all of my colleagues will find as I do that Reorganization Plan No. 7 deserves support.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may make a parliamentary inquiry without the time being charged to either side.

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

Mr. McCLELLAN. Am I correct in stating that there is an hour's time for debate on the pending motion to discharge the committee, equally divided between the proponents and opponents of the motion?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. If the motion is adopted, that will automatically place the resolution on the calendar, will it not?

The PRESIDING OFFICER. That is correct.

Mr. McCLELLAN. Will a motion then be in order, after it is placed on the calendar, to call up the resolution for consideration?

The PRESIDING OFFICER. It is a privileged matter.

Mr. McCLELLAN. It is a privileged matter, but a motion would have to be made to call it up. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. It would be in order to call it up on motion.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. After it is called up, 10 hours of debate on the merits of the resolution would be in order. Is that correct?

The PRESIDING OFFICER. A maximum of 10 hours.

Mr. McCLELLAN. To be equally divided?

The PRESIDING OFFICER. Yes. That would be the maximum time provided by the act. The time could be reduced.

Mr. McCLELLAN. It could be reduced. The only thing I want to do is to advise Senators who may be interested in this subject matter that there will be ample time for debate, and that we do not have to crowd it all into this 1 hour.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHOEPPEL. Mr. President, I yield myself 10 minutes. I appreciate the statement of the distinguished Senator from Arkansas [Mr. McCLELLAN]. I desire to state to the Senate that the resolution was submitted by the Senator from Maryland [Mr. BUTLER], who, if it were not for the fact that he is incapacitated and in the hospital at Baltimore, would be here in furtherance of the resolution. At the same time I wish to read, for the benefit of the Senate, a letter under date of August 4, which was sent to the Honorable WARREN G.

MAGNUSON, chairman of the Commerce Committee, by those of us who are on the minority side of the committee. The letter is as follows:

U.S. SENATE,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
August 4, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, Washington, D.C.

DEAR SENATOR MAGNUSON: In accordance with the invitation which you expressed during our executive session on Tuesday, August 1, we are submitting herewith our views on Reorganization Plan No. 7 relating to the Maritime Board.

It is our understanding that you will transmit these views to the chairman of the Committee on Government Operations for the consideration of his committee. For that purpose an additional copy is furnished.

In our judgment, Reorganization Plan No. 7 properly separates the regulatory and the promotional activities of the present Maritime Board. We approve the transfer of the regulatory functions to a new Federal Maritime Commission. However, the testimony offered during consideration of Reorganization Plan No. 7 by our Merchant Marine and Fisheries Subcommittee amply justifies our view that it would be unsound to remove functions with respect to determination of subsidies from a statutory board and place those functions in the hands of the Secretary of Commerce.

As the record before our subcommittee shows (pp. 121 and 135 of transcript), former President Truman, in transmitting his Reorganization Plan No. 21, rejected the vesting of subsidy functions in a single individual and in so doing adhered to the recommendation of the Hoover Commission.

No doubt because of his awareness of these authoritative objections the Secretary of Commerce, in his testimony before our Merchant Marine and Fisheries Subcommittee, declared his purpose to establish within his Department a panel of three officials specifically charged with administering subsidy functions. Such a panel would exercise a delegated authority which, by its very nature, would be subject to countermand in particular instances or to complete revocation. It is notable that the shipping industry, with its own billions of dollars in investments to be considered, testified to its distrust of giving one man ultimate and sole responsibility for subsidy functions.

In our judgment the present Maritime Board should be retained and should continue in possession of the powers it now administers with respect to both ship construction and operating differential subsidies.

It should be noted in connection with plan No. 7 that although the reorganization plan respecting the Federal Communications Commission was disapproved, the Senate promptly enacted legislation to put into effect most of the provisions of the reorganization plan.

We would welcome similar action with respect to the Maritime Board and to that end we are willing to give prompt consideration and support to a bill which would establish a new Federal Maritime Commission and endow it with regulatory authority.

We respectfully recommend that the Senate Committee on Government Operations report favorably Senate Resolution 186 disapproving Reorganization Plan No. 7.

Sincerely,

ANDREW F. SCHOEPPEL.
JOHN MARSHALL BUTLER.
NORRIS COTTON.
CLIFFORD P. CASE.
THRUSTON B. MORTON.
HUGH SCOTT.

Mr. President, the distinguished Senator from Kentucky [Mr. MORTON] is en route to the Chamber. It had been my intention to follow with my own remarks his statement in favor of Senate Resolution 186. In his absence, I shall proceed with my statement.

I wish to emphasize that the nub of the problem with respect to Reorganization Plan No. 7 is that it was drawn too hastily and contains defects. Because it is a reorganization plan rather than a bill, it is before the Senate on a take-it-or-leave-it basis. We are without power to correct its defects. All we can do is accept it or reject it.

We had a similar problem when the reorganization plan relating to the Federal Communications Commission was before the Congress. When it was disapproved, both Houses moved promptly to enact the legislation that is genuinely needed. We can do the same with respect to the Federal Maritime Board.

I have heard nobody complain about part 1 of Reorganization Plan 7. This part would place regulatory functions in a five-man independent agency to be called the Federal Maritime Commission. It may seem strange to increase the number of Board members while splitting the work. It seems especially so in view of testimony that the regulatory phase properly comprises no more than about 10 percent of the total job to be done. However, nobody challenges the President's right to prefer a five-man over a three-man Commission. The important thing is that he recognizes in part 1 of his plan the wisdom of using a bipartisan independent board.

The President forsakes this wisdom in part II of the plan, and I can only judge that this is due to haste and oversight. At any rate, the White House quickly saw the error of seeking to put the administration of subsidies under the Secretary of Commerce rather than under a statutory board. To cure this defect, Secretary of Commerce Hodges announced that he would call upon a three-man panel of his own choosing to to make initial decisions in the subsidy area. Of course, such a panel could not make final decisions, because plan No. 7 specifically vests the power of decision in the Secretary himself.

Instead of trying to patch and shore up Reorganization Plan No. 7, the administration would have been better advised to send to the Congress a Reorganization Plan No. 7-a. This could have provided for the panel that the Secretary of Commerce sought to append as an afterthought to plan No. 7.

However, we cannot legislate on speculation or enact from hindsight. The concrete problem before us is that an unwise and defective reorganization plan will take effect on August 12 unless we stop it today. We can take the first step toward stopping it by voting now to discharge the Committee on Government Operations from the further consideration of the resolution of the Senator from Maryland [Mr. BUTLER] disapproving the plan.

I hope that the pending resolution will be agreed to. If it is, we can then expeditiously vote on the plan itself. In my humble judgment, we would not need the 10 hours of debate authorized by the Reorganization Act. Just a few minutes more should suffice. That would clear the way for us to deal in a legislative way with the problems of the Federal Maritime Board and the Maritime Administration. I, for one, would be ready to act without further hearings and would give my support immediately to a bill enacting part 1 of Reorganization Plan No. 7. Part 2 of the plan is controversial and defective. It could well wait until the next session.

Mr. President, I understand the distinguished Senator from Illinois [Mr. DIRKSEN] desires to speak on the resolution. He is not in the Chamber at the moment. I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call to be charged to neither side.

Mr. McCLELLAN. Mr. President, will the Senator from Kansas withhold his suggestion of the absence of a quorum? In the temporary absence of the Senator from Illinois, I should like to yield time to two other Senators. In the meantime, the Senator from Illinois may come to the Chamber.

Mr. SCHOEPPEL. Mr. President, I withhold my suggestion of the absence of a quorum.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, the Senator from Arkansas [Mr. McCLELLAN] stated correctly in his opening remarks on the motion the situation between the two committees of the Senate, namely, the Committee on Government Operations and the Committee on Commerce, with respect to Reorganization Plan No. 7.

The Senator from Arkansas, chairman of the Committee on Government Operations, has always been solicitous of the legislative committees having jurisdiction of the various reorganization plans which are submitted to his committee. He has always sought the advice and consent of such committees, and has even suggested that they hold the hearings on the proposed reorganization plans and give the Committee on Government Operations the benefit of such advice as they see fit.

The Committee on Commerce held hearings on Reorganization Plan No. 7. All members of the committee were not present at all the hearings, but there was a substantial attendance at each session. The committee heard representatives of the industry, the Secretary of Commerce, and other persons interested in this reorganization plan.

Much of the history of the maritime boards and commissions as they have existed in the Government was considered carefully, especially the old Maritime Commission, with the abolition of which the Senator from Washington had something to do at one time, and also the creation of the present Board under the Department of Commerce.

The new plan was discussed at the hearings and among the members of the committee. There were several views in the committee regarding the plan and some of its features. Some committee members expressed the feeling that they did not know if it was a good plan or not,

but were willing to try it out to see if it worked. As a result, I asked the individual members of the Committee on Commerce to send their views to me, as chairman, so that I might transmit them to the Senator from Arkansas, the chairman of the Committee on Government Operations. That was done.

The views of several members of the committee have been read by the Senator from Kansas [Mr. SCHOEPPEL]. Other members of the committee said they did not have any particular view and, therefore, implied that they thought the plan should become effective. Other members of the committee has differing views, but I believe there was absolutely no opposition, on the part of anyone who understands the entire maritime field and the operations of maritime commissions and the interest of the Government in that subject to the main part of the proposal, which would create a five-member Maritime Board to replace the present three-member Board or commission, and to place the operational part in the Department of Commerce, and to provide for the appointment of a proper person to handle it there.

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

Mr. MAGNUSON. Will the Senator from Arkansas yield 2 more minutes to me?

Mr. McCLELLAN. I yield.

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

Mr. MAGNUSON. Mr. President, the main basis of some difference of opinion—although in no case was it particularly strong, as the Senator from Kansas has well stated—was as to whether the promotional group in the Department of Commerce should be composed of three persons appointed by the Secretary of Commerce or one person—as suggested by the reorganization plan—with two deputies.

Secretary Hodges testified that he thought the appointment of one person with two deputies would result in some semblance of unity in regard to these matters. Others said they thought the appointment of three persons might be preferable. However, no one has suggested that the opinions arrived at under such circumstances would necessarily be bad. But, as I told the Senator from Arkansas, the majority felt that we should try this proposed arrangement and see how it works.

Everyone is agreed in regard to the real core of the proposal, which is to separate the two functions and to add two more members to the Federal Maritime Board. Of course, if serious defects develop under this arrangement, we can make the necessary changes at the proper time.

I would say that the majority of the committee either have supported the plan in writing, or have made no statement at all regarding it—which, by implication, means that they do not object to it.

So I hope the plan carries.

I say to the Senator from Arkansas that I realize that we are now speaking on a motion to bring up the resolution, rather than on the resolution itself. I know it will be difficult for the Senator from Arkansas to speak in approval of a motion to discharge his committee. But I hope the motion to have the Senate consider the resolution will be agreed to, so that the Senate can vote on the proposal itself.

Mr. McCLELLAN. Let me say that it would not be difficult for me to vote for a motion to discharge the committee, if I thought that was the proper course to take.

Mr. MAGNUSON. Of course I realize that.

Let me say that if there is any defect in connection with the reorganization plan, it is the provision of so short a time between the time of submitting the plan and the time of its going into effect.

The PRESIDING OFFICER. The additional time yielded to the Senator from Washington has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield.

Mr. LAUSCHE. What position does the Senator from Arkansas take in regard to the motion to discharge his committee, and why?

Mr. McCLELLAN. A moment ago I stated that this is a special procedure provided by the Reorganization Act. If the committee does not act on a resolution of disapproval, then a motion to discharge the committee is a privileged matter, and then is placed on the calendar, subject to immediate consideration.

I have no objection to having the Senate consider this matter on its merits. But these resolutions were filed only 10 days ago, and we have hardly had time to process them. We have not received a request for the holding of a hearing on the resolution.

Mr. LAUSCHE. Does the Senator think there should be hearings?

Mr. McCLELLAN. That is not the question now; in view of the fact that there is no time, we cannot hold hearings. These reorganization plans will go into effect tomorrow, unless the Senate first acts favorably upon a resolution of disapproval. But the Commerce Committee did hold a hearing.

Mr. LAUSCHE. I understand.

Mr. LONG of Hawaii. Mr. President——

Mr. McCLELLAN. I yield 2 minutes to the distinguished Senator from Hawaii.

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

Mr. LONG of Hawaii. Mr. President, the acceptance of Reorganization Plan No. 7 is of urgent importance to me and to the people of my State.

We in Hawaii depend almost entirely on water transportation, in view of the fact that some two-thirds of our food and nine-tenths of other consumer commodities are imported by ship.

Further, our two major income-producing industries—sugar and pineapple—use ocean shipping entirely for moving hundreds of millions of dollars' worth of products to mainland markets.

Unfortunately, experience with the present organization shows that the problems of shipping between Hawaii and the mainland have never been afforded the expeditious treatment that they require. For example, our principal carrier filed a request for increased rates in September 1959; but still there is no decision from the Federal Maritime Board.

Other examples exist, with the result that neither consumers, shippers, nor carriers know where they stand. Such delays, Mr. President, impose an intolerable burden on our businessmen and consumers alike.

One of the main reasons for these inordinate delays is the fact that the present Board is charged with both promotional and regulatory functions. What we need—what we must have if we are to continue to prosper—is an agency that can and will give full-time attention to regulation in the public interest.

This, I firmly believe, will be the primary result of the implementation of Reorganization Plan No. 7.

I accept the statement of President Kennedy that promotional and regulatory functions should be administered by different agencies, in the interest both of efficiency and of single-minded regulation.

In this view Secretary Hodges fully concurs, as do the Bureau of the Budget and many others who are intimately acquainted with maritime problems.

I believe this reorganization is the first and most important step in securing the orderly regulation of shipping which the economy of Hawaii requires.

For these reasons, Mr. President, I am pleased to associate myself with other Senators who are supporting the administration in this matter, and I urge that the pending resolution of disapproval of the reorganization plan be defeated.

Mr. SCHOEPPEL. Mr. President, I allot 8 minutes to the distinguished Senator from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. President, I shall try to confine my remarks to less than 8 minutes.

Mr. President, as stated in the resolution which has just been read, the President transmitted Reorganization Plan No. 7 to the Congress on June 12. This is the plan which would reorganize the Federal Maritime Board. Under the terms of the Reorganization Act, it would take effect this coming Saturday, August 12, unless disapproved by either the House or the Senate.

The House has already had an opportunity to express its views, and through its vote on a motion to discharge the Committee on Government Operations from further consideration of a resolution of disapproval, it decided not to disapprove Reorganization Plan No. 7.

In the Senate, hearings were held on July 19 by the Merchant Marine and Fisheries Subcommittee of the Committee on Commerce. No hearings on the plan have been held by the Committee on Government Operations, which, since July 28 has had before it Senator BUTLER's Senate Resolution 186. As 10 days have now passed since the introduction of that resolution without action by the Committee on Government Operations,

it is now in order to discharge the Committee on Government Operations from further consideration of Senate Resolution 186. That is the purpose of the resolution now before us.

I have mentioned that hearings on Reorganization Plan No. 7 were conducted by our Subcommittee on Merchant Marine and Fisheries. However, neither that subcommittee nor the full Commerce Committee recommended either approving or disapproving the plan. Instead, the committee authorized its members to transmit their views through the chairman of the Committee on Commerce to the chairman of the Committee on Government Operations. I ask that there be printed in my remarks at this point a copy of a statement of views dated August 4, 1961, which was sent to the chairman of the Committee on Commerce by all the minority members of that committee.

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

U.S. SENATE,
COMMITTEE ON COMMERCE,
August 4, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee, Washington, D.C.

DEAR SENATOR MAGNUSON: In accordance with the invitation which you expressed during our executive session on Tuesday, August 1, we are submitting herewith our views on Reorganization Plan No. 7 relating to the Maritime Board.

It is our understanding that you will transmit these views to the chairman of the Committee on Government Operations for the consideration of his committee. For that purpose an additional copy is furnished.

In our judgment, Reorganization Plan No. 7 properly separates the regulatory and the promotional activities of the present Maritime Board. We approve the transfer of the regulatory functions to a new Federal Maritime Commission. However, the testimony offered during consideration of Reorganization Plan No. 7 by our Merchant Marine and Fisheries Subcommittee amply justifies our view that it would be unsound to remove functions with respect to determination of subsidies from a statutory board and place those functions in the hands of the Secretary of Commerce.

As the record before our subcommittee shows (pp. 121 and 135 of transcript), former President Truman, in transmitting his Reorganization Plan No. 21, rejected the vesting of subsidy functions in a single individual and in so doing adhered to the recommendation of the Hoover Commission.

No doubt because of his awareness of these authoritative objections the Secretary of Commerce, in his testimony before our Merchant Marine and Fisheries Subcommittee, declared his purpose to establish within his Department a panel of three officials specifically charged with administering subsidy functions. Such a panel would exercise a delegated authority which, by its very nature, would be subject to countermand in particular instances or to complete revocation. It is notable that the shipping industry, with its own billions of dollars in investments to be considered, testified to its distrust of giving one man ultimate and sole responsibility for subsidy functions.

In our judgment the present Maritime Board should be retained and should continue in possession of the powers it now administers with respect to both ship construction and operating differential subsidies.

It should be noted in connection with plan No. 7 that although the reorganization plan respecting the Federal Communications Commission was disapproved, the Senate promptly enacted legislation to put into effect most of the provisions of the reorganization plan.

We would welcome similar action with respect to the Maritime Board and to that end we are willing to give prompt consideration and support to a bill which would establish a new Federal Maritime Commission and endow it with regulatory authority.

We respectfully recommend that the Senate Committee on Government Operations report favorably Senate Resolution 186 disapproving Reorganization Plan No. 7.

Sincerely,

ANDREW F. SCHOEPPEL.
JOHN MARSHALL BUTLER.
NORRIS COTTON.
CLIFFORD P. CASE.
THRUSTON B. MORTON.
HUGH SCOTT.

Mr. MORTON. Mr. President, I am certainly revealing no secret in pointing out that the administration is using all its influence to win approval, or rather to defeat disapproval of Reorganization Plan No. 7. There has been so much in the press about erosion of prestige through failure of the Congress to accept some of the reorganization plans that the White House has reacted with undue sensitivity. In consequence, it is prudent for the minority to reckon with the possibility that the only time we shall have to discuss Reorganization Plan No. 7 is the one-half hour accorded us on this motion to discharge. We are hopeful, of course, of winning enough Senators to our view so that the Committee on Government Operations will be discharged of further consideration and so that we shall then have an opportunity for a full debate on the merits. Nevertheless, I shall now seek to examine Reorganization Plan No. 7 as if this half hour will prove our only opportunity to debate it.

I am disturbed that we have been asked in Reorganization Plan No. 7 to approve sweeping changes in basic law with inadequate opportunity for detailed review of the effect of such changes on our maritime industry.

Briefly, Reorganization Plan No. 7 contains these proposals:

First. The plan would create a new Independent Statutory Board to administer the regulatory provisions in the Merchant Marine Act of 1916.

Second. The plan would abolish the present Federal Maritime Board and transfer to the Secretary of Commerce all of its promotional and administrative functions derived from the Merchant Marine Act of 1936.

These two proposals should be taken up separately, but the Congress, under the Reorganization Act must accept or reject plan 7 as a whole. Not so much as a comma in the President's proposal can be amended by the Congress, nor can we correct the technical and substantive deficiencies which exist in the plan.

At best, legislation by way of congressional inaction on reorganization plans is back-door legislation. The Reorganization Act of 1949 was intended to be limited to procedural and organizational changes necessary to increase efficiency in the executive branch. I should add that I am not against reorganization of Federal agencies as such. However, hastily drawn reorganization plans replete with deficiencies and incorporating sweeping changes in basic law amount to nothing less than the surrender of congressional authority and responsibility to the Executive.

Part 1 of plan No. 7 would establish a Federal Maritime Commission of five members and empower it to deal with regulatory matters under the Shipping Act of 1916.

Everyone agrees that effective regulation of the maritime industry is necessary, not only to protect the public, but also in the interest of the industry itself. However, effective regulation could be achieved without creating a new commission merely by increasing the number of regulatory employees available to the present Federal Maritime Board. This view is supported by Adm. Ralph E. Wilson, former Chairman of the Federal Maritime Board, and Adm. Emory S. Land, who in many quarters has been called the most able administrator we have ever had of our maritime programs.

Legislation is now before the Congress which would accomplish the administration objectives contained in part I of plan No. 7. If enacted, the Congress could then carefully consider the questionable and controversial features of part II. Further, through the legislative approach, it becomes possible to correct some technical deficiencies in part I which Congress is otherwise powerless to correct. For example, section 105 (b) and (c) provide a discretionary right of review by the Commission. If the Commission declines to exercise that right, the action of the subordinate "shall be deemed to be the action of the Commission." However, this conflicts with the Administrative Procedure Act. Under its section 8(b), parties have a statutory right to have an agency review their exceptions on appeal from a decision by subordinates in adjudicatory proceedings. The Attorney General's Manual on the Administrative Procedure Act, in this context says:

> Briefs on the law and facts which are filed by parties in support of their proposed findings and conclusions and exceptions, must be received and considered.

Part I of Reorganization Plan No. 7 would thus deprive parties in adjudicatory proceedings of rights which Congress has previously granted by law.

Part I also is deficient in transition language. To eliminate any question as to the status of orders already issued by the Federal Maritime Board, part I should provide that orders outstanding at the time of the transfer of responsibility to the proposed Federal Maritime Commission shall continue in force, subject to the same power of enforcement or review by the new agency as was vested in its predecessor. In the maritime industry, there is serious doubt whether existing rights to obtain judicial review of adverse agency decisions on regulatory matters are preserved by Reorganization Plan No. 7.

If the Congress avails itself of bills already introduced, or similar ones, there need be no delay in putting into effect part I of the proposed plan. We can do it before this session of the Congress adjourns. The maritime industry has indicated its support for this pro-

posal, and I believe it would receive the prompt support of both Houses of the Congress.

Part II of Reorganization Plan No. 7 presents far more serious problems than part I. Part II involves a basic revision of important features of the Merchant Marine Act, 1936. That act, Senators will recall, was specifically designed to develop and maintain an adequate and well-balanced American merchant marine sufficient to meet the economic and defense needs of the Nation. Accordingly, the Congress, after careful and extended review, decided that this purpose could best be accomplished by an act containing these safeguards:

First. The act is administered by an independent statutory board rather than by an individual.

Second. The Federal Maritime Board created by the 1936 act is an independent agency, its members being appointed by the President for a term of years with the advice and consent of the Senate. The Board is subject to the jurisdiction and supervision of the Congress, is free from subordination to the Executive, and its members are protected from removal by the President except for neglect of duty or malfeasance in office.

These requirements are expressly embodied in section 201 of the Merchant Marine Act of 1936.

Part II of plan No. 7 would abandon these basic concepts by transferring to the Secretary of Commerce all the functions and responsibilities now vested in the Federal Maritime Board excepting only such purely regulatory functions as would be transferred to the Federal Maritime Commission under part I. With one stroke of the pen there would be swept aside all of the many judicial and procedural protections inherent in an independent statutory board, and there would be substituted therefor executive branch determinations under the Secretary of Commerce.

The authority to be transferred from the independent Federal Maritime Board to the executive calls for the making of judgments on matters that can mean life or death to our American-flag merchant marine. The matters covered by the Merchant Marine Act of 1936 now within the jurisdiction of the statutory Federal Maritime Board which would be transferred to the Secretary of Commerce include the following:

First. The making, amending, and terminating of operating-differential and construction-differential subsidy contracts and conducting hearings related thereto.

Second. Make findings as to possible violations of contract provisions.

Third. Determining minimum manning scales, minimum wage scales, and minimum working conditions for all personnel employed on subsidized ships.

Fourth. Determining comparative foreign shipbuilding and operating costs.

Fifth. Determining relative costs of marine insurance.

Sixth. Approving characteristics and programing replacement shipping.

Seventh. Determining the adequacy of American-flag shipping on essential trade routes.

Decisions in these judgment matters can permanently affect the strength and adequacy of our American-flag merchant marine. They include the terms and conditions of long-range contracts and thus involve the commitment of large sums of money, both on the part of the Government and private contractors. The $4.5 billion long-range vessel replacement program undertaken by the industry in cooperation with the Government could be imperiled by injudicious or arbitrary handling of controversial issues which may arise between the principals and the Government.

In cases such as this impartial hearings are required under the safeguards provided in the 1936 act. Placing these important issues in the hands of a single administrator subject only to final review on appeal by superiors who do not have the time to deliberate and give comprehensive study to the issues is an invitation to pressure from all sides. Under the proposed plan, a presidentially appointed Maritime Administrator subordinate to the Secretary of Commerce, would be charged with all of these functions.

The Secretary of Commerce in testimony before the Senate Commerce Committee recognized that these quasi-judicial matters require consideration by more than a single official. He has stated that he will appoint two other officials in his department to serve as a panel with the Maritime Administrator in making these decisions. At best, however, this is a poor substitute for the statutory board which the plan would abolish.

While I realize that the Secretary of Commerce is trying to make the best of a bad plan, it must be remembered that a board which he says he would create and admits is necessary is not specifically included in the plan before us. It could be summarily abandoned even if it proved effective, at any time. In any event, such a panel would not have the bipartisan independent nature with continuity in office which the Congress has established as essential elements of the present Board. My distinguished colleague, Senator ENGLE, pointed out during hearings by the Commerce Committee on this proposal, that all three members of the Board proposed by the Secretary of Commerce will be his subordinates, so that if a secretary "wants to do some neckwringing he can do it all by himself." I noted myself, during the same hearings, that when I served in the executive branch of the Government, my assistants "jolly well agreed with me or they would not have been there very long."

The power to award operating differential subsidies and to fix the amount of operating differential and construction differential subsidies, closely parallels the granting of certificates of convenience and necessity or licenses by the Interstate Commerce Commission, the Federal Communications Commission, the Civil Aeronautics Board, and the Federal Power Commission. The grant of a subsidy, certificate, or license by these agencies, is tantamount to the power of life or death for the particular business entity involved. It is significant that all such licenses, certificates, or subsidies have been administered by statutory independent agencies. This is as it should be, especially where a choice must be made among mutually exclusive or conflicting applications.

Part II of Reorganization Plan No. 7 would reverse a carefully drawn and rarely violated historical legislative policy relating to quasi-judicial functions in the transportation area. One such instance I recall: Certain functions now under the Civil Aeronautics Board were once placed in the Department of Commerce. This proved unworkable and by Reorganization Plan No. 3, such authority was returned to the Civil Aeronautics Board. There has never been any explanation of why independent status is to be denied the agency controlling the maritime industry while it is retained for the agencies controlling all other forms of transportation.

The most difficult thing to understand is why a transfer of national maritime policy and program to the executive is now proposed since it has already been tried and found wanting. Prior to 1936, supervision of the national merchant marine policy program was actually in executive departments. The Post Office Department awarded and administered the ocean mail contracts authorized by the Merchant Marine Act of 1928. Effective in August 1933, the President, under statutory authority and by Executive Order 6166, abolished the U.S. Shipping Board and transferred its functions to the Department of Commerce. This method of administration was unsatisfactory. Following extensive departmental studies and recommendations and almost 2 years of congressional hearings, the Congress deliberately placed the administration of the Merchant Marine Act of 1936 in the hands of the independent statutory Federal Maritime Board. Through such action the Congress rejected the philosophy of executive control of the Merchant Marine Act of 1936 and instead placed responsibility under the statute in an independent agency composed of members appointed by the President with the advice and consent of the Senate for fixed and staggered terms.

In 1950, President Truman considered the advisability of transferring the Federal Maritime Board's function to the executive branch. He decided to retain an independent tribunal to handle subsidy matters and went to some lengths in submitting Reorganization Plan No. 21 to the Congress to emphasize:

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

He also pointed out that the proposed reorganization would, as one of its "principal advantages, preserve the benefits of a bipartisan board for the determination of subsidies."

There has been no criticism of the functioning of the present Federal Maritime Board under the Merchant Marine Act of 1936 nor of the Maritime Administration. The extensive criticism which has received attention in the press relates to the regulatory activities of the Board under the 1916 Shipping Act. This is what is involved in part I of the President's proposed reorganization and has no bearing in any way upon part II. While no showing of necessity has ever been advanced for the sweeping changes proposed in part II, it has been suggested that placing these quasi-judicial responsibilities under the Secretary of Commerce would make for more efficient administration. This is a thin excuse for radical changes in national policy—it is small comfort to those who have invested their resources in our American merchant marine.

The administration has also urged, in principle, that a better job of promoting the American merchant marine can be accomplished under the administration of a single individual, the Secretary of Commerce. These assertions of high purpose without any specifics are vague in the extreme. What is overlooked in these arguments is that 11 years ago, by Reorganization Plan No. 21 of 1950, the Secretary of Commerce was vested with complete authority in the fields of research and development, and cargo and trade promotion. Such authority, however, has never been fully exploited in the past. It can and should be in the future. But the proposal made in part II of Reorganization Plan No. 7, to transfer quasi-judicial authority to the Secretary is in no way essential to this end.

The 15 private American steamship companies who have entered into subsidy contracts with the Government have committed almost a billion dollars toward the development of the finest peacetime fleet the United States has ever known. This heavy commitment, for what is in fact a rather small industry, relies upon a program of Government-industry cooperation grounded in the Merchant Marine Act of 1936. The industry is also under commitment to advance over $2 billion more during the next 10 or 12 years to complete the carefully programed fleet modernization now in progress. The confidence upon which this industry-Government partnership is grounded will be seriously shaken if one of the basic tenets of the partnership is radically changed as proposed in part II of Reorganization Plan No. 7.

I hope that the Senate will disapprove Reorganization Plan No. 7 and as a step in that direction will vote to discharge the Government Operations Committee from further consideration of the disapproval resolution. That will be our action if we heed the wise counsel of Adm. Emory Scott Land. Admiral Land was for 8 years Chairman of the U.S. Maritime Commission and was from February 9, 1942, until it was abolished, Chairman of the War Shipping Administration. More than any other man he deserves credit for the creation and successful operation of the vast fleets of merchant vessels which helped carry our forces to victory in World War II.

Admiral Land commented on Reorganization Plan No. 7 in a letter which he wrote to the chairman of the Senate Commerce Committee on July 6. He said in part:

> It is a step backward to the days before the 1936 act was enacted. It will not be slightly more expensive, but greatly more expensive.

If the Senate heeds Admiral Land's wise counsel, it will vote "aye" on the pending resolution.

Mr. President, in conclusion, I suppose I am for 90 percent of the proposal the administration has sent to Congress. Basically, what is concerned is that we have today a Maritime Board which handles not only regulation, but promotion. These two positions are incompatible. I think we all agree with that.

I commend the President and the members of his administration for sending to Congress the reorganization plan to do something about it. It takes the regulatory body outside of the Department of Commerce and sets it up independently. Its budget would be independently justified and would be included in the independent offices appropriation bill. But it leaves in the Department the promotional features. This I agree with.

However, I think there should be a board, rather than one man. What is proposed is to give one man the authority to spend $2 billion in the next 10 years. I myself would not want that job. Secretary Hodges, our very able Secretary of Commerce, realized this was a weakness, so when he came before our committee, he said:

> Well, I will appoint two deputies for him, so it will really be a three-man board.

Mr. President, I served in the administrative branch of Government. I had a deputy when I served as Assistant Secretary of State. We got together at staff meetings. We worked out policies. We reached certain conclusions. Once we had, he had to agree with me or he would be fired before dark. Providing two deputies under a man who has $2 billion at his disposal just would not get the job done.

I wish it were possible, under our procedures, to amend this measure, because I agree with the separation of the regulatory and promotional functions of the Board. However, that is not possible, but what we can do is what we did with the help of the Senator from Rhode Island [Mr. PASTORE]. We can write our own bill to reorganize the Maritime Commission, as we did the Federal Communications Commission. We have a bill introduced for that purpose today. We can get it passed and sent up to the White House and signed in a week.

I hope the Senate will think very carefully before it votes to give any one man the power of life and death over our great merchant marine. I do not know who would want the job. I would hate to take a job where I had to spend $2 billion on my own.

It is said that this will bring less pressure and less lobbying to bear, and will help the one man who has to make the decision. I think the decision should be made by three men, not more than two of them being from one political party. They should be appointed for a term of years, with the advice and consent of the Senate, so they will have some security there.

Mr. President, doling out $2 billion in the next 10 years is a great responsibility. I have great respect for the Secretary of Commerce. I point out that Henry Wallace was once Secretary. But one man with two deputies would make this decision.

I hope the Senate will reject the organization plan now before us.

Mr. SCHOEPPEL. Mr. President, I allocate 5 minutes to the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, first, I think we should clarify the parliamentary situation. The motion before us, as I understand it, is a motion to discharge the committee from further consideration of Reorganization Plan No. 7.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. If that motion prevails, that, of course, terminates any consideration of the plan.

Mr. McCLELLAN. No. If it prevails, the Senate goes right on.

Mr. DIRKSEN. If the motion does not prevail, then the plan will not be considered on its merits.

The PRESIDING OFFICER. If the motion is approved, then the measure is put on the calendar and can be taken up when called up. If the motion is not approved, the measure does not go on the calendar.

Mr. DIRKSEN. If the motion is voted down, then, of course, that is the end of the proceeding.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Mr. President, I heard the inquiry addressed by the dinstinguished chairman of the Commerce Committee to the distinguished Senator from Arkansas that perhaps the plan ought to be discussed, rather than to sustain, or not, the motion to discharge the committee, so that it would not actually be before us.

Mr. MAGNUSON. To vote it up or down.

Mr. DIRKSEN. I did not catch the response of the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, what was the question?

Mr. DIRKSEN. Whether or not the Senator from Arkansas shared the view expressed by the Senator from Washington.

Mr. McCLELLAN. What view? I made a statement a while ago.

Mr. DIRKSEN. I was not in the Chamber at the time.

Mr. McCLELLAN. I said I had no serious objections to the committee being discharged, and I had no serious objections to the resolution being considered on its merits. I explained why the committee had not acted, and why the motion was made.

Mr. DIRKSEN. I utter the hope that the committee will be discharged and that the plan will come up for further consideration, because there are a number of highly important elements of consideration involved.

In 1953 President Truman reduced the number on the Board from five to three. The proposal before us now is to raise the number from three to five. I thought President Truman, in 1953, was pretty explicit in his reasons for it and why he thought the Board ought to be reduced in number.

Certainly, among other things, one can point out that it is proposed to add several appointive jobs, at $20,000 a year, plus the cost that goes with it. I am fully aware of the fact that $20,000 is a drop in the bucket as we spend money today. Yet, in the same breath, we are talking about sacrifices which must be made in a time of crisis.

So I prefer the Truman viewpoint, and would retain the number at three, instead of raising the number to five.

The second, and more important, part of the question is the matter of subsidies. I had these figures looked up. In 1961, the construction differential subsidy was $126 million. In 1962 it was $98 million. The only reason for the diminution was that there were some funds not obligated in fiscal 1961.

The operating subsidies were $150 million in 1961 and $182 million in 1962.

Actually, under the plan, that whole subsidy matter is going to be determined by a single person rather than a multiple board or a number of people.

To be sure, one could add deputies. One could add other people to help resolve the problem of subsidies. However, I think, in the interest of the American taxpayers, to have that resolved by a number of people after careful consideration would be infinitely preferable to imposing the entire authority in the hands of a single person.

The third important reason why I think this ought to come before us on its merits, and why I think the plan ought to be rejected, is the same one found in respect to some other reorganization plans; namely, the delegation of power.

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

Mr. SCHOEPPEL. Mr. President, I yield the Senator 3 more minutes.

Mr. DIRKSEN. Mr. President, actually the delegation of power was the real reason for the defeat of the SEC plan, of the Federal Communications plan, and also of the plan for the National Labor Relations Board.

I believe under section 105 that power can be delegated to a commissioner, to a group of employees, or even to a single employee. That would mean such broad powers as rate control, regulation of rates, practices, and agreements among maritime carriers could be committed to the hands of a single individual.

When we add to that the fact that there is no right of review, this would go a long, long way toward forestalling the right of the public to really get a day in court. The public would be cut off from a decision by the Commission itself, if that kind of power were delegated to an employee of the Board, and even more important is the fact that the right of review would be cut off. In the first instance, power could be delegated to an employee; and, in the second instance, if one came in for a review, the Commission would not be in a position even to review the action of one of its employees.

I do not believe anything more needs to be said, with one possible exception. A Maritime Administrator is set up under the plan, but is prescribed no duties whatsoever. The only duties he will have are the duties to be prescribed for him by the Secretary of Commerce. To me it is an amazing thing to set up a Maritime Administrator and then to prescribe no duties in the plan itself.

The PRESIDING OFFICER. The time of the Senator from Illinois has again expired.

Mr. SCHOEPPEL. Mr. President, I yield the Senator 1 additional minute.

Mr. DIRKSEN. Mr. President, I have stated the reasons why I think the plan ought to be rejected. There is the broad power to a single individual with respect to subsidies. There is delegation of power to lower levels, including to an employee, who might deal with rates, contracts, and practices in the shipping industry. There is the cutting off of the right of review by the Commission itself.

I know of no other reasons which need to be stated why the plan on the merits ought to be rejected. Therefore, the committee ought to be discharged so that the plan can come before the Senate.

Mr. McCLELLAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes.

Mr. McCLELLAN. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I have been a member of the Committee on Commerce for 4½ years. During that period of time I have developed an attitude which has grown in doubt about the prudence with which our subsidy money for the merchant marine has been spent.

To speak with absolute sincerity, I have suffered anguish in observing the members of the merchant marine come before the committee and espouse every request for increased subsidies. It has been painful.

I do not subscribe to giving to one man the power to expend the huge sum of money involved, but in this instance I do not believe it will be any worse than the present situation. I have faith in the Secretary of Commerce. I believe he will do well.

I noted that in the previous administration the President of the United States did not want two passenger ships built, at a huge cost, but the merchant marine, in charge of the promotion, came in to advocate it.

I shall support the proposal made, and if it does not work we can subsequently, by statute, change it.

Mr. McCLELLAN. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Arkansas has 2 minutes remaining, and the Senator from Kansas has 8 minutes remaining.

Mr. McCLELLAN. Mr. President, I yield myself the 2 minutes.

Mr. President, I wish to make it clear to my colleagues that in my judgment, the Committee on Government Operations has in no way neglected its duty. The committee is not compelled under the law or under the rules to process reorganization plans in any way. The committee is not even compelled to process a resolution of disapproval.

In this instance, the resolutions were not received in time for consideration. Had they been received in time, the committee would have held hearings and would have undertaken to make a report.

I am placed in a peculiar position, Mr. President. As chairman of the Committee on Government Operations, I do not like to vote to discharge my own committee. I do not like to vote against giving Members of the Senate an opportunity to consider a resolution on its merits. I have no objection to the resolution being considered on its merits, or to the Senate using 10 hours or any part of the 10 hours to debate, in the consideration of the resolution on its merits.

The House voted down the motion to consider the resolution of disapproval in the House. This whole question can be ended by a vote against the motion to consider the resolution. If the motion fails, that will end all consideration of the plan, and the plan will go into effect tomorrow.

If the Senate wishes to debate the plan, the only way it can be debated on its merits, to be considered for the 10 hours or for any part of the 10 hours, as the law provides, is for the Senate to vote to discharge the committee.

I am going to ask, Mr. President, that I be excused from voting, for the reasons I have stated. I hope my colleagues, under the circumstances, will grant me that privilege.

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

Mr. McCLELLAN. I am glad to yield.

Mr. HOLLAND. How else may the Members of the Senate be given a right to pass favorably or unfavorably upon the reorganization plan, unless it comes before the Senate?

Mr. McCLELLAN. I am sure every Senator knows that. I was saying very definitely I had no objection to that being done. I do not personally wish to vote to discharge my own committee. If other Senators wish to do that, it is all right, under the circumstances.

Mr. HOLLAND. Mr. President, would the Senator have any objection to a unanimous-consent request?

Mr. McCLELLAN. I have said I would not. If I were in the Senator's position and wished to discuss the plan on its merits, I would vote to discharge the committee. This is a circumstance over which we do not have control. The procedure is provided by the rules, so as to make certain that the Senate or the

House of Representatives can vote on these plans, and no committee can kill them. I only wish to emphasize that the Committee on Government Operations, under no circumstances and in no manner, undertook to withhold action on these plans. We are perfectly willing for them to be considered by the Senate.

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

Mr. LAUSCHE. Mr. President, will the Senator from Kansas yield me 1 minute?

Mr. SCHOEPPEL. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. While I favor the plan submitted, I still believe the Senate ought to have an opportunity to discuss the plan on its merits. Therefore, I shall vote to discharge the committee.

Mr. SCHOEPPEL. Mr. President, I allot myself 1 minute of my time.

I say to the Senators that I have profound respect and affection for the Senator from Arkansas, the chairman of the distinguished committee. Were it not for the procedural phase of the problem, to which we are forced to adhere in order to bring the resolution before the Senate, the motion to discharge the committee which operates under the distinguished Senator from Arkansas never would have been made. There is no recourse for us, other than to proceed along this line.

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

Mr. SCHOEPPEL. I am glad to yield to the Senator from Florida.

Mr. HOLLAND. I wonder if the distinguished Senator from Arkansas, the very able chairman of the committee which has done such a fine job in so many fields, would have any objection to a unanimous-consent request that the motion of the Senator from Kansas be agreed to so that the Members of the Senate may vote the reorganization plan up or down on its merits.

Mr. McCLELLAN. Mr. President, I have stated over and over again that I have no objection to the reorganization plan being considered on its merits. However, I do not feel that I should be required to go on record as voting to discharge my own committee.

Mr. HOLLAND. Mr. President, I make such a unanimous consent request, merely because I think that every Senator has a responsibility on this question, as has every member of the Committee on Government Operations a responsibility.

Mr. DOUGLAS. Mr. President, reserving the right to object, if we approve of the plan—and I personally do—we can show such approval in a simple way by voting down the motion of the Senator from Kansas. I object.

Mr. SCHOEPPEL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas [Mr. SCHOEPPEL] to discharge the committee from further consideration of Senate Resolution 186, relating to Reorganization Plan No. 7.

The motion was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ROBERTSON. Mr. President, I wish to make a relatively brief statement on the conference action on H.R. 7851, the Defense Department appropriation bill for fiscal year 1962. I hope to cover all the major points contained in the conference. I shall be happy to attempt to answer any questions when I am finished.

The conference action which is before you contains a total of $46,662,556,000. This is an amount $3,951,451,000 over the action by the House and $185,736,000 under the action by the Senate. It represents the largest peacetime budget in the U.S. history. I hope that a future generation will be able to point to it as a significant and successful deterrent to war.

In round numbers, it contains $11.8 billion for the Army, $14.5 billion for the Navy, $18.8 billion for the Air Force, $1.3 billion for the Office of the Secretary of Defense, and $207,600,000 for civil defense.

I shall now describe briefly the major changes made in the bill by the conference committee. You will recall that on July 26 the President submitted a supplemental request to the Senate for funds totaling $3,454,600,000. The conferees agreed to all of these increases.

In general terms, the increases provided will strengthen the combat readiness of Army divisions, improve the sealift and antisubmarine warfare capability of the Navy, and improve the airlift and strengthen the nuclear strike and air defense capability of the Air Force. Since the acting chairman and others described these items in full detail only a few days ago when the bill was originally presented to the Senate, I shall not describe them more fully at this time, unless requested to do so.

Included also by the conference were $514,500,000 for the continued production of long-range bombers, and $400 million for the development, test, and evaluation of the B-70 weapons system. Ten million dollars was also included for utility transport aircraft procurement. It is the hope of the members that these funds, which exceed the budget request in some instances, will be utilized by the administration in the coming year.

The conference restored half of the $58 million reduction made by the House for major repair and modification of facilities and provided language which, while permitting the utilization of funds for needed repairs to facilities, tightened the controls in section 637 over abuses of that activity.

The $40 million which the Senate added for the Army deficiency in the 1961 military personnel account was not approved. Instead, the committee agreed that the Secretary of Defense should investigate thoroughly the causes and responsibilities related to this matter and take corrective action.

Senate action was approved relating to drill pay for Air Reserve recovery units; operational funds for transport aircraft apart from MATS, SAC, and TAC; increased fuel costs for the Naval and Marine Air Reserve; Naval Academy repairs; three aviation maintenance battalions of the Army National Guard; and the maintenance costs of stepped-up C-97 conversions in the Air National Guard. An increase over the House of $5 million for the Air National Guard was also approved.

You will recall that included in the President's July 26 submission was $207.6 million for civil defense, which the Senate approved. The House conferees did not feel that they could agree to this amendment and the item was taken back to the floor of the House in disagreement. The House has concurred in the Senate amendment, so that the $207.6 million remains in the bill.

The conference agreed upon a number of language changes in the bill. The research, development, test, and evaluation accounts, which the House had split into two sections in order to limit operation funds to 1 year's availability, were restored to their original form, but notice has been served in the report that the Congress expects the services to provide uniform procedures to control housekeeping functions.

In section 612(c) the conference approved Senate action requested by the President providing authority to increase the size of the Armed Forces if necessary.

The provision which the Senate added to section 623 regarding the awarding of contracts on a formally advertised competitive basis to the lowest responsible bidder was approved, as was the Senate proviso to section 632 which would permit the Secretary of Defense to waive the limitation on the hire of motor vehicles, if deemed in the national interest.

Because of a possible national emergency, the Senate action deleting the limitation on travel expenses was agreed to, but section 633 retained the earmarking of funds for commercial passenger sea transportation on American-flag vessels. Senate action deleting section 534, the flight pay limitation, was also approved.

The section dealing with advertising costs was amended in the conference by deleting the last two exceptions provided by the Senate. As agreed in the conference, the prohibition shall not apply to recruitment of personnel by a contractor, the procurement of scarce items, and the disposal of scrap or surplus materials.

Section 638, inserted by the Senate, providing for a 6½-percent payment to retirement systems for National Guard personnel was not approved. The House conferees were adamant on this matter. The conference committee approves in principal a retirement system for these employees, but feels that appropriate legislation should precede appropriations.

In section 640, the conference approved a limitation of $200 million and appropriate language permitting the Secretary of Defense to transfer appropriations if required in the national interest.

In section 641, the conference approved validation of foreign duty pay to enlisted personnel who served on Texas towers.

In other actions, the conference approved the biweekly pay period system, increased funds for rifles and ammunition for rifle clubs, expediting a study relating to missile site support aircraft, the House limitation on the funds for the Dyna-Soar program, and the House figure related to the limitation on oversea dependent school costs.

I wish to pay tribute to all the members of the conference and to the chairman of the Senate subcommittee, Senator DENNIS CHAVEZ, who worked so hard on this bill. Generally speaking, I believe that the measure has been materially strengthened by the action of the Congress on the budget requests.

I ask unanimous consent that a table showing the House, Senate, and conference action on the bill be inserted at this point in my remarks.

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

Congressional action on H.R. 7851, the Department of Defense appropriation bill for fiscal year 1962

TITLE I—MILITARY PERSONNEL

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Military personnel, Army	[1] $3,254,548,000	[2] $3,697,000,000	[3] $3,202,000,000	[3] $3,737,000,000	[3] $3,697,000,000
Military personnel, Navy	[4] 2,523,244,000	[5] 2,692,000,000	[6] 2,600,000,000	[6] 2,692,000,000	[6] 2,692,000,000
Military personnel, Marine Corps	[7] 606,746,000	[8] 629,000,000	[9] 629,000,000	[9] 629,000,000	[9] 629,000,000
Military personnel, Air Force	[10] 4,019,676,000	[11] 4,197,000,000	[12] 4,033,000,000	[12] 4,197,000,000	[12] 4,197,000,000
Reserve personnel, Army	233,998,000	199,000,000	221,000,000	221,000,000	221,000,000
Reserve personnel, Navy	87,584,000	84,600,000	84,600,000	84,600,000	84,600,000
Reserve personnel, Marine Corps	24,831,000	26,400,000	26,400,000	26,400,000	26,400,000
Reserve personnel, Air Force	54,000,000	52,000,000	52,000,000	56,000,000	56,000,000
National Guard personnel, Army	230,277,000	202,000,000	235,000,000	235,000,000	235,000,000
National Guard personnel, Air Force	46,000,000	47,000,000	47,000,000	47,000,000	47,000,000
Retired pay, Department of Defense	[13] 789,500,000	[14] 920,000,000	920,000,000	920,000,000	920,000,000
Total, title I, military personnel	11,870,404,000	12,746,000,000	12,050,000,000	12,845,000,000	12,805,000,000

TITLE II—OPERATION AND MAINTENANCE

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Operation and maintenance, Army	$3,208,522,000	[15] $3,716,000,000	$3,330,460,000	$3,747,710,000	$3,735,710,000
Operation and maintenance, Navy	2,598,297,000	[16] 2,905,000,000	2,695,885,000	2,896,900,000	2,889,535,000
Operation and maintenance, Marine Corps	176,725,000	[17] 188,000,000	186,700,000	187,900,000	187,300,000
Operation and maintenance, Air Force	4,315,398,000	[18] 4,542,000,000	4,299,740,000	4,498,541,000	4,486,740,000
Operation and maintenance, Army National Guard	166,316,000	171,300,000	169,900,000	173,300,000	171,000,000
Operation and maintenance, Air National Guard	189,481,000	193,400,000	193,600,000	206,400,000	199,600,000
National Board for the Promotion of Rifle Practice, Army	501,000	500,000	500,000	500,000	500,000
Operation and maintenance, Alaska Communication System, Army	7,230,000	6,300,000	6,300,000	6,300,000	6,300,000
Salaries and expenses, Secretary of Defense	19,850,000	21,000,000	20,000,000	20,000,000	20,000,000
Claims, Department of Defense	19,575,000	19,000,000	19,000,000	19,000,000	19,000,000
Contingencies, Department of Defense	15,000,000	30,000,000	15,000,000	15,000,000	15,000,000
Salaries and expenses, Court of Military Appeals	425,000	445,000	445,000	445,000	445,000
Total, title II, operation and maintenance	10,717,320,000	11,792,945,000	10,937,530,000	11,771,996,000	11,731,130,000

TITLE III—PROCUREMENT

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Procurement of equipment and missiles, Army	$1,495,352,000	[19] $2,564,000,000	$1,991,360,000	$2,543,642,000	$2,532,602,000
Procurement of aircraft and missiles, Navy	2,141,760,000	[20] 2,735,600,000	2,148,160,000	2,691,760,000	2,680,888,000
Shipbuilding and conversion, Navy	2,316,360,000	[21] 2,915,000,000	2,897,860,000	2,897,860,000	2,897,860,000
Other procurement, Navy	420,980,000	[22] 869,400,000	689,920,000	855,320,000	852,012,000
Procurement, Marine Corps	91,180,000	[23] 270,000,000	198,940,000	265,940,000	264,600,000
Aircraft procurement, Air Force	3,251,449,000	[24] 3,200,500,000	[25] 2,916,684,000	[25] 3,223,444,000	[25] 3,199,614,000
Airlift modernization, Air Force	310,788,000	[26] 380,600,000	320,656,000	403,256,000	401,604,000
Missile procurement, Air Force	2,615,120,000	[27] 2,800,800,000	2,736,160,000	2,744,960,000	2,744,784,000
Other procurement, Air Force	877,171,000	[28] 1,124,100,000	981,274,000	1,103,374,000	1,100,932,000
Total, title III, procurement	13,520,160,000	16,860,000,000	14,881,014,000	16,729,556,000	16,674,896,000

[1] In addition $260,000,000 to be derived by transfer from stock fund. (Excludes $40,000,000 submitted in H. Doc. 180 which amount was recommended in Senate bill for fiscal year 1962, but excluded in conference.)

[2] Reflects decrease of $199,000,000 in H. Doc. 124. In addition, same document proposes increase of $215,000,000 to the $125,000,000 proposed in the January budget request to be derived by transfers. Includes increase of $495,000,000 in S. Doc. 39.

[3] In addition, $340,000,000 to be derived by transfer from stock and industrial funds.

[4] In addition, $75,000,000 to be derived by transfer from stock fund.

[5] Reflects decrease of $45,000,000 in H. Doc. 124. In addition, same document proposes $55,000,000 to be derived by transfer. Includes increase of $92,000,000 in S. Doc. 39.

[6] In addition, $55,000,000 to be derived by transfer from stock and industrial funds.

[7] In addition, $500,000 to be derived by transfer from stock fund.

[8] Reflects decrease of $3,000,000 in H. Doc. 124. In addition, same document proposes $11,000,000 to be derived by transfer. Also, includes increase of $12,000,000 in H. Doc. 179.

[9] In addition, $11,000,000 to be derived by transfer from stock fund.

[10] In addition, $30,000,000 to be derived by transfer from stock fund.

[11] Reflects decrease of $30,000,000 in H. Doc. 124. In addition, same document proposes increase of $39,000,000 in amount to be derived by transfer together with $25,000,000 proposed in the January budget request. Includes increase of $164,000,000 in S. Doc. 39.

[12] In addition, $64,000,000 to be derived by transfer from stock and industrial funds.

[13] Includes $14,500,000 granted in 4th supplemental appropriation bill, 1961.

[14] Includes $25,000,000 in H. Doc. 124.

[15] Includes $65,000,000 in H. Doc. 124. In addition, includes $394,000,000 in S. Doc. 39.

[16] Includes $94,000,000 in H. Doc. 124 and $3,000,000 in H. Doc. 179. In addition, includes $184,000,000 in S. Doc. 39.

[17] Includes $2,000,000 in H. Doc. 124 and $7,000,000 in H. Doc. 179.

[18] Includes $37,000,000 in H. Doc. 124. In addition, includes $165,000,000 in S. Doc. 39.

[19] Includes $109,000,000 in H. Doc. 124 and $100,000,000 in H. Doc. 179. In addition includes $552,000,000 in S. Doc. 39.

[20] Includes $192,000,000 in H. Doc. 124 and $543,600,000 in S. Doc. 39.

[21] Includes $1,090,000,000 in H. Doc. 124.

[22] Includes $79,000,000 in H. Doc. 124 and $165,400,000 in S. Doc. 39.

[23] Includes $25,000,000 in H. Doc. 124 and $38,000,000 in H. Doc. 179. In addition, includes $67,000,000 in S. Doc. 39.

[24] Includes decrease of $51,000,000 in H. Doc. 124 and increase of $211,500,000 in S. Doc. 39.

[25] In addition, $225,000,000 to be derived by transfer from funds appropriated in prior years.

[26] Includes $141,000,000 in H. Doc. 124 and $82,600,000 in S. Doc. 39.

[27] Includes decrease of $19,000,000 in H. Doc. 124 and increase of $8,800,000 in S. Doc. 39.

[28] Includes $25,000,000 in H. Doc. 124 and $122,100,000 in S. Doc. 39.

Congressional action on H.R. 7851, the Department of Defense appropriation bill for fiscal year 1962—Continued

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Item	Appropriations, 1961	Budget estimates, 1962 (revised through July 26, 1961)	House action	Senate action	Conference report
Research, development, test, and evaluation, Army	$1,053,286,000	[29] $1,205,400,000	[30] $1,202,700,000	$1,203,700,000	$1,203,200,000
Research, development, test, and evaluation, Navy	1,218,624,000	[31] 1,306,000,000	[32] 1,300,937,000	1,302,000,000	1,301,470,000
Research, development, test, and evaluation, Air Force	1,552,863,000	[33] 1,943,000,000	[34] 2,002,924,000	2,452,440,000	2,403,260,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	215,000,000	[35] 186,000,000	186,000,000	186,000,000	186,000,000
Emergency fund, Department of Defense	[36] 150,000,000	[36] 150,000,000	[36] 150,000,000	[36] 150,000,000	[37] 150,000,000
Total, title IV, research, development, test, and evaluation	4,189,773,000	4,790,400,000	4,842,561,000	5,294,140,000	5,243,930,000
Grand total, titles I, II, III, and IV	40,297,657,000	46,189,345,000	42,711,105,000	46,640,692,000	46,454,956,000

TITLE V—CIVIL DEFENSE

Civil defense		[38] $207,600,000		$207,600,000	$207,600,000
Grand total, titles I, II, III, IV, and V	$40,297,657,000	46,396,945,000	$42,711,105,000	46,848,292,000	46,662,556,000

[29] Includes $75,000,000 in H. Doc. 124.
[30] Includes $372,700,000 for operation and maintenance of facilities and installations.
[31] Includes $39,000,000 in H. Doc. 124.
[32] Includes $447,537,000 for operation and maintenance of facilities and installations.
[33] Includes $241,000,000 in H. Doc. 124 and $65,000,000 in H. Doc. 179.
[34] Includes $447,724,000 for operation and maintenance of facilities and installations.
[35] Includes $21,000,000 in H. Doc. 124.
[36] In addition, $300,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year; $150,000,000 for regular emergency fund purposes and $150,000,000 to accelerate missile or satellite programs.
[37] In addition, $500,000,000 to be derived by transfer from other appropriations available for obligation in the respective fiscal year, $150,000,000 for regular emergency fund purposes, $150,000,000 to accelerate missile or satellite programs, and $200,000,000 to further improve the readiness of the Armed Forces.
[38] Included in S. Doc. 39.

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

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. Were the conferees unanimous in approving the report?

Mr. ROBERTSON. There was disagreement on the civil defense item. We disagreed on that item with the House conferees. The House, however, agreed to the position of the Senate conferees on the floor of the House today.

Mr. HUMPHREY. Mr. President, will the Senator tell the Senate whether the Senator from Massachusetts [Mr. SALTONSTALL], the ranking minority member of the conferees, supported the conference report?

Mr. ROBERTSON. There was one amendment that the Senator from Massachusetts [Mr. SALTONSTALL] took exception to, but the conferees agreed on it. The amendment related to the 1961 deficiency of $40 million for military personnel, Army. The remainder of the conferees agreed on it.

An amendment had been offered by the Senator from New Hampshire on exhibit advertising. The conference finally agreed that it be deleted.

Mr. HUMPHREY. The reason the Senator from Minnesota asked the question is to ascertain whether or not in the conference report the Senator from Virginia has the full support of both the majority and the minority.

Mr. ROBERTSON. All the conferees signed the report.

Mr. HUMPHREY. I call to the attention of the minority leader that all members of the conference signed the report.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished Senator from Virginia concerning the item on civil defense. What was the nature of the compromise that was finally effected?

Mr. ROBERTSON. The compromise was that we agreed to the full amount that the President had requested.

Mr. DIRKSEN. The conference agreed to the full amount.

Mr. ROBERTSON. The conferees could not agree. The House conferees took the item back to the House, and the House moved to recede and to agree to the Senate position. The Senate position was that the entire amount of $207,600,000 be approved, so it all went in and is all agreed to now.

Mr. DIRKSEN. Mr. President, the $207,600,000 provided in the report is in addition to the amount that was requested in the first instance. The President made his supplemental request after he addressed the country, and I understood the amount was in addition to the original request.

Mr. HUMPHREY. The Senator is correct.

Mr. DIRKSEN. I wonder what the total amount for civil defense now is.

Mr. ROBERTSON. The President made a budget request earlier in another bill. We had a budget estimate for the Civil Defense Mobilization Director for a little over $85 million. That provision was in the independent offices bill. On July 26, the President recommend an additional $207,600,000, and that amount is in the present bill. That is all the civil defense money that is in the bill, and that was the President's last estimate.

Mr. DIRKSEN. Then the total amount provided for civil defense in the defense appropriation bill for 1962 and the independent offices appropriation bill aggregates something in excess of $300 million, as I recall?

Mr. ROBERTSON. The Senator is approximately correct.

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

Mr. ROBERTSON. I yield.

Mr. HUMPHREY. What is the total amount appropriated?

Mr. ROBERTSON. Forty-six billion six hundred and sixty-two million five hundred and fifty-six thousand dollars.

Mr. HUMPHREY. What was the total amount contained in the Senate bill before the bill went to conference?

Mr. ROBERTSON. Forty-six billion eight hundred and forty-eight million two hundred and ninety-two thousand dollars. The conference report is $185,736,000 below the Senate figure.

Mr. HUMPHREY. That was the result of the conference.

Mr. ROBERTSON. In the interest of economy, a 2-percent reduction was taken on all procurement items except two.

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

Mr. ROBERTSON. I yield.

Mr. MILLER. May I ask the Senator from Virginia what action was taken on the advertising problem?

Mr. ROBERTSON. The problem, the Senator understands, applies only to cost-plus contracts. If a man obtains a firm bid contract, he can advertise as he sees fit, but he is subject to the general provisions about advertising being deducted as a necessary item of doing business. On cost-plus contracts he can advertise for scarce materials. He can advertise to dispose of surplus material. He can advertise for needed personnel, subject to regulations to be issued by the Secretary of Defense.

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

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. In a letter to the Secretary of Defense the committee chairman inserted a statement about exhibits at Government expense for advertising.

Mr. ROBERTSON. The Senator is correct. To make the point clear, it did not apply to the advertising that a man would do if he had a firm-bid contract.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. ROBERTSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. May I say to the chairman of the conference that he did an excellent job, and I think that in the conference report the position of the Senate came off substantially as we had voted.

Mr. ROBERTSON. I thank the distinguished Senator from Massachusetts.

Mr. SCHOEPPEL. I wish to express my appreciation to the distinguished Senator from Virginia for the excellent

job he has done with reference to the conference report.

Mr. ROBERTSON. I thank my friend.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7851, which was read, as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) entitled "An Act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes."

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 26, 41, 54, 64, and 65 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 69 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert:

"SEC. 636. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by that contractor of personnel required for the performance by the contractor of obligations arising under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted, insert the following: "acquisition of new facilities, or alteration, expansion, extension or addition of existing facilities."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 74 to aforesaid bill, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "SEC. 638. During the current fiscal year, the Secretary of Defense may, if he deems it vital to the security of the United States and in the national interest to further improve the readiness of the Armed Forces, including the reserve components, transfer under the authority and terms of the Emergency Fund an additional $200,000,000: *Provided,* That the transfer authority made available under the terms of the Emergency Fund Appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further,* That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75 to aforesaid bill, and concur therein with an amendment, as follows:

Change the section number to "639";

Agree to subsection "a";

Concur in subsections (b) and (c), amended to read as follows:

"(b) The Comptroller General of the United States, or his designee, shall relieve disbursing officers, including special disbursing agents, of the United States from accountability or responsibility for any payments described in the first paragraph of this section, and shall allow credits in the settlement of the accounts of those officers or agents for payments which are found to be free from fraud and collusion.

"(c) Appropriations available to the United States Air Force for the pay and allowances of enlisted personnel shall be available for payments under this section."

Mr. ROBERTSON. Mr. President, these are language amendments, and I move that the Senate concur in the House amendments to the Senate amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia.

The motion was agreed to.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1983), to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

Mr. SCHOEPPEL. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 186.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 186) disapproving Reorganization Plan No. 7 transmitted to Congress by the President on June 12, 1961.

Mr. SCHOEPPEL. 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. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DIRKSEN. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas that the Senate proceed to the consideration of Senate Resolution 186.

Mr. DIRKSEN. I understood the question before the Senate now to be the resolution to disapprove Reorganization Plan No. 7.

The PRESIDING OFFICER. The resolution is not yet before the Senate.

Mr. DIRKSEN. Then why do we not proceed to consider it?

The PRESIDING OFFICER. The question is whether the Senate will take it up.

Mr. DIRKSEN. I thought that question had been resolved. If not, I move that the resolution be laid before the Senate.

The PRESIDING OFFICER. That is the pending question. The Senator from Illinois has asked for the yeas and nays.

Mr. DIRKSEN. What is the pending business?

The PRESIDING OFFICER. The pending business is the consideration of the motion of the Senator from Kansas [Mr. SCHOEPPEL] to proceed to the consideration of Senate Resolution 186. The yeas and nays have been ordered.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the yeas and nays be rescinded.

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

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is it now proper to make a motion to proceed to the consideration of the resolution?

The PRESIDING OFFICER. That motion has already been made by the Senator from Kansas [Mr. SCHOEPPEL].

Mr. McCLELLAN. Is it proper now to vote on that motion?

The PRESIDING OFFICER. It is proper to vote on it now.

Mr. McCLELLAN. I suggest that we vote on it.

Mr. DIRKSEN. Will the Chair state for the benefit of the Senate exactly what the proposition is before the Senate?

The PRESIDING OFFICER. The proposition before the Senate is the motion of the Senator from Kansas [Mr. SCHOEPPEL] to proceed to the consideration of Senate Resolution 186.

Mr. DIRKSEN. As I understand it now, the Chair has stated that the question is on agreeing to the motion to consider the resolution. I thought we had disposed of the motion to consider it. What we desire is a yea-and-nay vote on the proposal to disavow Reorganization Plan No. 7.

The PRESIDING OFFICER. First it must be taken up.

Mr. McCLELLAN. Mr. President, I shall state what I believe to be the parliamentary situation. The earlier motion that was adopted was the motion to discharge the committee. When the committee was discharged, the resolution was automatically placed on the calendar.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. The resolution was then subject to being called up. The motion now is to call it up so that we can vote on it.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the motion of the Senator from Kansas [Mr. SCHOEPPEL] that the Senate proceed to the consideration of Reorganization Plan No. 7.

The motion was agreed to.

Mr. DIRKSEN. Mr. President, on the question of agreeing to the resolution, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. As I understand, Senators who favor Reorganization Plan No. 7 will vote "nay" on the resolution of disapproval; Senators who disapprove of the reorganization plan will vote "yea."

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Mr. President, the question is still debatable, is it not?

The PRESIDING OFFICER. The Senator is correct. Ten hours of debate are provided under the rule.

Mr. SCHOEPPEL. Mr. President, I know of no Senator on this side of the aisle who desires to make a statement, unless he so indicates now.

Mr. DIRKSEN. Mr. President, I shall simply summarize what I said before. The reorganization plan proposes, first, to increase the membership of the Commission from three to five, which adds to the expense of the Commission. Second, it concentrates control over subsidies in the hands of one man. Third, it authorizes a delegation of power by the chairman not merely to a commissioner, but to a group of employees or to a single employee. It would make it possible to take away from the Board control over rates, contracts, and shipping practices and lodge it in the hands of a single employee of the Board. Fourth, that power could be lodged in the hands of a single employee, and no member of the public who might be aggrieved by such action could get a review by the Commission of any practice, any rate, any contract, or anything which appertains to the shipping industry.

It was for that reason that the plans to reorganize the Securities and Exchange Commission, the National Labor Relations Board, and the Federal Communications Commission were disapproved.

Finally, the proposal would create a Maritime Administrator, but would prescribe no duties for him except only those which may be assigned by the Secretary of Commerce.

Mr. President, this is, indeed, a very far reaching plan. In some respects, it goes infinitely further than some of the plans which were before the Senate before.

For these reasons, I believe the plan to reorganize the Maritime Commission should be disapproved and that the vote should be "yea."

The PRESIDING OFFICER. Do the Senators in control of the time yield back the remainder of their time?

Mr. HOLLAND. Mr. President, I wish to be heard on this question, but I am not quite ready. If some other Senator wishes to speak first, I shall be happy to defer to him.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield time to the Senator from Ohio?

Mr. LAUSCHE. Is the time allocated?

The PRESIDING OFFICER. The time is limited.

Mr. McCLELLAN. Automatically, by the rule relating to reorganizations, 10 hours of debate are allowed, 5 hours to each side. I shall be glad to yield to the Senator from Ohio as much time as he wishes.

INTIMIDATION OF SCHOOL-AID VOTES

Mr. LAUSCHE. Mr. President, last week a rather lengthy discussion took place in the Senate about the motives for inducing opposition to the efforts to add, by way of amendment, provisions which would enable the payment of moneys due to federally impacted school districts. Yesterday, August 9, the Washington Daily News published an editorial entitled "Intimidating School Votes." I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

INTIMIDATING SCHOOL VOTES

Schemers for federalized public education, temporarily blocked in Congress, are threatening economic reprisals which fall little short of blackmail.

To coerce votes for $2.5 billion in general school subsidy, they are threatening to withdraw aid to the "impacted" areas. They insist the two be tied in the same package.

"Impacted" areas include districts whose schools have been swamped by children whose parents have moved in to work for Government installations. There have been abuses of the system, sought to be corrected by our last two Presidents, but the principle is just. Lacking this customary aid, these school districts would be in severe trouble. Some would not be able to operate.

And since the districts are widely scattered, the threat puts heavy pressure on many Congressmen.

While some of the poorer States need help and all have to sacrifice to pay for good schools, the propaganda concerning a national education emergency is a fake. School expenditures have grown many times faster than enrollments. Average teaching loads have been reduced and teacher salaries, though still low, are rising considerably faster than the national average.

Injustice to gifted teachers remains but hardly can be corrected so long as pay and recognition are linked to college degrees, rather than individual proficiency—a system comparable to gaging musical genius by the number of lessons taken.

As an obvious vote-catching device the school subsidy bill provides cash for the wealthy States, as well as the poor, again emphasizing the obvious fundamental aim of this campaign which is gradually to take control of the schools away from the local boards and turn it over to professional educator-bureaucrats. This would be accomplished through regulations which are bound to accompany subsidies.

If there were sincere desire to ease local school tax burdens, this could be accomplished without either Federal subsidies or Federal controls. Remission of a few excises, such as the taxes on telephone service, would permit the States to reimpose them and raise their own money. But this would bypass the Federal bureaucrats and is not even being considered.

PURCHASE OF RECREATION AREAS FROM NATIONAL LAND RESERVE

Mr. McGEE. Mr. President, Mr. James Howard, the editor of my hometown newspaper at Laramie, Wyo., on August 6, 1961, wrote an excellent editorial lauding the recent announcement by the Secretary of Interior that recreation areas may now be purchased from the national land reserve for $2.50 an acre or lease them for 25 cents an acre per year.

The editorial further compliments the Secretary for the recently announced public land pricing schedule that will permit States, local governments, and nonprofit private organizations to obtain land sites for school construction for $2.50 an acre.

As pointed out in the editorial, we in the Western States, which have a large amount of public lands within their borders, are very much pleased with these new proposals. They represent this administration's sincere efforts to encourage the development of recreational areas and assistance in our educational endeavors, while at the same time abetting the transfer of suitable public land to public use under State or local control.

The Laramie Boomerang clearly states that the Secretary of Interior and the administration is putting into practice the principle that public lands do indeed belong to the public. I ask unanimous consent, that the editorial be printed at this point in the RECORD.

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

PUBLIC LANDS FOR THE PUBLIC

Two recent announcements from Secretary of the Interior Stewart L. Udall received practically no attention in the West where they will have their greatest effect.

One announcement from Udal' said State and local governments in public land States may purchase recreation areas from the national land reserve for $2.50 an acre or lease them for 25 cents an acre per year.

The other announcement told of a new public land pricing schedule that will permit States, and local governments and nonprofit private organizations to obtain land sites for school construction for $2.50 an acre.

Udall says the steps are another step in the Interior Department's program to encourage transfer of suitable public land to public use under State or local control.

Particularly in the West, and most particularly in the Rocky Mountain West these new proposals deserve acclaim.

This area certainly needs additional recreation areas and the demands on our education facilities are increasing daily.

For too many years public lands have not been used to their full capacity. Secretary Udall deserves our thanks for getting maximum benefits from these lands for the maximum number of people.

We hope he extends the present program even further. He is putting into practice the principle that public lands do indeed belong to the public.

CONVERSION, ALTERATION, AND REPAIR OF NAVAL VESSELS AT PRIVATE SHIP REPAIR YARDS

Mr. CANNON. Mr. President, recently I had the pleasure to sponsor together with Senator BUTLER and Senator BUSH, a bill, S. 721, to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards.

A statement relative to this important subject matter of Navy yard competition with private enterprise was recently presented by the Shipbuilders Council of America before the special Subcommittee on Utilization of Naval Shipyard Facilities of the House Armed Services Committee, which sets forth the issues involved in an enlightened and clear perspective.

I ask unanimous consent that the statement be printed at this point in the RECORD.

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

STATEMENT BY EDWIN M. HOOD, VICE PRESIDENT, SHIPBUILDERS COUNCIL OF AMERICA, BEFORE SPECIAL SUBCOMMITTEE ON UTILIZATION OF NAVAL SHIPYARD FACILITIES, HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, members of the subcommittee, my name is Edwin M. Hood. I am vice president of the Shipbuilders Council of America, a national trade association of shipbuilding, ship repairing and allied industry companies. Rather than take up your time unduly with testimony from a series of individual witnesses, I have been asked to state the collective position of the industry.

We deeply appreciate this opportunity to give you our views on shipyard facilities to support the naval fleet. But, first, may I say, with deep conviction and genuine sincerity, we have a healthy and abiding respect for the U.S. Navy, and a continuing admiration for the officials, officers, and men of the Navy. Under increasingly difficult circumstances, the Navy has maintained the fleet in a state of readiness capable of meeting any emergency despite totally inadequate appropriations to replace our rapidly aging World War II fleet. We recognize the practical problems with which the Navy is confronted and want to help in their solution.

Through the years, we have built and repaired many ships for the Navy. And we want to continue to do so. The Navy is our principal customer. But, as Admiral James has said many times, the Navy, by the operation of naval shipyards, is also the biggest competitor of the private shipyards. This situation is true of no other defense industry. This odd phenomenon has not diminished the high regard in which we hold the Navy and particularly the staff of the Bureau of Ships.

On the first day of your hearings, Assistant Secretary BeLieu applied the word "system" in describing the naval shipyard support complex, and then rhetorically asked: "Would a different course increase our national security?" He also added that the naval shipyards "form the logistic base upon which our fleet depends for needed shore support." But, later in the same testimony, Secretary BeLieu said:

"And if you remember, I spoke of our need to maintain not only trained people and modern ships, but a logistics base.

"And this logistics base includes the naval shipyards, it also includes private shipyards, and it includes the whole strength of the country, as far as that is concerned."

In this same regard, you, Mr. Chairman, in your telegram of July 21, very aptly referred to the importance and indispensability of the private shipyard industry in this country. But, unfortunately, the private yards are not being maintained at suitable levels to meet this logistical responsibility.

It is to these points, which in our judgment are basic, we should like to address ourselves.

A review of the Nation's shipyard capability, both privately owned and Government owned, to mobilize for all contingencies cannot ignore the larger issues of national survival under past, present and future circumstances. Particularly under cold war conditions, economic and military goals are inseparable. The capacity of our economic system to produce the wherewithal, in sufficient quantity and regularity, to pay for ever-increasing, more costly defense requirements is the proven alternative to national calamity and national insolvency.

We must have a sound and ever-expanding economy if we are to achieve fiscal stability and protect our way of life while undertaking added military burdens. Our private economy generates the tax revenues necessary to finance military programs. And profits provide the incentive and the means for expansion.

The Federal Government promotes economic growth mainly by the contributions that it makes to conditions favorable to the exercise of private individual initiative and effort. Government action is not the principal, let alone the sole, determinant of the rate of economic growth. In our competitive enterprise system, growth requires that productive job opportunities be created in private employment.

This economic system has historically placed supreme reliance on privately owned industrial, business and commercial enterprises. Our tremendous economic growth, our prosperity, our productive capacity, our high standards of living, have developed because free men and women have followed the precepts of our forebears who settled in this country to escape burdensome taxation, governmental restrictions and often governmental suppression of freedoms. Our people and our entire Military Establishment are committed to the preservation of a way of life by which this great Nation has become the envy of the balance of the world.

In preserving and expanding our great heritage, the private shipbuilding and ship repairing industry of the United States seek to cooperate with the Congress, the Department of Defense and the Department of the Navy in the development of appropriate policies affecting naval ship procurements. The privately owned shipyards of this country seek to cooperate in the development of sound policies which advance national objectives and which are in the best public interest.

It is to be regretted that all too frequently there are those in the Government who look upon private industry as a mortal enemy. This unfortunate attitude overlooks the source of revenues by which the manifold interests of the government, at all levels, are sustained.

The role of privately owned shipyard facilities in our economic and defense structure needs restatement. In truth, it is the private shipyards, not the Government-owned facilities, which fundamentally serve the economic well-being of the Nation. A free market economy, composed of privately owned facilities, produces taxes while public enterprise consumes taxes. It is the private plus naval shipyard complex, properly and equitably utilized, which supports the material readiness of the naval fleet and maintains the American tradition of victory at sea.

Oddly enough, this complex exists half free and half nationalized, in contradiction to the free, competitive economic system we cherish and strive to nourish. Oddly enough, we have the anomaly of nationalized industrial activity competing with private industry. If seminationalization is good for naval purposes, why, then, aren't all other industries furnishing weapons, aircraft, and other military materiel similarly nationalized? A report of the House of Representatives, Committee on Government Operations, dated July 21, 1954, gives a reasonable answer to that question:

"If Government competition with private enterprise were pushed to its logical conclusion, the Government would ultimately destroy its source of income—commit national economic suicide."

There is nothing sacrosanct about the Government-owned, Government-operated shipyards. They possess no vested rights. The naval shipyards duplicate all that the private shipyards can do. Or, said differently, the private yards can do all that the naval shipyards can do where shipbuilding, ship repairing, ship alterations, and ship conversions are concerned. There is no basic prohibition to a greater utilization of private shipyard facilities. More realistic practices would better serve the need for economic well-being. And, thereby, the capacity of our economic system to produce the funds to pay for military defense will be strengthened.

But, what of the military role of the private shipyards? Adm. Arleigh A. Burke, the retiring Chief of Naval Operations, in defining seapower, assigns to the Nation's shipbuilding capacity an importance equal to that of weapons, armament, ships, and geography. The former Deputy Chief of Naval Operations for Logistics, Vice Adm. Ralph E. Wilson, has publicly testified that "the Navy is dependent, as heretofore, on private shipyards to assist in the activation, conversion, construction, and modernization of public and merchant shipping needed to maintain a strong posture to deter a war, to fight a war, and to assist in achieving the national objectives in peace and war." In 1959, Admiral Wilson also assured the mobilization planners that "the private ship repair industry is essential in maintaining our mobilization potential."

Sir Winston Churchill and other leaders of the free world, on more than one occasion, have paid tribute to the American shipbuilding and production genius which made it possible for the Allies in the 1941–44 period to balance "current losses with new ships," and eventually to "replace all our earlier losses." That shipbuilding and production genius, I do not have to remind this distinguished committee, was provided by both the private and naval shipyards of the United States—but, in far greater measure, by the private shipyards.

High naval authorities attest to, and the path of history has proven, the essentiality of the private shipyards to the Nation's mobilization potential. But, idle capacity in the private yards—and there is considerable today—is hardly contributing to economic health, let alone to national security.

Compare this fact, if you will, with the situation in the Government yards. To support a fleet of 10,000 vessels in the last World War, 11 naval shipyards were required. Today, 16 years after the end of World War II, to support a fleet of 817 naval ships, the same 11 naval shipyards remain at relatively high levels of employment. In the last 15 years, more than 20 private yards on all coasts have gone out of business because of a lack of work, and most of the remaining yards are operating at far less than normal capacities. Curiously, in that period, not one naval shipyard has been obliged to shut down, and predetermined employment levels in these shipyards are maintained through the assignment of work with little reference to the ultimate cost of the Government, effect upon our economic

base, or availability of privately owned, tax-producing facilities.

Today, as was illustrated by the charts submitted earlier in these hearings, there are, in terms of Navy shipwork, twice as many people employed in the naval shipyards as in the private yards. The figures, as Admiral James gave them, are roughly 97,000 people in the naval shipyards and about 48,000 in the private yards. A correlation of these figures indicates that in World War II, under peak circumstances, the naval shipyards required 34 men per ship, but now nearly 120 men per ship are needed. One more comparison is striking. In the great port of New York, the Brooklyn Navy Yard now employs close to 13,000 people, but employment in all of the privately owned shipyard facilities totals only 2,350.

In the last analysis, a congressional committee is the "board of directors" of a national government business enterprise. The taxpayers—the stockholders if you will—have every reason to expect that their funds will be spent wisely and effectively. The naval fleet is confronted with the problem of bloc obsolescence, and more money for new ships is badly needed. It is for you, as members of the "board of directors," to decide whether or not there is too much, non-tax-generating capacity in the naval shipyards, and whether or not this country should proceed farther along the road to nationalized industries. It is for you, as members of the "board of directors," to decide whether or not in the national interest the naval shipyards are overutilized and the private yards underutilized. We firmly believe the naval shipyards to be overutilized and the private yards underutilized.

The private shipbuilding and ship repairing industry has not, and does not now, advocate the elimination of naval shipyards. Adoption of the Constitution put the Government in the business of minting money and running the postal service. And it is conceded that even within the framework of a free, competitive economic system, government and private industry must engage in certain partnerships with precise limitations for the public good. President Kennedy puts it this way: "Working together, business and Government must do better—putting people back to work, using plants to capacity and spurring savings and investments with at least a large part of our economic gains—beginning not when our economy is back at the top, but beginning now."

Private and naval shipyards can and do work together harmoniously and efficiently. They complement each other, provided means are taken to insure to each its due relative precedence and weight in the determination of practical questions. To this end, a realistic decrease in employment and work levels in the naval shipyards is advocated. Every dollar of ship procurement contracts awarded to private industry instead of Government-owned, Government-operated facilities travels a greater distance in supporting our economic and defense structure. We believe the naval shipyards to be overutilized, and we believe an opportunity to get more mileage out of appropriated dollars for the construction, repair, alteration and conversion of naval vessels through a greater utilization of private shipyard facilities is being overlooked.

REORGANIZATION PLAN NO. 7, RELATING TO THE FEDERAL MARITIME BOARD

The Senate resumed the consideration of the resolution (S. Res. 186) covering Reorganization Plan No. 7, relating to the Federal Maritime Board.

Mr. McCLELLAN. Mr. President, does the minority leader have any further requests for time to discuss the reorganization plan?

Mr. DIRKSEN. I have no further requests for time on this side of the aisle.

Mr. McCLELLAN. The Senator from Florida has requested some time. I yield to him as much time as he may desire.

Mr. HOLLAND. I thank the Senator from Arkansas.

Mr. President, I thoroughly agree with the policy of the reorganization plan in dividing into two appropriate portions the duties of the present Maritime Board. I think the regulatory duties should be in one place, and the other duties in another place. However, I do not believe it is sound government or that it is anything which the Senate would wish to approve to place in the control of any one man—I do not care how good a man he is—the authority for the expenditure of the vast sums of money which are included in the two subsidies which would be handled by the Maritime Administrator under the provisions of the plan. The amounts of those subsidies for this year alone are $98 million for the construction differential subsidy and $182 million for operating differential subsidies, a total of $280 million—more than a quarter of a billion dollars.

Lest there be some misunderstanding, I wish to make it very plain that I have complete and unlimited confidence in the present Secretary of Commerce.

He is one of the finest men in government. He made a superb Governor of North Carolina, which is one of the finest and best governed States. I applauded heartily when he was named to the secretaryship of the Department of Commerce. I handle the appropriations for that Department in the subcommittee of which I have the responsibility to serve as chairman. Our relations are most cordial. I reiterate that I have complete and unlimited confidence in his probity, his integrity, and his sound judgment. As a matter of fact, there are few other persons in Government whom I put on a par with him, so far as fine judgment and decency are concerned.

However, I do not believe it is sound Government to apportion or allot to any one public servant, particularly to an appointive public servant, one who may be changed from time to time, and in this instance one who, I regret to say, will not be Secretary of Commerce indefinitely or permanently—I wish he would be, and I wish we had the assurance that such a good man would be Secretary of Commerce always—it is not sound government to place in one public servant, who is an appointive political servant, and necessarily in one political party, the right to control the expenditure of so much public money. I do not care how much affection we may have for Secretary Hodges—and there is no Senator whose affection for him surpasses mine—it is not doing a kind thing to him, and certainly it is not doing a good thing in government, to give to him the responsibility of the apportionment of contracts among serious competitors, who are fighting all the time to see who will build the new, modern ships, and how much money they will get from the Federal Government to subsidize the payment for those ships, and who will get the money in the form of subsidies for the routes which are traveled by those ships.

I do not think it is sound government to give to one man the apportionment of all that money; and I think it is sure to lead to difficulties on the part of the Administrator, and to doubts and suspicions on the part of the general public. So I think it is not the right thing to do.

Mr. President, let me compare and contrast this situation with what happened in regard to the Civil Aeronautics Board. The Civil Aeronautics Board handles substantially smaller sums of money than these, in providing for the subsidization of our commercial air carriers. But in the case of the Civil Aeronautics Board we require not only that there be a Board to handle those sums; we also require that the Board be bipartisan. We insist that not more than a simple majority of the Board can be composed of persons who belong to the same political party. I think that is sounder government and will bring satisfactory results. I believe that no matter how exemplary the individual concerned may be, we set a wrong precedent when we give to one person, no matter how exemplary he may be—and certainly there is no better man in our Government than the present Secretary of Commerce—the right to apportion, hand out, and distribute $280 million of Federal funds to highly competitive industries which are fighting for business in connection with the construction of ships, in the course of 1 year.

Mr. President, 1 year involves only a part of the effort, only a bit of the time. The principle runs much longer. It may run much past the time of the service of the present Secretary of Commerce. But regardless of that, and despite the fact that I have the greatest respect, as he well knows, for the able chairman of the Senate committee, who, I understand, holds a contrary view, I wish to say that I do not think we would be practicing sound government to approve a reorganization plan which would take the handling of this matter away from a bipartisan board, and, instead, would give it to one appointive political servant of our country, no matter how fine he may be.

For that reason, I shall vote against this reorganization plan, despite the fact that I think it is sound in at least one of its proposals; namely, separating the regulatory functions from the others. I think that would be a wise approach to this program. I am very sorry that we cannot vote for parts of this program without voting for all of them, and I am sorry that it is not subject to amendment.

I believe the legislative committee can do a much better job in handling this program than the one which would be done by means of this reorganization plan. I do not believe that any Senator who considers this matter seriously will feel that it is sound government to turn over to one appointive political servant the expenditure of more than one-quarter of a billion dollars of Federal funds in 1 year, in distributing that amount

among the highly competitive industries—all highly suspicious of each other—that are covered by the operations of this Board.

So, Mr. President, I shall vote against approval of the reorganization plan.

Mr. McCLELLAN. Mr. President, let me ask whether Senators on the other side wish to use any further time.

Mr. SCHOEPPEL. I think not.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kansas will state it.

Mr. SCHOEPPEL. Have the yeas and nays been ordered on the question of agreeing to the resolution of disapproval of the reorganization plan?

The PRESIDING OFFICER. Yes, the yeas and nays have been ordered.

Mr. McCLELLAN. Mr. President, I have no other requests for time, from Senators on this side.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. On this question, a vote "yea," will be in disapproval of the reorganization plan; and a vote "nay" will be in approval of the reorganization plan. Is that correct?

The PRESIDING OFFICER. That is correct. A "yea" vote will be in disapproval of the reorganization plan.

Mr. DIRKSEN. 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. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Is all remaining time yielded back?

Mr. DIRKSEN. Mr. President, I yield back all remaining time under my control.

Mr. McCLELLAN. Mr. President, I yield back the remainder of the time available to those in opposition.

The PRESIDING OFFICER. All remaining time on this question has been yielded back.

The question is on agreeing to the resolution of disapproval of Reorganization Plan No. 7. 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 Arkansas [Mr. FULBRIGHT] 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.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Maryland would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Kansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is absent on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Missouri would vote "nay."

The result was announced—yeas 35, nays 60, as follows:

[No. 133]

YEAS—35

Allott	Curtis	Morton
Beall	Dirksen	Mundt
Bennett	Dworshak	Prouty
Boggs	Goldwater	Robertson
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Capehart	Javits	Smith, Maine
Case, N.J.	Keating	Tower
Case, S. Dak.	Kuchel	Wiley
Cooper	Long, La.	Young, N. Dak.
Cotton	Miller	

NAYS—60

Aiken	Hartke	Monroney
Anderson	Hayden	Morse
Bartlett	Hickey	Moss
Bible	Hill	Muskie
Burdick	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Johnston	Pell
Carroll	Jordan	Proxmire
Church	Kefauver	Randolph
Clark	Kerr	Russell
Dodd	Lausche	Smathers
Douglas	Long, Mo.	Smith, Mass.
Eastland	Long, Hawaii	Sparkman
Ellender	Magnuson	Stennis
Engle	Mansfield	Talmadge
Ervin	McCarthy	Thurmond
Fong	McClellan	Williams, N.J.
Gore	McGee	Williams, Del.
Gruening	McNamara	Yarborough
Hart	Metcalf	Young, Ohio

NOT VOTING—5

Butler	Chavez	Symington
Carlson	Fulbright	

So the resolution of disapproval was rejected.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title for the information of the Senate.

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. MANSFIELD. Mr. President, I ask unanimous consent that the four Byrd amendments be considered en bloc. I make that request with the full approval of the Senator from Virginia.

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

REORGANIZATION PLAN NO. 6, RELATING TO FEDERAL HOME LOAN BANK BOARD

Mr. DIRKSEN. Mr. President, I do not see the distinguished chairman of the Committee on Government Operations in the Chamber, but I promised I would advise the Senate that with respect to Reorganization Plan No. 6, to reorganize the Federal Home Loan Bank Board, I did submit a resolution of disavowal, but I do not intend to press it. It was submitted only because of the time factor involved, to give an opportunity for some manifestation of interest by the building industry and others. There is no great interest in resisting that particular plan, and it is certainly not my intention to seek to have the resolution considered. I thought the Senate ought to be advised on that point.

COMMUNICATION SATELLITE

Mr. HUMPHREY. Mr. President, I wish to invite the attention of the Senate to a statement by Dr. Robert Larsen, who is associated with a Minnesota firm named Midwest Technical Development Corp.

Dr. Larsen is close to the electronic industry in Minnesota which, he points out, is the fourth largest in the United States and is made up of numerous small businesses. This statement was filed today with the Subcommittee on Monopoly of the Select Committee on Small Business. The Senator from Louisiana [Mr. LONG], who chairs this subcommittee, is doing a thorough and painstaking job of examining this complex subject. Much valuable information has been brought out on the economic effects of the ownership of a communications satellite system. This knowledge will prove very valuable to the Congress in making policy decisions in this area. Dr. Larsen points out that small equipment manufacturers have an interest in eventual ownership of the system as he believes that it will affect the ability of small manufacturers to participate in the program.

He also points out that the large international carriers have inhouse electronic capabilities and that precautions must be taken to safeguard the right of small equipment manufacturers to bid on the manufacture of equipment for the system.

I might also add that the policy of the Congress on the subject of ownership must be formulated very carefully. The ultimate solution of outer space activities and the formulation of international law are extremely complex subjects and they are inextricably bound up in the solution of our policies for the communications satellite.

Mr. President, I ask unanimous consent that the statement be inserted in the body of the RECORD.

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

STATEMENT PREPARED FOR THE SELECT COMMITTEE ON SMALL BUSINESS OF THE U.S. SENATE, JULY 31, 1961

Mr. Chairman, I am very appreciative for the opportunity to appear before this committee to present my views on the role that

can be played and the difficulties that confront small business in the procurement of electronic systems. In particular, I wish to address my comments to the proposed establishment of a communications satellite system, to the method by which it might be procured, and to the effect that the method of procurement might have on the possibilities of small businesses sharing in this program.

My knowledge in this area comes from my background as a director and consultant for the Midwest Technical Development Corp. This is a closed-end investment trust, located in Minneapolis, Minn. Midwest Tech's function is to supply venture capital for small, technically oriented companies with the thought that its investment will grow in value as the companies prosper. In this connection, we have made investments in some 17 electronic companies who would be classified as small business corporations. This has given us an insight into problems which are common to all as they seek business and attempt to grow. It has given us a base from which to generalize.

In some ways, the Midwest area as it pertains to the electronic industry is, at this point in time, unique. In particular, this statement applies to the area surrounding the Twin Cities of Minneapolis and St. Paul. Starting 10 years ago from a base of one large company and several smaller ones, the Twin Cities have developed an electronic capability that is thought to be the fourth largest in the United States. By necessity, this total potential is made up, mainly, of a large number of small, electronically oriented business companies who because they have been in business but for a few years are still relatively small in size.

I have attached a list of such concerns to this statement. This list was prepared for me by the Small Business Administration regional office in Minneapolis.

As I understand it, there is under consideration, three general methods for the procurement of the communications satellite system. The first is that this system be built by four companies now dominating the communications field in the United States. These are A.T. & T., Western Union, I.T. & T, and RCA Communications. A second is that the work on the system be divided among a number of large companies with perhaps no more than 10 percent of the system going to any one concern. The third is that the U.S. Government act as prime contractor of the communications satellite system.

Under which of these alternatives would small electronic companies have the best chance of getting part of this business on a subcontract basis? Experience dictates that the chances are the least for the first alternative, and that they are improved under the second and third alternatives.

The work on the communications satellite system by 10 or more companies would mean that each of these companies would have the responsibility for the building of sections of the system. It is likely that several of these business concerns would not have the inhouse capabilities for the building of the design and the building of all parts of their section of responsibility. For example, in the Twin City area, Minneapolis-Honeywell subcontracts between 50 and 80 percent of the work that they undertake. Quite naturally, if Minneapolis-Honeywell is to be a part of this program, they would turn to those small businesses adjacent to their facilities with which they have established a satisfactory vendor-buyer relationship. This situation would be repeated around the country.

If the Government were to own the system, then by the mechanism of open bid distributed through the Small Business Administration, each small business would have the opportunity of learning of the business to be had.

Under any procedure, it is apparent that a central coordinator would be required. In the latter case, an agency of the U.S. Government would serve this function. In the case of multiple ownership, either the Government or a business firm could serve this function.

It cannot be denied that the need for coordination is lessened if the communications industry are the only companies involved. These companies have large inhouse electronic capabilities, and it is only natural that they would turn to their own divisions, subsidiaries, and affiliates in order to accomplish the work. It will be difficult, however, for outside small business to break into this complex.

It can be argued that the small business clause in Government contracts will give relief to this problem. By so doing, open bids will be made upon which any interested party can bid. In practice, however, we have found that this system has serious drawbacks.

In such a subcontract bid the requirements of the contract are set out in a series of specifications. These specifications can be drawn in such a way so that only one or two companies are able to satisfy these requirements. In many cases, these requirements are important to the successful completion of the job. In others, however, they are not. In fact, it has been often said that the important job of a technical salesman in the electronic industry is to influence the drawing of specifications so that only the product of his company will comply. Let me cite two examples.

Most all electronic components are packaged in a certain form. Because of this, by the expedience of a size specification, it is possible to exclude from the design all products except those of a certain company. Often, a competing company can change their model to meet this specification but quite often this requires a complete change in electronic circuitry, and thus the expense of this change makes the small business concern noncompetitive.

Specifications are also written on facilities. While such requirements are often very meaningful, the requirements are not always so and they can be so written as to exclude the chances of a particular small company.

Quality control measures are an example. Many small houses depend upon the reliability checks of their suppliers. The small business depends upon the thorough check of the final device to assure workability. A specification can be written to require checks of the subcomponents as well as the final device, and a larger house which makes this subcomponent is the only one which can satisfy this requirement. The net effect is such a specification is a directed procurement even though the smaller house can do the same job and often at a lower price.

The solution to these problems is not an easy one. It is quite natural that companies should wish to work with those subcontractors which are most familiar to them. It is probably wishful thinking to hope that directed specifications can be avoided by arbitrary rules. Consequently, the solutions appear to be to place the prime contracts in the hands of a disinterested party; for example, the Government, or to spread the prime contracts among enough large companies so that on a geographical basis, all small business concerns have an opportunity to place subcontractual bids with companies with whom they were previously affiliated. This latter situation is more nearly met by the proposal that the communications satellite system be divided among at least 10 prime contractors.

Thus, if it is the desire that the work on the communications satellite system be placed so that small business concerns have the best chance of obtaining a piece of the work, then it would be my recommendation that the work on the sections of the total system be widely dispersed.

Dr. R. A. LARSEN.

SMALL BUSINESS ADMINISTRATION,
Minneapolis, Minn., July 28, 1961.

List of electronic firms registered with the Minneapolis office of Small Business Administration (region VIII) having research and development capabilities:

Acrometal Products, Inc., 616 North Fifth Street, Minneapolis, Minn., specialize in processing ultrafine magnet wire used in the electronic field.

ADC, Inc., 2833 13th Avenue South, Minneapolis, Minn., design and development of transformers and electromagnetic components for use in electronic equipment.

Advanced Scientific Instruments, Inc., 5249 Hanson Court, Minneapolis, Minn., design of computers for controlling industrial processes. Peripheral equipment for digital and analog computers.

American Monarch Corp., 2801 37th Avenue NE., Minneapolis, Minn., telephone control power equipment. Voltage and current regulations, switches. Converters, inverters, rectifiers, and transformers. Relays and amplifiers.

American Television & Radio Co., 300 East Fourth Street, St. Paul, Minn., design and development of electronic components and accessories such as inverters, powerpacks, and rectifier units.

Beck's, Inc., 300 East Fifth Street, St. Paul, Minn., research, design, and development of high-temperature printed circuitry of both imbedded and flush type circuits, production of miniaturized and microminiaturized circuitry, design and production of miniature electronic components such as resistors, capacitors, potentiometers, and switches.

Buckbee Mears Co., Toni Building, St. Paul, Minn., photographic processes, techniques, and equipment as applied to metal etching, electroformed masks, glass etching, glass reticles, micromesh sieves.

Bureau of Engraving, Inc., 504 Fourth Street South, Minneapolis, Minn., design, production, and development of special printed circuits.

Central Engineering Co., 417 Taylor Street NE., Minneapolis, Minn., design and development of ignitron power controllers and high voltage and high current power supply units.

Consolidated Engineering Service, Inc., 807 13th Avenue South, Minneapolis, Minn., design and development of instrumentation for testing of electronic equipment, on computers, missiles, and allied devices.

Data Display, Inc., 1820 Como Avenue, St. Paul, Minn., radio, radar, and telemetering systems and equipment utilized to discover and determine the existence of a target or object. Design of electronic components, circuit elements, basic electronics, interference elements, and circuitry. Computing machinery and devices for readout and display of computer information.

Electric Motor Supply Co., 100 Third Avenue North, Minneapolis, Minn., the design and manufacture of electric control panels and control centers for portable power and plant starting systems.

Electro Nuclear Systems Corp., 3054 Excelsior Boulevard, Minneapolis, Minn., research equipment design for computers, instrumentation, method, and techniques.

Electro-Craft Corp., 1015 South Sixth Street, Minneapolis, Minn., production and design of elapsed time indicators, servomotors, reactors, magnetic clutches and brakes, magnetic servoamplifiers, high-temperature solenoids, and flight instruments.

Electro-Mation Co., 1821 University Avenue, St. Paul, Minn., design and develop-

ment of electronic control devices for automation of industrial processes.

Electro-Med, Inc., 3300 University Avenue SE., Minneapolis, Minn., specialize in medical electronic devices in the field of bioelectricity and telemetering equipment for physiological reactions and electrocardiotachometers.

Electronic Medical Systems, Inc., 1449 University Avenue, St. Paul, Minn., specialize in complete instrumentation systems and central readout of medical data for hospitals and clinics.

FluiDyne Engineering Corp., 5740 Wayzata Boulevard, Minneapolis, Minn., experimental research in flight simulation facilities and test techniques, studies of equipment and techniques for simulating space flight and environments, reentry, space connections.

General Electronic Control, Inc., 8001 Access Road, Bloomington, Minn., design and engineering of industrial control equipment, servomechanisms and servosystems. Design of automatic antenna couplers, RF test sets and RF dummy loads. Develop and design of audio transducer and amplifiers, transistorized amplifiers, and discriminators.

General Magnetics, Inc., 2461 Louisiana Avenue South, Minneapolis, Minn., design and development of electronic equipment including pulse transformers, fluid flow sensors and switches, magnetic systems and components.

Graham Research, Inc., 666 22d Avenue NE., Minneapolis, Minn., design and development of electromechanical precision parts for use in instrument and control application.

Instrument Control Co., 2309 Snelling Avenue South, Minneapolis, Minn., electronic welding control system, pressure gages, and cycle counters. The design and development of data-computing and data-scoring equipment for intelligence and aptitude testing.

E. F. Johnson Co., Waseca, Minn., design and production of electronic circuits, components, and equipment.

Lightning & Transients Research Institute, Inc., 2011 Foshay Tower, Minneapolis, Minn., radio noise reduction and lightning protection for aircraft.

Magnetic Controls Co., 6405 Cambridge Street, Minneapolis, Minn., design and production of solid-state and iron-core reactor-type precision temperature control systems for missiles, aircraft, radar delay lines, etc., the development of digital and analog data-processing equipment for use in logic circuitry and for submitting data on carrier frequency.

Melco Products, Inc., 301 Fifth Avenue South, Minneapolis, Minn., design and production of transformers and coils.

Micronics, Inc., 2613 Fourth Street SE., Minneapolis, Minn., permanent marking of anodized aluminum nameplates, instrument dials and panels, measuring instruments, etc. Instrument for measuring gas conductivity. Measures and controls humidity, temperature, pressure, radiation, voltage, and current.

Minco Products, Inc., 740 Washington Avenue North, Minneapolis, Minn., research, design and development of miniaturized and subminiaturized thermistors, temperature sensors, and heaters and thermoribbons for airborne and industrial application.

Miniature Instruments, Inc., 9440 Science Center Drive, Minneapolis, Minn., electrical connectors and Swiss components for inertial guidance and computer systems. Gear drive and gear trains, miniature and microminiature components for missile and computer industry.

Miratel, First Street SE., and Richardson, New Brighton, Minn., electronic display units for TV and pulse code readout. HF and UHF transceivers. Major components and complete sets such as: transmitters, receivers, television cameras, etc., their design performance, operation, maintenance countermeasures, etc. Visual display units for infrared pickup devices. Television for hazardous area observance launching, handling, etc. Visual data reduction and television optical systems.

National Connector Corp., Science-Industry Center, Minneapolis, Minn., the design and production of special electrical connectors and insulating elements of silicon and apoxy laminates for electronic industry.

Nobles Engineering & Manufacturing Co., 645 East Seventh Street, St. Paul, Minn., research and development of sound recording and sound amplification systems.

Nu-Line Industries, Inc., 1015 South Sixth Street, Minneapolis, Minn., research and development of special connectors for electronic use, quick disconnect, RF breakaway, environment resistant, high and low voltage. Subminiature connectors for computers and missiles. Precision miniature electrical connectors for flight instrumentation and navigational control units.

Precision, Inc., 4748 France Avenue North, Minneapolis, Minn., electronic component manufacturers.

Professional Instrument Co., 6824 West Lake Street, Minneapolis, Minn., basic research in connection with development of ultra-accurate machines for producing spherical, cylindrical, and flat surfaces. Design and development of air bearing spindles, slides, and related devices for guidance and control systems.

Ramsey Engineering Co., 1853 West County Road C., St. Paul, Minn., design of components, systems, laboratory and testing devices for computers and instrumentation.

Raven Industries, Inc., Box 227, Sioux Falls, S. Dak., design and fabrication of "sky hook" balloon for high-altitude tests. Electromechanical components and assemblies, precision resistors, wiring harnesses.

Research, Inc., Post Office Box 6164, Edina Station, Minneapolis, Minn., analog computers and power controllers. Aircraft landing arrester systems, including complete electronic controllers, engagement devices, and energy-absorbing devices.

Rosemount Engineering Co., 4900 West 78th Street, Minneapolis, Minn., design and production of precision temperature transducers. Aeronautical research in areas of basic aeronautical and fluid flow.

G. T. Schjeldahl Co., 202 South Division Street, Northfield, Minn., design and development of pressure transducers, temperature sensers, infrared radiation devices, blood-flow meters, printed circuitry, mechanical variable speed transmissions. Research development, design, and manufacture of stratospheric balloons and flight instrumentation.

Setohall-Carlson, Inc., New Brighton, Minn., manufacture FM tuners (88 to 108 megacycles) also AM tuners (550 kilocycles to 1600 kilocycles), TV receivers (home), TV monitors. Television IF coils. High-voltage flyback transformers. Radio (AM and FM) IF and RF coils.

Superior Plating, Inc., 315 First Avenue NE., Minneapolis, Minn., electrical plating, space age metals. Application of metallic coatings to nonconductors with and without the usual silvering methods to obtain conductivity. High-temperature point circuits.

Terado Co., 1068 Raymond Avenue, St. Paul, Minn., design and development and manufacture of converters, battery chargers, and microminiature relays.

Tescom Corp., 2633 Fourth Street SE., Minneapolis, Minn., conduct studies of fluid control systems for ground support equipment.

Transistor Electronics Corp., design and production of miniaturized neon and incandescent indicator lights and digital display unit using transistor circuitry to operate lights from low signal and/or supply voltages. Design and production of semiconductor test instruments.

Washington Scientific Industries, Inc., 13111 Wayzata Boulevard, Minneapolis, Minn., airborne electromechanical instrumentation. Servomechanism controls. Precision miniature gear train assemblies.

The Waters Corp., Post Office Box 529, Rochester, Minn., design and production of electromedical instruments.

Winzen Research, Inc., 8401 Lyndale Avenue South, Minneapolis, Minn., research and development of stratospheric balloons and plastic containers, electronic instrumentation, radio beacons, altimeters, controls, and telemetering systems.

Wright Zimmerman, Inc., New Brighton, St. Paul, Minn., specialize in the design and development of RF coils, speakers, and flyback and pulse transformers and similar electronic equipment.

FREEDMEN'S HOSPITAL

Mr. HUMPHREY. Mr. President, I was extremely pleased to see that yesterday the House of Representatives passed the bill to build a new teaching and community service facility for Freedmen's Hospital and to transfer administrative control of the hospital from the Department of Health, Education, and Welfare to Howard University. From my inspection tour, I know the importance of this House action. I know the hope it must bring to those persons responsible for running Freedmen's. Now it is my hope that prompt Senate action can be secured this session.

As Senators know, I have introduced a bill, S. 2265, which is essentially the companion measure to H.R. 6302, the bill passed yesterday by the House. There is, however, one fundamental difference. Whereas the House bill authorizes a hospital of not to exceed 500 beds, including the 150 beds already existing in the 20-year-old annex, my bill sets an 850-bed limit, excluding the annex. I believe this is a very important difference.

The 500-bed figure was recommended by the Department of Health, Education, and Welfare. This particular figure stems from the Freedmen's Hospital Study Commission, which in 1955 reported on the critical lack of adequate facilities at Freedmen's and recommended that a 500-bed hospital be built immediately. Without criticizing the work of this Commission in any way, let me say in all frankness that I have been unable to find any justification for the 500-bed recommendation. Apparently this number was selected as a convenient and reasonable size to recommend. No departmental survey was undertaken to determine what really were the hospital's needs.

I have recently received a letter from Mr. Clifford E. Rucker, executive director of Minnesota's Human Rights Commission. Let me quote several illuminating sentences from Mr. Rucker's letter:

> At that time [1955], as our report indicated, Freedmen's Hospital was sorely in need of a new modern facility; and it is amazing that now 6 years later these same, or even more depressing, conditions prevail. Further, in 1955, there did not seem to be one decent reason why this antiquated and steadily deteriorating structure should not be replaced; and while our recommendation was for a new 500-bed hospital, that figure was not a substantiated one.

Mr. Rucker continues:

I am convinced the need for an 850-bed facility as proposed in your bill is much more realistic. * * * The needs of Freedmen's Hospital, serving unusually large clientele, and ineligible to receive Hill-Burton funds, were highly urgent then, and I am certain even more so now.

Mr. President, I think this is a very important statement from a member of the staff that prepared the Study Commission report. I ask unanimous consent that Mr. Rucker's letter be printed in full in the RECORD at this point in my remarks.

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

STATE OF MINNESOTA,
GOVERNOR'S HUMAN RIGHTS COMMISSION,
St. Paul, July 21, 1961.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT: I have just finished reading your remarks to the Senate on the Freedmen's Hospital situation as printed in the CONGRESSIONAL RECORD of Monday, July 17, 1961. Having been a staff member of the 1955 Freedmen's Hospital Study Commission appointed by the then Secretary Oveta Culp Hobby, your appraisal of the Howard University situation certainly rings a familiar note.

At that time, as our report indicated, Freedmen's Hospital was sorely in need of a new modern facility; and it is amazing that now 6 years later these same, or even more depressing, conditions prevail. Further, in 1955 there did not seem to be one decent reason why this antiquated and steadily deteriorating structure should not be replaced; and while our recommendation was for a new 500-bed hospital, that figure was not a substantiated one.

I am convinced the need for an 850-bed facility as proposed in your bill is much more realistic. It was clear to those of us who worked with the Study Commission in 1955 that the Federal Government had not met its responsibility to provide Freedmen's Hospital with an adequate physical plant. We noted, for example, that every other major hospital facility in the Washington metropolitan area had either constructed or had underway new physical plants.

The needs of Freedmen's Hospital, serving unusually large clientele, and ineligible to receive Hill-Burton funds were highly urgent then, and I am certain even more so now. I am hopeful the Congress of the United States will give immediate and favorable consideration to your bill S. 2265 in establishing an adequate teaching hospital for Howard University and a major hospital facility for the citizens of the District of Columbia.

With best wishes.

Sincerely yours,

CLIFFORD E. RUCKER,
Executive Director.

Mr. HUMPHREY. Mr. President, while a survey was not made in 1955, one has recently been completed by the medical staff of the hospital. A careful, scientific study of each medical department was made and sent to the Public Health Service for evaluation. This report has been printed in full in the RECORD on pages 12671–12674. On the basis of this departmental survey, 850 beds were recommended by the hospital's medical and teaching staff. I believe this evidence demands the most serious consideration before the authorized size of the new Freedmen's Hospital is finally established. Yesterday I sent a letter to Assistant Secretary of Health, Education, and Welfare Wilbur Cohen asking that their recommendation for 500 beds be reconsidered in light of the hospital's report. I am confident this request will receive the Department's prompt attention.

Why does Freedmen's need 850 beds? We must remember that Freedmen's is the teaching hospital for the Howard University School of Medicine. This is a most important point. In order to maintain accredited residency programs in various medical specialties, a certain minimum bed capacity must exist. To the layman it sounds somewhat crass, but medical students need a full supply of cases to work with. One cannot learn medical specialties without day-to-day exposure to a number of cases. This calls for a minimum number of beds in each department. When Freedmen's staff added everything up, the total requirements were 850 beds.

Moreover, as Mr. Rucker noted in his letter, the additional beds can be justified merely on the shortages of hospital space existing in the Washington metropolitan area at the present time. While Freedmen's has never been a segregated hospital, a large majority of its patients are Negroes. It is well known an above-average shortage of readily available hospital beds exists for most Negroes. Any reasonable act that will improve this situation should, in my opinion, be taken immediately.

Let us not forget that it takes about two generations of talking, planning, pleading, and working to build a hospital of this type. Once this pending measure has become law, it will be many, many years before any additional construction is even considered. Dedicated people have been actively working for this new building since 1938. Mr. President, that is 23 years to get where we are today. So let us act with foresight when we pass this bill. Let us build a hospital sufficiently large to last a few years before becoming critically overcrowded. In short, let us do the job right.

Again, I want to say how pleased I am about the House's action. The bill's sponsor, Mrs. GREEN, of Oregon, should be highly commended for her excellent leadership, both in committee and on the floor. She and her colleagues on the Education and Labor Committee have made a fine contribution, and they should be congratulated.

My bill must now be considered by the Labor and Public Welfare Committee. I do not know the committee work schedule at this time, but I sincerely hope this proposed legislation can be taken up by the committee in time for full Senate action this session. The committee has passed this general bill before—in 1958—and I know the able chairman, the Senator from Alabama, recognizes the importance of this bill in 1961. The hospital has had 3 more years to deteriorate.

I believe it will take about 5 years following this authorization to actually acquire a new, working hospital. Since this is the case, I sincerely hope Senate action will be possible this session.

Mr. President, I ask unanimous consent that news stories on Freedmen's Hospital printed in the Washington Post and Times Herald and the Washington Evening Star be printed in the RECORD.

There being no objections, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 10, 1961]

HOUSE PASSES BILL TO BUILD NEW FREEDMEN'S HOSPITAL—FIVE-HUNDRED-BED FACILITY WOULD COST UNITED STATES ABOUT $10 MILLION

(By Morton Mintz)

The House passed and sent to the Senate yesterday a bill to replace Freedmen's Hospital with a new 500-bed institution costing $9 to $10 million.

The bill passed on a rollcall vote of 321 to 61 after a floor debate that ranged into the question of what impact the new hospital would have on segregation of Negro physicians and patients throughout the District.

A companion bill has been introduced in the Senate by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota.

During the House debate the need to replace Freedmen's was not challenged. Freedmen's was established by the Federal Government at the close of the Civil War to care for sick and destitute Negroes who poured into Washington.

CALLED A DUMP

Its main building was built 53 years ago. It has been termed a dump by, among others, Abraham A. Ribicoff, Secretary of Health, Education, and Welfare, who backed the legislation.

The provision of the bill which evoked considerable questioning, would convert Freedmen's into a medical school for Howard University.

Representative EDITH GREEN, Democrat, of Oregon, the bill's sponsor, said the overriding consideration is that Howard, which has trained about half the Nation's Negro physicians, have its own teaching hospital. She said this would provide "better administration, better care, and better training."

And, she added, the 437-bed Freedmen's is the only community hospital in the United States run by the Federal Government.

She told the House that her bill protects fully the salaries, retirement, and other rights which Freedmen's employees have under civil service.

EMBARRASSING CHATTEL

Representative ALBERT H. QUIE, Republican, of Minnesota, said that the administration wants to transfer Freedmen's because it is embarrassed to be the owner of a segregated institution.

Representative CHARLES E. GOODELL, Republican, of New York, said that only about 30 of the city's 270 Negro physicians have courtesy privileges in District hospitals other than Freedmen's.

He said he is fearful that the transfer would perpetuate the "pattern of discrimination" against Negro physicians.

Mrs. GREEN and Representative JAMES ROOSEVELT, Democrat, of California, disagreed, saying that Howard, which is federally financed, is integrated. "This will help," ROOSEVELT said of the transfer. "Howard University has made every effort not to be a segregated institution."

Many of the votes opposing the bill were cast by southern Democrats, including Chairman JOHN L. MCMILLAN, Democrat, of South Carolina, of the House District Committee and some committee members.

[From the Washington Evening Star, Aug. 10, 1961]

SENATE GETS BILL TO MOVE FREEDMEN'S—APPROVAL EXPECTED AFTER HOUSE PASSES MEASURE, 321 TO 61

(By John McKelway)

Freedmen's Hospital, frequently described as a dump and plagued by the joint direc-

tion of the Federal Government and a private institution, today seemed on the brink of becoming a major contributor to the advance of local medicine.

After a long, hard fight of more than 5 years, the House yesterday passed and sent to the Senate a bill which authorizes the transfer of the hospital to Howard University. The vote was 321 to 61.

Passage also is expected in the Senate. Senator HUMPHREY, Democrat, of Minnesota, has introduced a similar bill, to be screened by the Senate Education and Labor Committee.

The transfer was recommended by a special Study Commission set up in 1955 under former Health, Education, and Welfare Secretary Oveta Culp Hobby. The Commission recommended that to assure hospital discipline, effective coordination and control of good business management, the hospital's ownership and supervision should be vested in Howard.

BALKED BY EMPLOYEES

But the Federal employees of the hospital objected to the transfer, largely on the grounds they would lose their civil service benefits. Their argument impressed Members of Congress and the transfer never took place.

This year, however, Representative GREEN, Democrat, of Oregon, who was convinced Federal employees would lose little in the transfer, guided the bill through the House Education Committee and saw it pass the House yesterday.

In yesterday's House debate on the bill, Mrs. GREEN assured Members that hospital employees would not have their salaries reduced, they would continue their civil service retirement programs and they would retain seniority rights now enjoyed with service to the hospital.

AUTHORIZES NEW HOSPITAL

Even frugal Representative GROSS, Republican, of Iowa, had no objection to the bill, which authorizes a new 500-bed hospital to replace facilities most recently described by Welfare Secretary Ribicoff as in the dump category.

As Mrs. GREEN pointed out yesterday, Freedmen's is the only community hospital operated by the Federal Government.

This came about as a result of a flood of freed slaves who arrived in Washington shortly after the Civil War. Its purpose at that time was to care for sick and destitute Negroes.

Since that time, its control has passed among the old War Department, the Interior Department, the District government, the Federal Security Agency, and finally the Department of Health, Education, and Welfare.

As Mrs. GREEN put it yesterday, the bill gives the Government an opportunity to get out of the business of operating what was largely a private hospital.

She denied the assertion by Representative QUIE, Republican, of Minnesota, that the sole purpose of the bill was to free the Federal Government from the embarrassment of operating a segregated hospital for Negroes.

Mrs. GREEN said the hospital is not segregated and that it needs new facilities desperately.

THE ROLE OF MILITARY OFFICERS IN PUBLIC FORUMS

Mr. THURMOND. Mr. President, I note with some interest the comments of the President in his news conference today with regard to the role of military officers in public forums. I sincerely regret to see that the President apparently expressed himself as favorable to the modification of the 1958 National Security Council directive which established the policy whereby military leaders and facilities are to be used in the efforts to inform their personnel and the public on the menace of the cold war. I ask unanimous consent that the text of the Associated Press and United Press International reports of the President's press conference on this matter be printed in the RECORD at this point in my remarks.

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

Kennedy was asked about the controversy which grew from a memo that Senator FULBRIGHT sent to Secretary of Defense McNamara protesting the role of military officers in public forums, which the Senator said had distorted their declared objective of educating Americans on the Communist menace.

The President said the Constitution wisely keeps the military out of politics. A problem will always exist, he went on, in enabling military men to express their views on great problems while keeping them out of political life and maintaining civilian control over the Armed Forces. But he said the National Security Council should clarify the directive on which the military services have based their educational programs.

President Kennedy said today the chief objective of a Defense Department directive about public statements by military officers is to prevent the exploitation of service leaders.

Kennedy told his news conference, in response to questions, that he believes that Senator FULBRIGHT performed a useful service in sending the Defense Department a memorandum on the matter.

FULBRIGHT, chairman of the Senate Foreign Relations Committee, wrote Secretary of Defense Robert S. McNamara that public forums held by the military in some cases were being given over to the dissemination of radical ideas by speakers who regard the internal Communist menace as greater than the external threat.

The Fulbright memorandum has been criticized by some Republicans and some Democrats as having contributed to a Defense Department directive they say has muzzled military officers on foreign and domestic issues.

Kennedy said McNamara had requested the memorandum from FULBRIGHT. He said that the administration will be glad to hear from other Senators and Members of Congress on the issue.

As far as he is concerned, Kennedy said he regards it as one of the wisest actions of the constitutional founders to have kept the military out of politics.

AUGUST 10, 1961.

WASHINGTON.—President Kennedy sided with Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, today in a congressional dispute over whether military leaders should be allowed to speak out on political matters.

The President told his news conference that FULBRIGHT performed a service in challenging propaganda activities of some military officers.

He described the American tradition of keeping a military officer out of politics as a most important protection for both the country and for the military. FULBRIGHT sharply questioned indoctrination courses set up by some military commanders which have followed extreme rightwing views.

FULBRIGHT has been criticized by Senator STROM THURMOND, Democrat, of South Carolina, for issuing a memorandum condemning the activities of some officers. THURMOND charged the memorandum threatened to infringe on the rights of the military to speak out on matters of public concern.

Kennedy, asked about the dispute, said the U.S. Military Establishment, because of one of the wisest actions of our constitutional founders, has been kept out of politics.

He said he had no knowledge of the politics of the members of the Joint Chiefs of Staff, although he had appointed two of them.

"This is a most important protection for our country, and it is an equally important protection for the military," he said.

He added that this protection guards military officials against being exploited or discriminated against by politicians in either political party.

Kennedy said there is a constant problem about how to keep the military out of politics and maintain civilian control while having officers express their educated views on some of the great problems that face us around the world.

He said part of the current problem arose from a 1958 National Security Council assignment of special responsibility to military officers. He suggested that this Security Council decision should be clarified.

The President expressed the belief that FULBRIGHT had performed a service in advancing his viewpoint and said he hoped all Senators would give their opinions on this and other issues to the administration.

Mr. THURMOND. Mr. President, according to the wire service reports of the President's news conference, the President stated that the Secretary of Defense had requested the memorandum from the chairman of the Foreign Relations Committee on the subject of public expressions by military officers which has been discussed here on the floor in recent days and reported in the press. According to the wire service reports, the President also issued an invitation to other Senators and Members of Congress to express themselves on this issue to the administration. Perhaps I anticipated the invitation somewhat, for I have expressed my views on this issue to both the President and the Secretary of Defense, as well as to the Congress. I have written to both the President and the Secretary of Defense calling their attention to my remarks on the Senate floor of July 26, at which time I discussed the matter at some length. It is my hope that subsequent to an investigation of this matter by the Armed Services Committee, the Congress will see fit to express itself formally on this subject.

Mr. President, the issue at hand is not a conflict between civilian and military control of policy. This argument must not be permitted to shield the real issue involved in the current attempts to gag our military personnel. Not one shred of evidence has been produced that military personnel are attempting to usurp policymaking functions from civilian authorities, although it is readily apparent that efforts have been and are being made to substantiate such a charge through a campaign in the press utilizing innuendo and smears through associations.

The wire services report that the President said that the purpose of the new Defense Department directive is to prevent the "exploitation of service leaders." Mr. President, I do not believe for one second that our military leaders are so naive and gullible as to be subject to exploitation. If there is any evidence of any attempts to exploit our military

leaders, successful or unsuccessful, such evidence should be disclosed to the Congress and for that matter, to the public also by a duly authorized investigation where allegations will be subject to cross examination under oath. It would be very helpful to the Congress to know who it is, if anyone, who is attempting to exploit our military leaders.

Mr. President, I have no way of knowing whether the President has read the memorandum of the chairman of the Foreign Relations Committee and the attachments to it which were printed in the CONGRESSIONAL RECORD on August 2, 1961, and to which he directed his remarks in today's news conference. I also have no way of knowing whether he had in mind any of the civilians mentioned in the memorandum when he spoke in terms of "exploitation of service leaders." One of the organizations mentioned in the memorandum and singled out in the first attachment or list of "instances of education and propaganda activities of military personnel" is the Institute for American Strategy which conducts a program of military and industrial conferences across the country. I feel quite sure that the President is familiar with this organization, and the splendid work it is doing, even in the face of smear campaigns directed at it in the press. I base my assumption of the President's knowledge and approval of these military and industrial conferences by the Institute for American Strategy in part on a telegram directed to D. A. Sullivan, managing director, National Military Industrial Conference, Hotel Sherman, Chicago, Ill., dated April 10, 1961. The telegram reads:

It is a pleasure to send greetings to this group of educators, business, and Government leaders as it begins its Seventh Annual National Military-Industrial Conference. It is important and vital work you are doing—alerting the attention of America's youth to the need for vigor as it prepares to face the realities of a world in conflict. This work of itself must give satisfaction. More rewarding still will be the satisfaction you derive from seeing our young people responding to the challenge of the times with increasing ability to meet that challenge.

With every best wish.

The telegram is signed "John F. Kennedy."

Mr. President, I concur wholeheartedly in the President's commendation of this fine organization. So that all the Members of the Congress and the American public can better judge for themselves the activities of these conferences, the people who participate in them, and the organizations which sponsor them, I ask unanimous consent that the program of the Seventh Annual National Military-Industrial and Educational Conference held at the Sherman Hotel, Chicago, Ill., on April 10, 11, and 12, 1961, be printed in the RECORD at the conclusion of my remarks.

(See exhibit A.)

Mr. President, the American people need to know the facts on the total menace of communism. This need must not be frustrated by a pattern of censorship which goes far beyond either security reasons, or insuring that military personnel do not make statements in conflict with national policy established by civilian authorities.

Mr. President, the change in policy by the Department of Defense is going far beyond the requirements to insure that security considerations are protected and that military leaders do not usurp the policymaking function vested under our system of government in civilian authorities. It is my intention to address the Senate tomorrow with regard to this matter, and at that time I shall discuss a specific instance where this excessive zeal for gagging the military has resulted in the frustration of vital efforts in our drive to thwart the Communist threat to our own hemisphere.

SEVENTH ANNUAL NATIONAL MILITARY-INDUSTRIAL AND EDUCATIONAL CONFERENCE, APRIL 10, 11, 12, 1961, SHERMAN HOTEL, CHICAGO, ILL.

"It is most urgent that the American educational system tackle in earnest the task of teaching American youth to confront the reality of totalitarianism in its toughest, most militant form, which is communism, with the facts and values of our American heritage."—President Kennedy.

COOPERATING AGENCIES

Educational:

U.S. Department of Health, Education, and Welfare.

Council of Chief State School Officers.

The National Association of Secondary School Principals.

The American Textbook Publishers Institute.

American University of Beirut, Lebanon.

American Vocational Association.

Armour Research Foundation of Illinois Institute of Technology.

Committee on Discussion and Debate Materials of the National University Extension Association.

DePaul University.

Freedoms Foundation at Valley Forge.

Foreign Policy Research Institute of University of Pennsylvania.

Foundation for Religious Action in the Social and Civil Order.

The Hoover Institution on War, Revolution, and Peace of Stanford University.

Illinois Institute of Technology.

Loyola University.

National Safety Council.

The Ohio State University.

Scientific Manpower Commission.

University of Notre Dame.

Industrial:

American Security Council.

American Society for Industrial Security.

American Society of Association Executives.

Armed Service Industrial Readiness Council.

The Associated General Contractors of America, Inc.

Association of Industrial Advertisers.

Defense Orientation Conference Association.

Chicago Association of Commerce and Industry.

Illinois Manufacturers' Association.

Illinois State Chamber of Commerce.

Public Relations Society of America (Chicago chapter).

National Association of Manufacturers.

National Defense Transportation Association.

National Sales Executives, Inc.

The Research Institute of America, Inc.

Civic:

AMVETS.

The American Legion.

Association of the U.S. Army.

Chicago Council of the Navy League of the United States.

4-H Girls Club, Barrington, Ill.

Reserve Officers Association of the United States.

Toastmasters International.

Governmental:

Chemical Corps, U.S. Army.

Corps of Engineers, U.S. Army.

Headquarters, 5th U.S. Army.

Headquarters, 9th Naval District.

Industrial College of the Armed Forces.

Illinois Civil Defense Agency.

Office of Civil and Defense Mobilization.

U.S. Air Force (Engineering).

U.S. Department of Commerce.

WHY THIS CONFERENCE?

"The purpose of our educational system is to communicate to the youth of the land the facts and ideas necessary both for abundant living and for meeting the issues of life and death in today's dangerous world."—President John F. Kennedy.

Of the issues of life and death in today's dangerous world the rapid expansion of totalitarianism is predominant. This issue absorbs nearly half of our annual national budget. It exacts 2 years or more out of the lives of most of our young men. It has placed a high demand on the scientific and management skills of the Nation.

Because this issue is so predominant in our lives, much effort has been devoted in the last 5 years by educators, businessmen, the Government and private organizations to improving our Nation's ability to produce young scientists and citizen-leaders who are as well equipped as possible to meet totalitarianism's challenge to freedom. Past annual national military, industrial, and educational conferences have been devoted to a discussion of the means of increasing our Nation's supply of scientists and technicians.

This year's conference is devoted to the social studies and the question of how our Nation can, through social studies programs, increase the number of well grounded citizen-leaders capable of effectively utilizing our national political, scientific, and military power in freedom's struggle against totalitarianism.

What role can the educator play in this? Mr. Allen Dulles, head of our Central Intelligence Agency, has put it this way: "Let us call on our educators to expand realistic teaching of the history and policies of communism." President Kennedy has said "It is most urgent that the American educational system tackle in earnest the task of teaching American youth to confront the reality of totalitarianism in its toughest, most militant form, which is communism, with the facts and values of our American heritage."

WHY IS THIS IMPORTANT?

Thirty years ago Americans of all ages forgot to do their homework on a matter of life and death. Most of us didn't read "Mein Kampf." We had never heard of Haushofer, Goebbels, or Schacht, the intellectual engineers of Nazi strategy for world domination.

Beguiled by a deep yearning for peace, we demobilized our armies, dismantled our navies, and engaged in business as usual. Instead of alerting our people to Nazi tactics while we still had time to build deterrents to avoid World War II, we tried appeasement, which only inflamed Nazi aspirations for world conquest.

CAN HISTORY REPEAT ITSELF?

The 1960's are much like the 1930's. We have peace. We have business as usual. We have another group of totalitarian dictators who have written a number of books prophesying our burial, books that are still not a part of our homework. In the past decade, communism has leapfrogged 10,000 miles across continent and ocean to Cuba. More than half of the world is tuned in to the dialectics of Marx and the psychological warfare of Khrushchev. The danger of 1960 is

equally as great to freemen as was the danger of 1939.

Unless we take up the hard intellectual work required by the impact of Communist philosophy and power politics on our world, history may very well repeat itself. Unless we undertake the task of preparing our youth to meet the challenge of a world of conflict, our 2,000 years of struggle to build a free society in the name of human dignity may have been in vain.

PREPARING OUR YOUTH TO MEET THE CHALLENGE

With increasing frequency, our Nation's educational, governmental, and business leaders have urged the need to strengthen our high school and college curriculums in the teaching of the nature, strategy, and tactics of modern communism. This suggestion has not been made with the notion of "teaching communism" to our young people. It is intended to indicate that a greater awareness of the Soviet threat on the part of our youth would enable them better to understand and appreciate our democratic system and how it can best be mobilized to meet that threat. Through a comparative teaching of democracy and communism the strengths of the former can be pitted in the classroom and in later life against the weaknesses of the latter. There is no doubt that the youth of the 1930's were taught as much about the democratic way as are our youth today. The school has been and still is the fount of American patriotism.

Youth's problem then was similar to that of today: its patriotism needed focusing on the major forces affecting the world. Surely, education for American citizenship should encompass an awareness of the ideological and military threat to our way of life, including an objective, systematic study of the goals and methods of communism.

Courses of such a nature are already being taught by earnest educators in a number of our high schools and colleges. It is an aim of this conference to present some of these models for circumspection in order that they may be expanded and improved upon in school systems across the land.

OBJECTIVES OF THE CONFERENCE

Here is a challenge to the best brains in America from our schools and government, from industry and research, from the military and communications:

How can we provide the citizens and statesmen of 1975—now in our schools—with an accurate and meaningful understanding of the nature of communism and its challenge to America and freedom?

How can we emphasize and revivify for them the fundamentals of our own political, social, and economic order and the democratic values inherent therein?

How can we instill in our youth the qualities of dynamic leadership which will enable them to demonstrate to the peoples of the world the efficacy of the values of the free society?

How can we find effective and efficient ways and means of introducing into our high schools and colleges training to develop in our youth such understanding and awareness?

If we, the educational, business, governmental, and community leaders of America, cannot meet this challenge, then humanity for a thousand years may be the loser. That is the why and hope of this conference.

ANNOUNCEMENT

We are proud to announce for the third time, the trustees, directors, and officers of Freedoms Foundation at Valley Forge announce with pleasure the selection of Institute for American Strategy by the distinguished national and school awards jury to receive the George Washington Honor Medal award for its national military, industrial, and educational conference.

An outstanding achievement in helping to bring about a better understanding of the American way of life.

School awards announcement on Benjamin Franklin's birthday, January 17.

National awards announcement on George Washington's birthday, February 22, at Valley Forge.

PROGRAM

MONDAY, APRIL 10

Registration: 8 to 10 a.m., mezzanine foyer.

Opening session: 9:30 to 12 noon, Crystal Room.

"The nature of the threat to freedom"

Chairman: Edwin A. Locke, Jr., president, Union Tank Car Co.

Invocation: The Right Reverend Monsignor William E. McManus, superintendent, archdiocese of Chicago School Board.

Welcome: Mayor Richard J. Daley.

Cochairman: Frank S. Flick, president, Flick-Reedy Corp.

Speaker: Russell J. Humbert, president, De Pauw University—"Freedom Through Education: an Introduction to the Conference."

Speaker: William C. Sullivan, Chief of Research, Federal Bureau of Investigation, "Communism and Education in the United States."

Speaker: Dr. William Yandell Elliott, professor of government, Harvard University, "The Soviet Cultural Offensive Against Freedom."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: Robert S. Ingersoll, president, Borg-Warner Corp.

Speaker: Charles H. Percy, president, Bell & Howell Co., "Democratic Versus Communist Values: The Challenge to American Educators."

Afternoon session: 2 p.m., Crystal Room.

"The goals of education in Russia and America—A comparative view"

Chairman: Dr. Charles A. Ford, vice president and editorial director, Compton's Pictured Encyclopedia.

Speaker: Dr. Samuel M. Brownell, superintendent of public schools, Detroit, Mich., "The Soviet Challenge to American Education."

Speaker: Dr. Benjamin C. Willis, general superintendent of schools, Chicago, Ill., "The Assets of the American Education System Available To Meet the Soviet Challenge."

Speaker: James E. Allen, Jr., commissioner of education of the State of New York, "Education: For the Nation or the Individual?"

Evening session: 7:30 p.m., grand ballroom.

Chairman: Dr. John T. Rettaliata, president, Illinois Institute of Technology.

Speaker: The Honorable WALTER H. JUDD, Member, House of Representatives, U.S. Congress, "The Ideological Struggle."

Panel: "Toward the development of a program for education about communism."

Moderator: Dr. William Yandell Elliott, professor of government, Harvard University.

Panelists: The Reverend Stanley J. Parry, C.S.C., head, Political Science Department, University of Notre Dame, "The Basic Issues To Be Taught."

Prof. Daniel J. Boorstin, Department of History, University of Chicago, "The Role of American Ideals in Teaching About Communism."

Prof. William M. McGovern, professor of political science, Northwestern University, "A Political Science Program at the College Level."

John C. Broger, Deputy Director, Office of Armed Forces Information and Education, Department of Defense, "Education About Communism."

Dr. Erling M. Hunt, chairman, Department of the Teaching of Social Studies, Teachers College, Columbia University, "High School Possibilities and Needed Teaching Resources."

W. Glenn Campbell, director, Hoover Institution on War, Revolution, and Peace, Stanford University, "Research Institutions as an Aid to Teachers and Administrators."

TUESDAY, APRIL 11

Morning session: 9:30 to 12 noon, Crystal Room.

"Education, communism, and our American heritage—Business, labor, and the military look at the problems"

Chairman: Edward G. Logelin, vice president, United States Steel Corp.

Speaker: Lemuel Boulware, retired vice president, General Electric Co., "Education at the Crossroads."

Speaker: Arthur G. McDowell, director, Department of Civic, Educational and Governmental Affairs, Upholsterers' International Union of North America—(subject to be announced).

Speaker: Lt. Gen. George W. Mundy, U.S. Air Force, commandant, Industrial College of the Armed Forces, "Education in Public Affairs: An Essential for Survival."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: James E. Rutherford, vice president, Prudential Insurance Co. of America and president of the Chicago Association of Commerce and Industry.

Selections by the Culver Military Academy Glee Club, Claude Zetty, director.

Speaker: Adm. Arleigh Burke, Chief of Naval Operations, "Education for Responsibility—The Answer to the Communist Challenge."

Afternoon session: 2 p.m., Crystal Room.

Chairman and Moderator: Dr. Austin J. McCaffrey, executive secretary, the American Textbook Publishers Institute.

Panel: "Problems in Developing a Program for our Schools: Case Studies."

Panelists: Dr. James R. Hayden, assistant superintendent of schools, New Bedford, Mass., "A Program for the Junior High School."

Lewis W. Gilfoy, director of secondary school service section, Indianapolis public schools, "A Program for the High School."

A presentation of a typical class on communism by the Indianapolis public schools, "The Program in Action."

Dr. William J. Reid, coordinator of civic education, the school committee of the city of Boston, "A Program for the High School: Another View."

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy, "A Program for the Private School."

Dr. A. M. Woodruff, chairman, Department of Government, George Washington University, "A Program for the College."

The Reverend Timothy L. McDonnell, S.J., chairman, Department of Political Science, University of San Francisco, "A Program for the College: Another View."

Evening session: 7:30 p.m., Crystal Room.

"What is communism really like?—An eyewitness report"

A special seminar for teachers, students, and industry.

Chairman: Harry Henderson, vice president, Burson-Marsteller Associates.

Speaker: Robert J. Muntzel, president, Mission Development Co. of Kansas, "What I Saw and Heard in Russia and Its Satellite Countries."

Speaker: Charles Vetter, U.S. Information Agency, "What U.S. Officials Need To Know About Foreign Duty."

WEDNESDAY, APRIL 12

Morning session: 9:30 to 12 noon, Crystal Room.

"The philosophy of freedom"

Chairman: The Very Reverend James F. Maguire, S.J., president, Loyola University.

Speaker: Dr. Kenneth D. Wells, president, Freedoms Foundation at Valley Forge, "Freedom From Terror: A Basic Right of Man."

Speaker: Dr. Masamichi Inoki, professor of history, University of Kyoto, Japan, "The Communist View of Freedom: A Criticism."

Luncheon: 12:15 p.m., grand ballroom.

Chairman: James M. Barker, business consultant and former chairman of the board, Allstate Insurance Co.

Speaker: Herbert R. Mayes, editor, McCall's magazine, "Some Thoughts Most of Us Are Not Thinking Out Loud."

Afternoon session: 2 p.m., crystal room.

Chairman: Frank R. Barnett, director of research, the Richardson Foundation.

Cochairman: James M. Barker, business consultant and former chairman of the board, Allstate Insurance Co.

Committee report: "The Steps Ahead—Some Substantive and Organizational Prerequisites of a School Program for Teaching About Communism."

Report of the program development committee: Dr. William Yandell Elliott, chairman, and Dr. Gerhart Niemeyer, secretary.

Report of the educational advisory committee: Msgr. William E. McManus, chairman, and Dr. Don C. Rogers, secretary.

Speaker: Lyman B. Kirkpatrick, Inspector General, Central Intelligence Agency, "Teachers, Textbooks, and Travel: Communist Action in the World's Schools."

Speaker: Edward L. Katzenbach, Jr., Deputy Assistant Secretary of Defense for education and manpower resources (designate), "The Future Dimension of Education in the Services."

Speaker: Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry, "Education and Freedom in a World of Conflict: A Summary of the Conference."

Evening session: 7:30 p.m., grand ballroom.

Chairman: Morris I. Leibman, partner, Crowell & Leibman, representing the Chicago bar.

"The Spy Next Door," a documentary presentation of the ramifications of the Communist international espionage organization shown through courtesy of the Armstrong Cork Co.

Moderators: U.S. Senator ROMAN L. HRUSKA, of Nebraska; Congressman FRANCIS E. WALTER, of Pennsylvania; Congressman MORGAN MOULDER, of Missouri.

Educational advisory committee:

James E. Allen, Jr., commissioner of education of the State of New York.

Prof. Bower Aly, executive secretary, National University Extension Association, University of Oregon.

Clarence K. Anderson, principal, Roald Amundsen High School, Chicago.

Frederick C. Barghoorn, Department of Political Science, Yale University.

Dr. C. E. Barthel, Jr., program director for foreign science activities, National Science Foundation.

Frederick Bellinger, chief, Material Sciences Division, Georgia Institute of Technology.

Dr. George C. S. Benson, president, Claremont Men's College.

Prof. Daniel J. Boorstin, Department of History, University of Chicago.

Prof. Anthony T. Bouscaren, Department of History and Political Science, LeMoyne College.

Francis X. Bradley, Jr., assistant dean, University of Notre Dame.

Prof. Zbigniew Brzezinski, the Russian Institute, Columbia University.

Dr. Samuel M. Brownell, superintendent of public schools, Detroit.

Dr. Kenneth D. Colegrove, C. W. Post College of Long Island University.

The Rev. John F. X. Connolly, S.J., president, University of San Francisco.

G. E. Cornwell, first assistant superintendent of public instruction, State of Illinois.

Glenn S. Dumke, president, San Francisco State College.

J. W. Edgar, commissioner of education, State of Texas.

Dr. William Yandell Elliott, professor of government, Harvard University.

Prof. R. Barry Farrell, Department of Political Science, Northwestern University.

Dr. John H. Fischer, dean, Teachers College, Columbia University.

Prof. Ralph T. Fisher, Jr., center for Russian language and area studies, University of Illinois.

Lewis W. Gilfoy, director of secondary schools service section, Indianapolis public schools.

Svend A. Godfredsen, assistant to the president, Roosevelt University.

Dr. M. H. Groves, associate dean of the Graduate School, Illinois Institute of Technology.

Dr. Harold F. Harding, Department of Speech, the Ohio State University.

Dr. James R. Hayden, assistant superintendent of schools, New Bedford, Mass.

The Reverend Cletus Healy, S.J., Marquette University High School.

Dr. Erling M. Hunt, chairman, Department of the Teaching of Social Studies, Teachers College, Columbia University.

Dr. Evron Kirkpatrick, executive director, American Political Science Association.

Dr. Donald F. Kline, former Assistant U.S. Commissioner of Education.

Dr. Joseph Leese, professor of education, State University of New York.

Dr. William B. Logan, the Ohio State University.

Dr. Kurt London, George Washington University.

Dr. Charles W. Lowry, president, Foundation for Religious Action in the Social and Civil Order.

Thaddeus J. Lubera, associate superintendent, Board of Education, Chicago.

Prof. Axel Marin, University of Michigan.

The Right Reverend Monsignor William E. McManus, superintendent, Archdiocese of Chicago School Board.

L. S. Michael, superintendent, Evanston Township High School.

Frederick J. Moffitt, assistant to the Commissioner, Department of Health, Education, and Welfare, Office of Education.

John W. Morrison, Department of State.

The Reverend R. W. Mulligan, S.J., vice president and dean of faculties, Loyola University.

Dr. Gerhart Niemeyer, Department of Political Science, University of Notre Dame.

The Very Reverend Comerford J. O'Malley, C.M., president, DePaul University.

Noble J. Puffer, superintendent, Cook County Schools.

Dr. William J. Reid, coordinator of civic education, the school committee of the city of Boston.

Prof. Julius Rezler, Graduate School, Loyola University.

Dr. Don C. Rogers, retired assistant superintendent, Chicago public schools.

Dr. Warren W. Shearer, professor of economics, Wabash College.

James H. Smith, deputy superintendent, board of education, Chicago.

Dr. Paul E. Smith, secretary, International Relations Committee, National Education Association.

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy.

Dr. Robert Strausz-Hupe, director, Foreign Policy Research Institute, University of Pennsylvania.

Dr. Ernest van den Haag, New York University.

Dr. Ernest H. Volwiler, chairman of the board, Abbott Laboratories.

Dr. Richard L. Walker, University of South Carolina.

W. Allen Wallis, dean, Graduate School of Business, University of Chicago.

Dr. Kenneth R. Whiting, Research Studies Institute, Air University.

Dr. Benjamin C. Willis, general superintendent of schools, Board of Education, Chicago.

Dr. A. M. Woodruff, School of Government, George Washington University.

Prof. Arnold J. Zurcher, New York University.

Arrangements committee:

Capt. Carl J. Bordiga, U.S. Army, 5th U.S Army.

John L. Buckley, president, American Society for Industrial Security.

Col. J. B. W. Corey, Jr., U.S. Army, procurement officer, Chicago district, Corps of Engineers.

Virgil L. Couch; Director, Industry Office, Office of Civil and Defense Mobilization.

Thomas H. Coulter, chief executive officer, Chicago Association of Commerce and Industry.

Lt. Gen. Emerson L. Cummings, U.S. Army, commanding general, 5th U.S. Army.

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David Ferguson, assistant to the vice president, United States Steel Corp.

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Harold B. Rorke, public information consultant.

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Col. W. L. Slisher, U.S. Army, public information officer, 5th U.S. Army.

Godfrey Sperling, Chicago correspondent, Christian Science Monitor.

John Taylor, executive director, Chicago Educational Television Association.

John Hall Thompson, military affairs editor, Chicago Tribune.

John Van Zant, vice president for public relations, J. Walter Thompson Co.

Lloyd E. Yoder, vice president, National Broadcasting Co.

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Secretary: Dr. C. E. Barthel, Jr., program director for foreign science activities, National Science Foundation.

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Thomas I. Bell, FBI, Washington, D.C.

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Lt. Gen. Arthur G. Trudeau, U.S. Army, Chief of Research and Development, Department of the Army.

Lt. Comdr. James C. Watkins, U.S. Navy, assistant director, the American Legion.

Lt. Gen. Walter L. Weible, U.S. Army, retired, executive vice president, Association of the U.S. Army.

James Wilson, Jr., director, National Security Commission, the American Legion.

ANNOUNCEMENTS

Question periods

The final portion of each session will be devoted to questions from the floor. In order to proceed in an orderly manner it is necessary to have these questions in written form. Please hand yours to an usher during the session, and please indicate your name and school or organization and to whom the question is addressed. The session chairman will read as many questions as possible during each question period.

Special Exhibit: "The Sights and Sounds of Communism"—Parlor "O", Mezzanine Floor.

A special exhibit on Communist propaganda, showing how the Communists utilize posters, newspapers, radio, motion pictures, pamphlets, and other communications media for political propaganda purposes in Europe, Asia, Africa, Latin America, and the United States will be on display in parlor "O", mezzanine floor, near the registration desk throughout the conference. Recent travelers to Communist countries will be present to answer questions about this unusually complete collection of current Communist propaganda.

Books and literature: The Institute for American Strategy has available for sale at the registration desk some of its publications, including "American Strategy for the Nuclear Age" ($1.45), "The U.S. Economy in a World of Conflict" ($2.00), and "Peace Is War" ($1). Additional copies of the educational materials distributed at the Monday evening and Tuesday afternoon sessions, (1) "Teaching About Communism and Democracy in Our Public Schools: The Problems Ahead—The Progress Thus Far," (2) "Teaching About Communism and Democracy: Case Studies," and (3) "World Communism: A Selected Bibliography," are available there at cost, as are copies of some conference talks.

Kroch's & Brentano's Bookstore has set up a booth in the mezzanine lobby with a selection of important books on foreign affairs and national security.

A free literature booth has been set up in the mezzanine lobby with a broad selection of publications from private and governmental sources on communism, foreign policy, and national security. Conferees are invited to browse through these literature displays and to visit the educational exhibits provided by the Army, Navy, and Air Force which are located on the mezzanine floor.

Conference registration fee: The registration fee admits registrants to all sessions of the conference (including evening sessions) and entitles each registrant to a copy of the conference proceedings which will be published and mailed this summer.

Evening sessions open to the public: The evening sessions are open to the public. There will be no charge for the Tuesday evening session. There will be a $2 charge—proceeds donated to Radio Free Europe and Radio Liberation—for the Monday and Wednesday evening sessions. Persons intending to attend these sessions are advised to register for the whole conference in order to receive the conference proceedings.

THE INSTITUTE FOR AMERICAN STRATEGY

The principal sponsor of the Annual National Military, Industrial, and Educational Conference is the Institute for American Strategy, a nonprofit, educational corporation, whose objective is furthering public understanding of the nature of the contemporary totalitarian challenge to American freedom. It seeks to accomplish this through education programs designed to increase public awareness of the nature, objectives, and methods of communism and of the ideals and assets inherent in our free society for meeting its challenge. The institute is a tax-exempt, nonpartisan, privately managed organization financed by the contributions of over 100 of America's corporations and a number of foundations.

Institute programs

The institute envisions the National Military, Industrial, and Educational Conference as an open forum for the free discussion by educational, governmental, and business leaders of the national security and foreign policy problems facing our Nation in this century of conflict. Past conferences have dealt with such subjects as the Soviet economy, the American economy, and mobilizing our technical manpower. Through the conference and its many other activities, the institute seeks to be an agency for the promotion of continuing close cooperation between education, the Government, and industry in the articulation for the public of our national goals and strategy in securing and expanding the domain of human freedom.

The institute has participated in and sponsored adult education programs, such as the Annual National Defense Strategy Seminar for Reserve Officers at the National War College and local and regional strategy seminars open to the public in over 25 cities across the land in the last year. These seminars are a cooperative effort of educators, businessmen, government, and military leaders and private educational, civic, and commercial organizations to bring to the public a discussion of communism, its threat, and the need for an American response thereto based on our democratic heritage and institutions.

Institute publications

In furtherance of this end the institute has published a Doubleday paperback, "American Strategy for the Nuclear Age," ($1.45), being a collection of articles for the layman and student on the political, economic, and military aspects of national strategy by such men as Dean Acheson, Walt W. Rostow, Dr. Robert Strausz-Hupe, Hanson Baldwin, Robert L. Garner, and Lt. Gen. Arthur Trudeau. The institute has distributed 10,000 copies of this book to high schools and colleges across the land. The institute has also published Ilusion Comunista y la Realidad Democratica, a translation of a speech by J. Edgar Hoover, which is being distributed via educational and business channels in Latin America.

THE INSTITUTE FOR AMERICAN STRATEGY—BOARD OF DIRECTORS

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Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, superintendent, Culver Military Academy.

D. A. Sullivan, Armour Research Foundation—I.I.T.

Douglas L. Weart, major general, U.S. Army, retired.

Lawrence H. Whiting, president, Whiting & Co.

Robert E. Wood, retired chairman of the board, Sears, Roebuck & Co.

PROCLAMATION OF THE MAYOR, CITY OF CHICAGO

Whereas students everywhere are prime targets for Communist aggression in the cold war battle for the minds of men; and

Whereas a thorough understanding of the strengths which support our American way of life, as well as an understanding of the false pretensions and degrading actualities of existence under totalitarian Communist tyranny is their best personal defense against being deceived; and

Whereas American educators are continuously examining many ways in order to find the best way to guide our sons and daughters to a clearer perception of contemporary truth and social well-being; and

Whereas a significant gathering of distinguished educators will occur for this purpose in Chicago April 10–12 during the seventh annual National Military-Industrial-Educational Conference, which has as its theme "Education and Freedom in a World of Conflict";

Now, therefore, I, Richard J. Daley, mayor of the city of Chicago, do hereby proclaim the week beginning April 10, 1961, as Education for Freedom Week and urge the people of Chicago to join in support of the programs to be held during that week under the auspices of the Institute for American Strategy in cooperation with the U.S. Department of Health, Education, and Welfare.

RICHARD J. DALEY,
Mayor.

HONORARY CHAIRMAN OF CONFERENCE: MAYOR RICHARD J. DALEY

CONFERENCE PARTICIPANTS

Dr. James E. Allen, Jr., president of the University of the State of New York and commissioner of education, received his A.B. degree from Davis and Elkins College and studied economics and public finance in the Graduate School of Princeton University, before receiving the degrees of master of education and of doctor of education from Harvard University. Dr. Allen also holds honorary degrees from Syracuse, Alfred, Niagara, Yeshiva, Fordham, and Harvard Universities, as well as from Davis and Elkins, Hobart and William Smith, Hofstra, Marshall, Adelphi, and Middlebury Colleges. Dr. Allen has been West Virginia chief of State aid and statistics, research associate in the Princeton surveys, and secretary to the faculty and director of placement in the Harvard Graduate School of Education. From 1944 to 1945 Dr. Allen served in a civilian capacity as an operations analyst for the Air Force and later he became assistant professor of education and director of the bureau of school services at Syracuse University. He was appointed executive assistant to the New York State commissioner of education in 1947. Dr. Allen has received the Charles Evans Hughes Award, the Ninth Annual Award by the Times Square Club for outstanding service to American education, and the Distinguished Service to Education Award of the Education Societies of Long Island University. Dr. Allen is a member of the New York Civil Defense Commission, of the Committee on Social Education and Action of the Synod of New York of the Presbyterian Church in the United States of America and chairman of the New York Committee on Fulbright Scholarships, among many similar posts of honor. He and Mrs. Allen live in Albany, N.Y., with their son and daughter.

James M. Barker, retired chairman of Allstate Insurance Co., is an engineering graduate of Massachusetts Institute of Technology who was a designer-draftsman for American Bridge Co., an engineer for Canadian Pacific Railway and a New York City bureau, and a sales manager for a steel company before becoming an assistant professor of MIT and later at Harvard. Expenses of a growing family (now four children and six grandchildren) suggested a career change, but it was only after 2 years of study that he sought and got his job with Boston's First National Bank. As Buenos Aires manager, Banker Barker presently assisted Lessing Rosenwald in a survey of the Argentine market. A year later he was in Chicago as assistant to the then senior vice president of Sears, Roebuck and Co. Since November 1928, Mr. Barker assumed growing responsibilities with the mail order and store chain in retailing and finance. In 1935 he was treasurer of Sears, Roebuck and Co. and director of Allstate Insurance Co. His other directorships presently included railroad, oil, and banking enterprises. He also is trustee of Northwestern University and of five other seats of learning. Besides as economic consultant to the Governments of Turkey and Iran, Mr. Barker has served many American governmental and public service activities. He is an accomplished linguist.

Mr. Frank R. Barnett, director of research for the Richardson Foundation, Inc., is one of the Nation's leading experts on Russian affairs and psychological warfare. A former Rhodes scholar, college professor and military government official in Berlin, he is a cold war strategist and proponent of a plan to recruit Iron Curtain exiles into a Legion of Freedom. In addition to his duties with the Richardson Foundation, he is a director of the American Friends of Russian Freedom. Mr. Barnett served in World War II as a Russian interpreter with the first American division to meet the Red army at the Elbe River. He has received the Freedoms Foundation Award. Recently he has lectured to the Army War College and to national conventions of the NAM, the Reserve Officers Association and many other groups, on techniques of Soviet conflict management.

Dr. Daniel J. Boorstin has been professor of American history at the University of Chicago since 1944. He entered Harvard when he was not quite 16. After receiving highest honors from the college (1934) in English history and literature, he went as a Rhodes scholar to Balliol College, Oxford, England, where during 3 years of study he attained a double first (highest honors) in two law degrees (B.A. in jurisprudence, 1936; B.C.L., 1937). He was also enrolled as a student at the Inner Temple in London, and in 1937 was "called" as a barrister-at-law of the Inner Temple, becoming one of the few Americans qualified to wear a wig and plead in Her Majesty's high courts. He returned to a Sterling fellowship at Yale Law School (1937–38), from which he received a doctor's degree for his work in legal history. From 1938–42, he taught English and American history and literature at Harvard College and legal history at the Harvard Law School. Meanwhile, he was admitted to the Massachusetts bar, and worked for a while (1942) as a lawyer in the Office of General Counsel of Lend-Lease Administration and the Office of the Assistant Solicitor in Washington. He then taught European and American history in Swarthmore College (1942–44), until he was called to the University of Chicago in 1944. Dr. Boorstin was born in Atlanta, Ga., and schooled in Tulsa, Okla. He and Mrs. Boorstin have three sons, who made the trip too when Dr. Boorstin was visiting professor of American history at the University of Rome, consultant to the Social Science Research Center at the University of Puerto Rico, and visiting professor of American history at Kyoto University, Japan. He was sent under the auspices of the U.S. Department of State to lecture on American history and civilization (November 1959–March 1960) in Turkey, Iran, Nepal, India, and Ceylon. For several years, Boorstin was the editor of American history for Encyclopedia Britannica. He is editor of the Chicago History of American Civilization, a series of 20-odd volumes. His most recent book is "The Americans: The Colonial Experience."

Lemuel R. Boulware retired from business as vice president of General Electric and general manager of its subsidiary manufacturing corporations. He previously held similar positions with Celotex and Carrier Corps. following service as marketing manager for Easy washing machines and as public accountant, comptroller, purchasing agent and factory manager. From May 1947, through December 1960, Mr. Boulware helped General Electric pioneer new concepts in "Relations"—employee, community, union, investor, educational and public relations. A native of Springfield, Ky., he was graduated by the University of Wisconsin where he had been captain of the baseball team. He taught commercial law and accounting classes there, and also in night schools. Two honorary doctorates of law and an honorary degree of doctor of humane letters have been awarded Mr. Boulware. During World War I he served as captain of infantry, and in World War II he was Operations Vice Chairman of the War Production Board, a service recognized by the award of the Medal of Merit by the President and by a Navy citation. Although retired, Mr. Boulware is active as lecturer, author, and consultant.

Mr. John C. Broger is Deputy Director of the Defense Department's Office of Armed Forces Information and Education and Vice Chairman of the Armed Services Committee of the President's people-to-people program. Previously he served as consultant to the Joint Chiefs of Staff, a duty additional to those of the president (1945–59) of the Far Eastern Broadcasting Co., a nonprofit organization which operates 18 medium and shortwave transmitters in the Philippines, Taiwan and Okinawa. Born in Nashville and an alumnus of Georgia Institute of Technology, Southern California Bible College and Texas A. & M., Mr. Broger served as electronics officer in the Navy 1942–45. After writing and editing 38 texts and manuals then for Navy radio and radar training, he was attached to Night Torpedo Squadron 91 aboard aircraft carrier *Bon Homme Richard* in Task Force 38. A frequent lecturer at war colleges of all services, Mr. Broger has been honored by awards from AMVETS and the Freedoms Foundation.

Dr. Samuel Miller Brownell was born, educated through college and started his teaching in Nebraska. After serving as teacher and high school principal, he did his graduate work at Yale University. After 12 years, 11 of which were as superintendent of schools in Grosse Pointe, Mich., he returned to Yale as professor of educational administration in the graduate school, a position he held until September 1956 when he became superintendent of schools in Detroit. As a member of the Yale faculty he had served 7 years as President of New Haven State Teachers College, under a cooperative arrangement. During 1953–56 he was on leave of absence from Yale to serve as U.S. Commissioner of Education. His activities also included the direction of 23 surveys of school systems located in New England, New York, New Jersey, Nebraska, and Hawaii, and teaching in summer sessions in such universities as Cornell, Harvard, University of Southern California, Wisconsin, and Michigan. He has been active in church and community affairs, and is presently a Rotarian, on the board of directors or advisory boards of the YMCA, Boy Scouts, United Foundation, and Economic Club. He is the father of four children whose elementary and high school education has been in the public schools.

Adm. Arleigh A. Burke, U.S. Navy Chief of Naval Operations, was born in Boulder, Colo., on October 19, 1901. On June 8, 1923, he was graduated from the U.S. Naval Academy, commissioned ensign in the U.S. Navy,

and married to Miss Roberta Gorsuch of Washington, D.C. Throughout his professional career, Arleigh Burke served in battleships, destroyers, and studied to receive the degree of master of science in engineering at the University of Michigan. In World War II he successively commanded Destroyer Division 43, Destroyer Division 44, Destroyer Squadron 12, and Destroyer Squadron 23, known as the Little Beavers, which covered the initial landings in Bougainville in November 1943, and fought in 22 separate engagements during the next 4 months. Because he pushed his destroyers just under boiler-bursting speed, he became known as "31-knot Burke." From Destroyer Command in the South Pacific, he reported in March of 1944 as Chief of Staff to Commander, Fast Carrier Task Force 58, Adm. Marc Mitscher. He flew many combat missions and he was aboard both *Bunker Hill* and *Enterprise* when they were hit by Japanese suicide planes during the Okinawa campaign. At the outbreak of the Korean war, Adm. Forrest Sherman, then CNO, ordered Admiral Burke to duty as Deputy Chief of Staff to Commander Naval Forces, Far East. From there, he assumed command of Cruiser Division 5, and in July 1951 he was made a member of United Nations truce delegation to negotiate with the Communists for a military armistice in Korea. After 6 months in the truce tents, he returned to the Office of Chief of Naval Operations where he served as Director of Strategic Plans Division until 1954. In April 1954, he took command of Cruiser Division 6, and in January 1955 assumed command of Destroyer Force Atlantic Fleet in which capacity he served until he succeeded Adm. Robert B. Carney as Chief of Naval Operations in August 1955. Admiral Burke has received numerous combat awards during his 37 years in the Navy including the Distinguished Service Medal, the Navy Cross, the Legion of Merit, and the Purple Heart.

Dr. W. Glenn Campbell, director of the Hoover Institution on War, Revolution, and Peace at Stanford University, was born in Canada and received his A.B. at University of Western Ontario. His marriage occurred as he started earning his M.A. and Ph. D. at Harvard, and he became a U.S. citizen in 1953, just before the birth of the first of his three daughters. After teaching at Harvard, Dr. Campbell was research economist for the U.S. Chamber of Commerce, and research director for American Enterprise Association in Washington before going to Stanford last year. He is member of the Committee on Welfare of the Commission on Intergovernmental Relations, of the board of trustees of the Institute for Social Science Research, of the Advisory Committee on Medical Economics of the American Medical Association, and was codirector for the report on American competitive enterprise written for the Senate special committee studying foreign aid. He has lectured at the Industrial College of the Armed Forces and is a five-time author.

Thomas H. Coulter since 1954 has headed the largest chamber of commerce in America. As chief executive officer of the Chicago Association of Commerce and Industry, he directs an association of business leaders representing America's largest, most diversified manufacturing center. Mr. Coulter has a background in business as an executive and a management consultant. He has traveled extensively, built and operated plants in Australia and the Far East, and is well versed in the problems of world trade. Born in Canada but now an American citizen, he holds a degree in industrial engineering from Carnegie Institute of Technology. He also holds a master's degree in economics and business from the University of Chicago. Mr. Coulter has been honored by both of his alma maters for outstanding professional achievement and public service. Widely active as a civic leader, he is a director of the American Red Cross Chicago chapter, the Chicago Crime Commission, and the Economics Club. He is also a trustee of the Institute for Psychoanalysis. In 1956 Mr. Coulter was a member of a management seminar team sent to the Middle East under the sponsorship of the U.S. operations mission of the International Cooperation Administration. In 1958 he served in a similar capacity in a top management team sent to Japan.

Dr. William Yandell Elliott, Williams professor of government at Harvard University and director of the university summer school, is a Tennessee native who earned his A.B. and A.M. at Vanderbilt University and studied at the Sorbonne prior to reading for his Ph. D. at Balliol College, Oxford. Dr. Elliott taught at Vanderbilt and California universities before joining the Harvard faculty in 1925. He is proud of his five sons, and of many opportunities to serve the country as, in 1936, consultant to the President's Committee on Administration Management; in 1940, National Advisory Defense Commission; in 1941, Office of Production Management; in 1945–46, House Special Committee on Postwar Economic Policy and Planning. Dr. Elliott was member of Senator Tydings' mission to the Philippines in 1945, Director of the Stockpile and Transportation Division, WPB, and Vice Chairman for Civil Requirements. He was staff director of the House Select Committee on Foreign Aid, 1947–48; staff director of the House Committee on Foreign Affairs, 1947–49, and Assistant Director of ODM, 1951–53. He was member of the Planning Board of the National Security Council, 1953–57, and later consultant to the State Department. Dr. Elliott served with the 114th Field Artillery, 30th Division, AEF, as first lieutenant. He is graduate member of the Business Advisory Council, Department of Commerce, and member of Sigma Chi, Phi Beta Kappa, and the Disciples of Christ Church.

Frank Flick, president of the Flick-Reedy Corp. and chairman of the board of the Henry George School of Social Science, is a graduate of Loyola Academy and the University of Illinois. He also is president of the National Fluid Power Association and director of the National Committee for Economic Freedom and chairman of the education committee of the Northwest Traffic Safety Council. He has served as chairman for the March of Dimes and holds the distinguished service award of Theta Kappa Phi. He is a frequent writer on engineering subjects. With six children, Mr. and Mrs. Flick live in Oak Park, Ill.

Dr. Charles A. Ford, editorial director of "Compton's Pictured Encyclopedia," is a native of Columbus, Ohio, and earned all his degrees at Ohio State University. High school principal and superintendent of schools in Brown Township, Miami County, Ohio, Dr. Ford served as director of research for the Ohio Bureau of Juvenile Research. He then joined the Tulane University faculty where he was head of the psychology department, director of evening and extension classes, and administrative assistant to the president before becoming dean of Temple University's Community College and Technical Institute. For Pennsylvania's area college center program, Dr. Ford organized and operated Martin, Rittenhouse and Sproul Colleges. His World War II service was as a captain in naval communications, and he holds a Legion of Merit Award and a unit commendation. He and Mrs. Ford have two sons and live in Hubbard Woods, Ill.

Lewis W. Gilfoy, director of instruction, secondary schools service section, Indianapolis public schools, was graduated from Clinton, Ind., High School in 1929. He received his B.S. degree from Indiana State Teachers College in 1933 and his M.A. degree from the University of Michigan in 1939. Mr. Gilfoy began his teaching career in 1933 at Dana, Ind., joining the staff of the Indianapolis public schools in 1939 as a teacher of social studies at Thomas Carr Howe High School. He became head of the social studies department there in 1943. In 1946 Mr. Gilfoy left the Indianapolis public schools to become director of teacher placement and assistant to the director of the evening division at Butler University and later served as director of student teaching there. He became director of alumni relations and field specialist in social studies at Indiana State Teachers College in 1947. Mr. Gilfoy returned to the Indianapolis system in 1949 and was named vice principal of Harry E. Wood High School in 1953. He began his present assignment in 1955. Mr. Gilfoy has served as president of the Indiana State Teachers College Alumni Association, the Indianapolis Education Association, and at present is president of the Indiana unit of the Association for Supervision and Curriculum Development. Mr. Gilfoy served as a special consultant for the Association for Student Teaching at its national conference in Puerto Rico during the summer of 1959.

H. Harry Henderson, vice president and general manager of Burson-Marsteller Associates, received his B.S. degree in premed and geology from Valparaiso University and his master's degree in journalism from Northwestern University's Medill School of Journalism. He organized and directed the public relations-advertising department of the large YMCA of Chicago for 3 years and he was also Midwest public relations representative for Ford Motor Co. and manager of communications for Owens-Corning Fiberglas Corp. He also worked 2 years on the Chicago Sun in 1941 and 1942. During World War II, he was a radioman with Navy amphibious forces and underwater demolition teams or frogmen. He is a private pilot, a member of the Mach Busters Club. He participated in an atomic test series as the guest of the Federal Civil Defense Agency in recognition of his volunteer public relations services. He has raised prize hogs, lived (as part of a journalistic assignment) with bums on Chicago's Skid Row for 1 month, and was awarded the Toledo Community Chest bronze plaque for public service. Mr. Henderson has traveled throughout the world, including Russia and China, and has talked with some of the world's leading propagandists as part of his hobby of collecting propaganda. He lives in Park Forest, Ill., with his wife and three sons.

Dr. James R. Hayden is deputy director of civil defense for New Bedford, Mass., as well as assistant superintendent for secondary education in public schools there. Boston College awarded his A.B. and M.A. degrees, and Boston University conferred the Ed. D. degree. Dr. Hayden has been high school mathematics teacher, school system psychometrist, director of pupil personnel services, and visiting lecturer at Boston University Graduate School of Education. He served the U.S. Air Force in World War II in cryptographic and radio communications, and now Lieutenant Colonel Hayden is commander of the 9235th Air Reserve Squadron in New Bedford, as well as member of the board of directors of the New Bedford chapter of the Red Cross, junior achievement, Mental Health Clinic, Science Fair, and Educational Enrichment, Inc.

ROMAN L. HRUSKA, Republican Senator from Nebraska, was admitted to the bar in 1929 and practiced law in Omaha until his election to Congress in 1952. His public services includes terms as member, board of regents, University of Omaha, 1950–57; national vice president and legal counsel Western Bohemian Fraternal Association (Cedar Rapids, Iowa), since 1942; appointed in 1944 to Board of County Commissioners, Douglas County, Nebr., elected in 1946 and 1950,

served as chairman 1945–52; member advisory committee to the Nebraska Board of Control 1947–52. Mr. HRUSKA was elected to the 83d Congress November 4, 1952, elected to the U.S. Senate November 2, 1954, to serve unexpired term of the late Senator Hugh Butler, and reelected for a full term November 4, 1958. Senator HRUSKA is a member of the Senate Appropriations and Judiciary Committees and was chairman of the Nebraska State delegation to the Republican National Convention, 1960.

Dr. Russell J. Humbert, president of DePauw University since 1951, is a distinguished Methodist clergyman, author, speaker, and broadcaster. Bachelor of science at Wooster College and master of theology at Boston University, his doctorate of divinity was earned at Mount Union College precedent to award of doctorates from six other centers of learning. His pastorates were in Ohio and preceded his joining the faculty at DePauw. Dr. Humbert is national committeeman of the Boy Scouts and of the Advisory Mental Health Council, as well as of the Commission of Christian Higher Education, university senate of the Methodist Church and the Methodist Board of Education. He has served as chairman of the Indiana White House Conference Committee and of the Akron Community Chest as well as in many another post of religious and community responsibility.

Dr. Erling M. Hunt, chairman of the department of teaching social studies at the Teachers College of Columbia University, is also professor of history on the Jacob H. Schiff Foundation and a frequent author on historical, social science, and educational subjects. He is a New Hampshire native and was an alumnus of Dartmouth when he earned his master's degree and doctorate at Columbia. Dr. Hunt has been editor of Social Education, president of the National Council for Social Studies and, since 1953, chairman of the Public Affairs Committee of the American Association of University Professors. A bachelor, Dr. Hunt, has homes on Riverside Drive in New York City and in Norwich, Vt.

Robert S. Ingersoll, president and chief executive officer of Borg-Warner Corp., began his business career in 1937 when he was graduated with a bachelor of science degree from Sheffield Scientific School of Yale University. His first employer was the American Rolling Mill Co., (now Armco Steel Corp.) in Middletown, Ohio. In 1939 he joined Borg-Warner in the first of a long succession of positions which were eventually to qualify him for his present executive responsibilities. After serving in various managerial capacities at the division level, including research and development, production, and general administrative work, Mr. Ingersoll was named administrative vice president of the parent Borg-Warner Corp. in 1953. He was chosen a director in 1955, and president of the company in 1956. The additional responsibilities of chief executive officer were assigned to him in 1958. He is a director of several other large companies and a number of business organizations as well. He participates in educational, charitable, religious, and civic activities in Chicago and his home community of Winnetka, a northern suburb of Chicago.

Prof. Masamichi Inoki has held the chair of political science at Kyoto University, Japan, since 1949. This is his second visit to the United States, the first having been in 1957 as one of the Japanese leaders who come to this country as guests of the U.S. State Department. Professor Inoki was born in Kyoto and was graduated in economics by Tokyo University, after which he joined the Mitsubishi Trust Corp. and presently became fellow of the Mitsubishi Economic Research Institute. He taught 3 years at Seikei Junior College before joining the faculty at Kyoto University. He is author of seven authoritative books on political science subjects, including studies of Russian, Communist, and dictatorship histories. Professor and Mrs. Inoki have three daughters in college and 15-year-old Takenori Inoki in Viator High School, Kyoto.

Dr. WALTER H. JUDD, Republican Congressman from the Fifth District of Minnesota, was born in Rising City, Nebr., and worked on a farm every summer until he graduated from high school. Then he worked his way through the University of Nebraska and medical school by various jobs, including teaching zoology at the University of Omaha. He enlisted at a private in the U.S. Army during World War I and was discharged a lieutenant in the field artillery. In 1925, under the Foreign Mission Board of the Congregational Church, Dr. Judd went as a medical missionary to bandit- and malaria-infested south China. He survived the bandits and Communists but repeated malaria attacks forced his return after 6 years to the United States. He received a fellowship in surgery in 1932 at the Mayo Clinic at Rochester, Minn.; then in 1934 returned to Asia, this time to north China, where for 4 years he superintended a 125-bed hospital. He and his staff brought the hospital through a Communist revolution and the Japanese invasion, and at the same time improved its work from 33 to 83 percent self-supporting. When Japan's armies moved into his area he was under their control for 5 months and saw things which made him feel it imperative that we stop building up the Japanese war machine. He came home in 1938 to carry that message to more than 1,400 audiences in 46 States in 2 years. In January 1941 he took up his medical practice in Minneapolis. After Pearl Harbor, many individuals and groups representing all segments of the community urged Dr. JUDD to become a candidate for Congress from the Minnesota Fifth District. He was elected in 1942 and has been reelected every 2 years since then. Dr. JUDD is a member of the Committee on Foreign Affairs and served as delegate to the General Assembly of the United Nations in 1957 and delegate to the World Health Organization Assembly in 1950 and 1958. He made the keynote speech at the 1960 Republican convention.

Edward L. Katzenbach, Jr., Deputy Assistant Secretary of Defense for Education and Manpower Resources, attended Princeton University and received his doctorate in philosophy in 1953. Since then he has taught at Columbia, Brandeis, Princeton, and Harvard Universities. At Harvard he was director of the Harvard defense studies. For years Mr. Katzenbach has lectured and written on defense problems. He served in the Marine Corps in World War II and Korea, and is now a lieutenant colonel of Marine Reserves.

Lyman B. Kirkpatrick, Jr., Inspector General of the Central Intelligence Agency, is an editor who went to work for "Wild Bill" Donovan in 1942 when people called Donovan's organization the Office of the Coordinator of Information. By V-E Day, he was Major Kirkpatrick of the OSS, detailed to the General Staff Corps as briefing officer for General Bradley and wearing five battle stars, the Legion of Merit, Bronze Star, and the French and Belgian Croix de Guerre. A Rochester native who played football at Deerfield Academy and Princeton University, Major Kirkpatrick majored in international relations. He went to work for David Lawrence as assistant managing director of the Bureau of National Affairs, publisher of professional journals. From these duties and editing assignments for U.S. News, Mr. Kirkpatrick turned to problems of concern to General Donovan until, in 1945, he returned to World Report as an editor. In 1947, Gen. Hoyt Vandenberg asked Major Kirkpatrick to join the Central Intelligence Agency. Last year his services were recognized by awards from the National Civil Service League and from the Princeton class of 1938, which annually recognizes the graduate whose work personifies Woodrow Wilson's concept of "Princeton in national service." The Kirkpatrick family lives in Fairfax, Va., and includes two sons and two daughters.

Morris I. Leibman, is the senior partner of the Chicago law firm of Crowell & Leibman, which numbers among its clients a number of nationally and internationally known corporations. He graduated from the University of Chicago Law School in 1933 having received the degrees of Ph. B. and J.D. He has been active in all fields of the law and is a director of a number of corporations. He has served in the principal legal societies of his profession and is a fellow of the American Bar Foundation. Mr. Leibman has worked with a number of educational and charitable institutions and has lectured at many of the law schools in the Midwest. He has been active as a civilian in national strategy affairs, including participation in the Secretary of Defense's Joint Civilian Orientation Conference and the Defense Orientation Conference Association. He is a director of the Institute for American Strategy, serves on its executive committee and his firm is counsel for the institute.

Edwin Allen Locke, Jr., president of Union Tank Car Co., has a wide and varied background in business, finance, and government. Following graduation from Harvard in 1932, he joined the Chase National Bank in New York City. Part of his service with Chase was spent in oversea assignments in Paris and London. During World War II, Mr. Locke served in various capacities for the U.S. Government in Washington, D.C. Toward the end of the war, he became executive assistant to the personal representative of the President. He was named the President's personal representative in 1945 and his special assistant in 1946. In 1947 Mr. Locke returned to the Chase National Bank in New York City, as a vice president. In 1951 Mr. Locke was appointed special representative of the Secretary of State to the Near East, with the personal rank of Ambassador. Mr. Locke came to the Union Tank Car Co., Chicago, in 1953. He is director as well as president. In addition to his active participation in many Chicago charitable, civic, and political organizations, Mr. Locke is chairman of the executive committee, Institute for American Strategy.

Edward C. Logelin, vice president of United States Steel Corp., is a native Chicagoan who started as a stenographer, attended night school at Northwestern University and rose through the public relations department to the position of corporation vice president in Chicago. Starting in the advertising department of United States Steel's Universal Atlas Cement Co. in 1930, he transferred to public relations in 1937 and was appointed assistant director of public relations when that department was established in Chicago. He was named principal assistant in the corporation's public relations headquarters in New York in 1943 and remained there until his appointment as director of public relations in Chicago in 1946. He was promoted to his current position in 1954. The Logelins and their two children, Eleanor and Edward III, live in Riverside, Ill.

Maj. Lenox R. Lohr is an honor graduate from Cornell University who is distinguished as an engineer, scientist, author, and educator. He is president of the famous Museum of Science and Industry in Chicago's Jackson Park. This three-dimensional, activated encyclopedia of display and demonstration makes clear to children and adults alike the "hows" and "whys" of human accomplishment from Roman roadbuilding to the management of atomic energy. Major Lohr is remembered widely also as director of the Chicago Century of Progress in 1933–34, of the Railroad Fair in 1948–49, and of the Centennial of Engineering in 1952. He was once president of National Broadcasting Co. and formerly served as chairman of an Illinois

commission to serve higher education in the State. Prior to World War I, Major Lohr was on active duty with the Corps of Engineers, U.S. Army, and later was first executive secretary of the Society of American Military Engineers.

Loyola University's 20th president, the Very Reverend James F. Maguire, S.J., was born across the street from St. Ignatius High School on Chicago's west side in 1904. Later he received his secondary school education there, and joined the Society of Jesus in 1922. Before his ordination in 1937, Father Maguire attended St. Mary's College (Kansas) and the Jesuit seminary at Florissant, Mo. He received his bachelor's and master's degrees from St. Louis University. At the completion of his training after ordination he taught for a year at the University of Detroit High School and then became president of St. Xavier High School, Cincinnati. Before coming to Loyola University in July 1955, the Jesuit was president for 6 years of West Baden College, a Jesuit seminary in West Baden Springs, Ind., and president for another 6 years of Xavier University, Cincinnati. Under his guidance, Loyola University embarked in 1960 on a 40-year "Horizons for the Centuries" program providing expanded educational facilities and community services on four Chicago area campuses.

Herbert R. Mayes, editor of McCall's magazine, has been editor of one magazine or another since 1920, including 20 years as editor of Good Housekeeping. Currently and for the last 2 years editor of McCall's, he is vice president and director of the McCall Corp. Associate in journalism at Columbia University, Mr. Mayes was awarded the Editorial Management Medal in 1960, highest award by the Art Directors' Club of New York, and was voted Editor of the Year in 1960 by American and Canadian magazine editors and the Council for Periodical Distributors Association. He also has the Gold Medal Award for Editorial Achievement from University of Southern California. Mr. Mayes is author of "Horatio Alger, a Biography Without a Hero," and "Editor's Choice."

Dr. Austin J. McCaffrey, executive secretary of the American Textbook Publishers Institute, was born in Lincoln, N.H., and was educated in schools of that State until he took his B.A. and Ed. M. degrees from University of New Hampshire. He earned his Ed. D. at Harvard. Dr. McCaffrey has been a teacher, principal, and superintendent of schools in five New Hampshire communities, and in 1954 he became State commissioner of education, earning in the process the citation for Distinguished Service to Education of the New Hampshire Educational Association. Among many other professional and public service responsibilities, Dr. McCaffrey has served as president of the New England School Development Council. He and Mrs. McCaffrey now live with their four sons in New York City.

Rev. Timothy L. McDonnell, S.J., chairman of the Political Science Department of the University of San Francisco, was born in San Francisco and educated in San Francisco schools, entering the Jesuit novitiate in 1936. He earned a master's degree in philosophy at Gonzaga University with a thesis on "A Thomistic Criticism of Marxian Dialectical Materialism." He taught social sciences at St. Ignatius High School in San Francisco before earning another master's degree in government at St. Louis University. While he was studying theology at Alma College, Los Gatos, Calif., Father McDonnell was ordained to the priesthood in San Francisco in 1949. Graduate study at St. Louis University and Georgetown University earned him the Ph. D. in political science. Besides with his academic duties Father McDonnell is busy as a lecturer on communism on the radio and to professional and scholarly groups in the San Francisco Bay area.

Arthur G. McDowell, executive secretary-treasurer of the Council Against Communist Aggression with headquarters in Philadelphia, also is director of the Department of Civic Education and Governmental Affairs of the Upholsterers' International Union. Daughters of the American Revolution gave him the award for student achievement in history when young McDowell was graduated from high school in Butler, Pa. Two years later, the University of Pittsburgh disputed his activities on behalf of organized labor and civil liberties, ending McDowell's formal study. In 1930 he refused unconditional reinstatement offered by the university, for then he was directing the governorship campaign of the Socialist nominee who was president of the Pennsylvania's Federation of Labor. As trade union and Socialist Party leader, McDowell fought Communist attempts to penetrate and break up these organizations during 1933–37. The pacifist Socialist policy with respect to Hitler caused McDowell to resign Socialist offices in 1940, and to leave the party entirely in 1941 as a result of his advocacy of lend-lease. As a textile union official, he led the first successful attempt in 1943 to get a CIO group to condemn the Soviet Union for the secret execution of Polish and Jewish democratic and labor leaders. He remains active in national affairs of the AFL–CIO and as an author. In 1959, McDowell received the Freedom Book Award for Labor of the American Heritage Committee at New Bedford, Mass., and he holds a bipartisan Senate citation for his work in bringing the "Freedom Commission" bill before Congress and to unanimous passage by the Senate August 31, 1960.

Dr. William Montgomery McGovern, professor of political science at Northwestern University, could deliver his speech here as easily in Japanese, Chinese, or nine other languages as in English, as he intends. Born in Manhattan, he grew up in the Orient and studied at Oxford, University of London, the Sorbonne in Paris and the University of Berlin. Later he explored the Amazon, dug for Inca remains in Peru, did research work in the Balkans, the Near East and India, and penetrated the forbidden city of Lhasa in Tibet disguised as a coolie, reporting these experiences in many books and lectures. Commander McGovern, USN Reserve, was assigned to Joint Chiefs of Staff at the start of World War II and contributed to intelligence and strategic survey projects which caused him to visit every theater of combat. As consultant to the congressional Committee on Foreign Affairs, Dr. McGovern is famous for a report on the Far East that predicted the Communist invasion of South Korea among other foresights, all of which came true. His most recent book is "Strategic Intelligence and the Shape of Tomorrow."

Rt. Rev. Msgr. William E. McManus, superintendent of schools of the Archdiocese of Chicago, is a native Chicagoan educated at the Ascension Parochial School in Oak Park and at Quigley Preparatory Seminary, Chicago, and St. Mary of the Lake Seminary, Mundelein, Ill., before earning his M.A. at the Catholic University of America in Washington, D.C. Monsignor McManus fulfilled parish assignments in Chicago in 1939–45, and 1943–45, and served as assistant director, department of education, National Catholic Welfare Conference from 1945 to 1957. Monsignor McManus was a member of President Eisenhower's Advisory Committee for the White House Conference on Education, and also is active in many professional organizations concerned with the welfare of the Nation's schools.

MORGAN M. MOULDER, of Camdenton, Camden County, Mo., was born August 31, 1904, in Linn Creek, Mo. He was educated in the public schools of Linn Creek and Lebanon, Mo.; University of Missouri; and graduated from Cumberland University, Lebanon, Tenn., with a LL.B. degree. He was admitted to the bar, March 31, 1928; elected and served four terms as prosecuting attorney of Camden County; 3½ years as special assistant to the U.S. district attorney, western district of Missouri; and appointed judge of the 18th judicial circuit to fill an unexpired term, in which position he was serving when elected on November 2, 1948, to the 81st Congress. He has been reelected to each succeeding Congress. He serves on the Committee on Interstate and Foreign Commerce and is also the ranking Democratic majority member of the Committee on Un-American Activities of the U.S. House of Representatives.

Lt. Gen. George Warren Mundy, U.S. Air Force, commandant of the Industrial College of the Armed Forces, has behind him a balanced military career: senior command (commander, 2d Air Force, SAC); combat command in World War II (commander, 39th Bomb Group, and later 313th Bomb Wing—B–29's—in the air offensive against Japan); supply and services (Director of Supply, Maintenance and Services, AMC and Headquarters (USAF)); and research and development (commander, Air Proving Ground); as well as training (commander, 33d Flying Wing, Central Flying Training Command). He is a graduate of the U.S. Military Academy, the Army-Navy Staff College, and the National War College. He is rated a command pilot, combat observer, technical observer and is qualified in the current jet operational bombardment and transport aircraft. Among the decorations he has been awarded are the Silver Star, the Legion of Merit, Distinguished Flying Cross with one Oak Leaf Cluster, Air Medal with two Oak Leaf Clusters, the Bronze Star, Purple Heart, Distinguished Unit Citation with one Oak Leaf Cluster, and the Asiatic-Pacific Theater Ribbon with three Battle Stars. Since taking command of the Industrial College of the Armed Forces in 1957, General Mundy has made a determined and successful effort to instill in the curriculum a realistic appraisal of the U.S. position in the world, against the backdrop of the total power pattern—military, political, and economic.

Robert J. Muntzel, realty developer of Mission, Kans., is a Russian-speaking American who three times has visited the U.S.S.R., most recently in 1959 by auto for a 4,620-mile tour which took him and Mrs. Muntzel off beaten tracks and behind the scenes of setpiece displays contrived to impress visitors. Mr. Muntzel, is a member of the board of regents of Donnelly College and of Rockhurst College, and for 16 years has been chairman of the Missouri Valley Red Cross of 18 chapters. As Red Cross representative, Mr. Muntzell enjoyed unusual freedom from restraints by the totalitarian governments of U.S.S.R. and six satellite nations so as to obtain detailed understanding of the school systems of Stalingrad, Moscow, and Rotov-on-Don, as well as notably clear impressions of unposed citizens as they actually live day by day. Mr. Muntzel is a frequent writer and lecturer on his experiences, and invites questions.

Dr. Gerhart Niemeyer, professor of political science at Notre Dame University, was born in Essen, Germany, and studied at Cambridge University, and the University of Munich, receiving his LL.B. and J.U.D. at Kiel University. He was an assistant to Prof. Herman Heller, Frankfurt, and later lecturer in law, University of Madrid; lecturer in politics, Princeton University; and professor of political science, Oglethorpe University. Professor Niemeyer was a member of the staff, U.S. Department of State, 1950–53, and of the Council on Foreign Relations, 1953–55. He has been professor of political science at Notre Dame University since 1955. In 1959 he took leave from this position to serve as a member of the Department of Political Affairs of the National War College for 1 year. He is author of "Law Without

Force"; the "Function of Politics in International Law" (Princeton University Press, 1941); "An Inquiry Into Soviet Mentality" (New York, Praeger, 1956); and coeditor, "Handbook on World Communism," published in Germany, 1958. He has served as a consultant on communism to the House Committee on Un-American Activities. This consultation was published as a committee print entitled "The Irrationality of Communism" (85th Cong., 2d sess.). He also prepared for them "Facts on Communism, Volume I: The Communist Ideology" (1960).

Rev. Stanley J. Parry, C.S.C., has been head of the Department of Political Science at the University of Notre Dame since 1953. A native of Mauch Chunk, Pa., Father Parry is a 1941 Notre Dame graduate. He received a master of arts degree in political science from Georgetown University in 1947, and a doctor of political science degree from Yale University in 1953. Father Parry entered the Holy Cross Fathers' novitiate in 1936 and was ordained to the priesthood in Notre Dame's Sacred Heart Church on June 10, 1945, by the Most Reverend Amleto Cicognani, former Apostolic delegate to the United States. The author of many scholarly articles, Father Parry wrote the introduction to Aquinas' "Treatise on Law," published in 1955 by Regnery Co. He is a member of numerous professional and public service organizations, including the American and the Midwestern Political Science Associations.

Charles Harting Percy, president of Bell & Howell Co. and chairman of the 1960 Republican Convention platform committee, was born in Pensacola, Fla., on September 27, 1919, the son of Edward H. and Elizabeth Harting Percy. He entered the cooperative training program of Bell & Howell Co. in 1936, while attending the University of Chicago, and was elected to the board of directors in 1942 at the age of 23. Upon his return from active duty with the Navy, which he started as apprentice seaman in 1943 and ended as lieutenant in 1945, he was made corporate secretary and was given responsibility for Bell & Howell's industrial relations and foreign manufacturing programs. He became president of the company at the age of 29 in 1949. Mr. Percy is director of the Burroughs Corp. and two banks, trustee of the University of Chicago; chairman of the board, Fund for Adult Education of the Ford Foundation; member of board, World Brotherhood, Inc., and member, special studies project, Rockefeller Bros. Fund, Inc. In 1949 he was named one of the 10 outstanding young men in the United States by the U.S. Chamber of Commerce. In 1956 he attended the Presidential inaugural ceremonies in Peru and Bolivia as a personal representative of President Eisenhower, with the rank of Special Ambassador. At the University of Chicago he was president of the Inter-Fraternity Council; and of the senior men's honorary society as well as captain of the university's Big Ten championship water polo team and university marshal. Percy lives in Kenilworth, Ill., with his wife and five children.

William J. Reid is head of the history department, Hyde Park High School, and coordinator of the civil education program of Boston public schools. A native Bostonian, graduate of Boston Latin School and Dartmouth College, he holds graduate degrees in education from Boston Teachers College and Harvard, with a Ph. D. in American history from Boston University. Dr. Reid began teaching in junior high schools, of Boston, moved to the high schools, and later became assistant professor at Boston Teachers College, before his present appointment. He is coauthor of a textbook, "Massachusetts, History and Government of the Bay State" (Oxford Book Co., 1956) and has contributed articles to the World Book Encyclopedia, Collier's Encyclopedia, and Collier's Encyclopedia Yearbook, 1960. Dr. Reid served with the Navy during World War II as officer-in-charge of the Naval Flight Preparatory School, College of Wooster, Ohio, and as operations officer with Acorn units in the Pacific. He was awarded the Bronze Star, and he is still a commander in the U.S. Naval Reserve.

President John T. Rettaliata of Illinois Institute of Technology is outstanding not only as an educator, but also as an engineer, industrialist, and community leader. Born in Baltimore, Dr. Rettaliata earned his degrees at Johns Hopkins University and then had honorary doctorates added by Michigan College of Mining and Technology and Valparaiso University. He has been head of the department of mathematics at Baltimore College Center, laboratory technician for the U.S. Department of Agriculture, manager of research and gas turbine development for Allis-Chalmers Co., and, since 1945, professor, dean, and president of I.I.T. He is president also of Armour Research Foundation of Illinois and the Institute of Gas Technology. President of the Western Society of Engineers and fellow of the American Association for the Advancement of Science and of the American Society of Mechanical Engineers, Dr. Rettaliata is member as well of the boards of directors of 12 financial and manufacturing corporations. He has guidance responsibilities with 28 civic organizations, and of his 9 clubs, he is on committees of 3 and president of the Economic Club of Chicago. Two sons and a daughter keep Dr. and Mrs. Rettaliata abreast of student opinion at elementary, secondary, and college levels.

Dr. Don C. Rogers, retired associate superintendent of Chicago Public Schools, has taught and earned degrees, including the Ph. D., at Northwestern, Chicago, Iowa State, and Wisconsin Universities. In Chicago he started as a classroom teacher and presently was responsible for 340 schools, 9,000 principals and teachers, and 290,000 pupils of the elementary system for 10 years. He has commanded his American Legion post, served as International President of Civitan service clubs, and been otherwise active in numerous civic and professional organizations. Dr. Rogers was in the Army in World War II, and, of his four children, three sons served in World War II. With Mrs. Rogers, he still lives in Chicago.

James E. Rutherford, vice president in charge of mid-America operations of the Prudential Insurance Co. of America, is a graduate of the University of Arkansas and of the Arkansas Law School. He began selling real estate while attending law school and continued in the real estate business until 1931, when he entered the life insurance business in Little Rock. In 1942, he was chosen the first executive vice president of the National Association of Life Underwriters (New York City) and served in that capacity until July 1, 1949, when he joined the Prudential Insurance Co. of America as a vice president in its home office in Newark, N.J. He was named vice president in charge of mid-America operations in February 1953, and moved to Chicago early in 1955. Mr. Rutherford served as chairman of the Chicago chapter of the American Red Cross and a trustee of the Community Fund-Red Cross joint appeal during 1957–58 and 1958–59 and has continued to be active in both organizations. He is president of the Chicago Association of Commerce and Industry, a member of the board of managers of the YMCA of Metropolitan Chicago, a director of the Economic Club, a member of many other community service and social groups. He and Mrs. Rutherford live on the near North Side of Chicago and their son is practicing medicine in New Canaan, Conn.

Maj. Gen. Delmar T. Spivey, U.S. Air Force, retired, is superintendent of Culver Military Academy, a former commandant of the Air War College of the Air University, and Chief of U.S. Air Force War Plans Division. Shot down over Germany in World War II, General Spivey spent nearly 2 years as prisoner of war. From William and Mary College, General Spivey entered West Point and served in the infantry before his flying training. He was flying instructor, executive officer of the Air Proving Ground and presently operations officer for Southeast Training Command before assignment to the 8th Air Force, which preceded his capture by the enemy. With the 5th Air Force, he commanded the 314th Air Division over Korea and later was responsible for airspace over 26 Central States in command of Central Air Defense Force in Kansas City. His decorations include the Distinguished Service Medal, Officer of the British Empire, and Purple Heart. General and Mrs. Spivey's son is 2d Lt. Delmar B. Spivey, U.S. Air Force.

William C. Sullivan is Chief of the Research Section, Domestic Intelligence Division, for the Federal Bureau of Investigation and has been associated with the FBI for the past 19 years. He was a teacher and a U.S. Internal Revenue Service representative before becoming a Federal investigator. Mr. Sullivan holds a bachelor of arts degree and a master of public education degree and has attended the American University, Clark University, George Washington University Graduate School, State Teacher's College at Fitchburg, Mass., and Boston College Graduate School at Newton, Mass. During World War II he served in all sections of the United States and overseas on many confidential assignments.

Charles T. Vetter, Jr., of the professional training faculty of the U.S. Information Agency is a Columbus, Ohio, native reared in Detroit and New York City. An A.B. at Hamilton College after war service as naval aviator, he attended the School of Advanced International Studies in Washington, D.C., Georgetown University Law School, the Academy of International Law at The Hague, and received his LL.B. from National University Law School in 1953. He was admitted to the bar of the District of Columbia in 1954 and received his LL.M. from George Washington University Law School in 1959. Mr. Vetter was adviser to the director of public relations of the government of East Pakistan and later an USIA lecturer in political science in West Pakistan. On his return from Pakistan in 1956 he joined the professional training staff of the U.S. Information Agency to teach international communications and communism. In 1959 he visited Czechoslovakia, Poland, and the Soviet Union on a 3-month assignment as a supervisor and training officer for the American guides at the American national exhibition in Moscow.

FRANCIS E. WALTER, chairman of the current Democratic caucus and rules committee and coauthor of the Walter-McCarran Immigration and Nationality Act, is the Pennsylvanian who ranks ninth in seniority among Democrats in the House of Representatives. Alumnus of Georgetown and George Washington Universities, Attorney WALTER was solicitor for Northampton County before his election to Congress. Seaman and ensign in World War I, he was lieutenant commander in World War II and later was member of the congressional committee which did the background work for the Marshall plan. A doctor of laws at Norwich University, Congressman WALTER'S 19 other awards and citations for distinguished service include recognition from Japan, the Netherlands and Italy, as well as from American patriotic and civic groups of many sorts. Congressman WALTER'S chairmanships have included that of the Un-American Activities Committee.

Dr. Kenneth D. Wells, president of Freedom Foundation at Valley Forge, is a Northwestern University alumnus whose doctor-

ate in humane letters was earned at Temple University prior to award of doctorates also from Florida Southern and from Trinity Colleges and Texas Christian University. Born in Akron, Dr. Wells was an oilfield roustabout in California at 14 and later an executive of Union Oil Co. there. He taught economics at University of Akron and at Southern California University and he also is an experienced advertising professional. His nine honor awards come from such distinguished sources as the Veterans of Foreign Wars, the Boy Scouts of America, the Poor Richard Club of Philadelphia, the Elks, and the National Shrine, for numerous public services. Dr. and Mrs. Wells have two sons and four foster children.

Dr. Benjamin C. Willis, general superintendent of Chicago public schools since 1953, also has been chief executive of the school systems of a Maryland county, of Yonkers, and of Buffalo, N.Y. He is president-elect of the American Association of School Administrators, and trustee of the Chicago Planetarium Society and of the Seabury-Western Theological Seminary. Among many positions of public service and responsibility, Dr. Willis is member of the National Advisory Committee of the Girl Scouts and of the Chicago executive branch of the Boy Scouts and the YMCA. He also is a director of Northwestern Mutual Life Insurance Co. A native of Baltimore, Dr. Willis was graduated from George Washington University, earned his master of arts at University of Maryland, and holds doctorates from Columbia, Northwestern, Bradley, and Harvard Universities and from Central Michigan College. Lecturer and writer, Dr. Willis also is at home on television, which particularly pleases his daughter and three grandchildren.

Dean A. M. Woodruff of the School of Government, Business, and International Affairs of George Washington University, is an alumnus of Williams College, and a doctor of philosophy from Princeton University. An executive of Prudential Insurance Co., he became professor of business administration at University of Pittsburgh and later joined the faculty at the Rutgers Graduate School of Banking before moving to his current post. Active in Pittsburgh civic affairs as an economist and as a tax and urban renewal expert, he also is director of the Washington Trust branch of the Western Pennsylvania National Bank. Since writing the David A. Wells prize essay on farm mortgages at Williams College, Dr. Woodruff has published a book on small factory management, many monographs and is about to publish a book on municipal, county, and State administration of the ad valorem tax.

THE UNITED NATIONS

Mr. ERVIN. Mr. President, the time-consuming nature of our work here is such that we frequently do not have the time to give our attention to writing and speaking about many of the pressing problems and institutions of our day.

From time to time, I have spoken on various aspects of the operations of the United Nations. Although I have not always been in full accord with its decisions, I have been steadfast in my thinking that it is making an outstanding contribution to mankind in providing a forum for discussing and negotiating the pressing world problems of today. The August 6 edition of the Raleigh (N.C.) News and Observer carried an article by Mr. Ralph McGill entitled "What If There Had Been No U.N.?"

It is my feeling that Mr. McGill, in a very succinct article, propounds the most salient contributions which the United Nations has made. It is these contributions to world peace which I feel make the United Nations an indispensable organization during the periods of tension and strife which have abounded since the advent of the United Nations.

I associate myself with the remarks of Mr. McGill for I feel that the United Nations is our last hope in solving many of the great and complex world problems confronting us.

I ask unanimous consent to have Mr. McGill's article printed at this point in the RECORD.

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

WHAT IF THERE HAD BEEN NO U.N.?

(By Ralph McGill)

UNITED NATIONS, N.Y.—It is the alternatives which we must try to keep in mind these years of fear as we confront the fatalities brought on by collapsing empires and seek, through diplomacy, to bring into being new approaches short of the most dreadful alternative of all, nuclear war.

Here at this place, which the poets and idealists call "the City of Man," one may honestly pose the question, "What would have happened since 1945 had there been no United Nations?"

The answer is quite plain. The U.N. has saved the world from war. There is, perhaps, a paradox in saying it has not managed to bring peace to the world, but that it has prevented a vast and consuming war. But this is what it has done.

The United Nations is the place where a nation can save face. In a time of acute crisis, when all the explosives of national pride, prestige, and ambitions are involved, the U.N. provides a way out. The nations can thunder and talk big, but they also can speak piously and say they will, being members of the U.N., take the matter there.

So long as the U.N. is around, a nation doesn't have to chicken out in a tough situation.

Every day we see the continued disintegration of an old pattern of power and the appearance of new political and military power centers. In all of this, to be frank, the U.N. offers but a marginal hope. But at no other time in world history has there been even this. Whatever the causes which produced the fall of the Roman Empire, barbarism and intellectual darkness replaced it.

In point of sober fact, what the U.N. has accomplished, measured against the volume of change, is almost unbelievable. In just a little more than 15 brief years, we have seen Western Europe's control over Asia and Africa brought almost to an end. Here and there, as in Portuguese-Angola, it holds on bloodily and, of course, hopelessly. But all of Asia has emerged from colonial or semicolonial control. The travail of African emergence is before our eyes in the Congo, in Algeria, in Angola, and in smaller areas where the first stirrings of independence are seen.

If we look at the status of control as it was when the Second World War ended and view it now, we see that the process of disintegration and the growth of new forms has been vast almost beyond comprehension. There has been no slow, corallike growth. There has been, rather, a great deal of the business of springing full born from the forehead of the disturbing god of change.

In many of these moves to independence violence was a major element. Turbulence and disorder, some of it brutal affronts to the tenets of civilization, were and are in the headlines of our papers and in the voices of news commentators. That none of these produced a war into which the powers, large and small, were drawn is almost unbelievable. This is the more incredible when we consider that a corollary to this convulsive change was a tremendous increase in suspicion, hostility, and distrust. Radical shifts, revolutionary conditions, and the Wagnerian thunder of ill-prepared states filling the vacuum left by departing imperialisms did not bring us to nuclear war.

There was always the U.N. No matter how big the statesmen and the generals had talked, they didn't have to take the alternative of the big, hot, consuming nuclear weapons. They didn't have to chicken out. They could say, with perhaps phoney piousness, they would accept "the presence of the United Nations," or they would bring it before the General Assembly.

It has been, and will continue to be, a sort of cliff-hanging existence. In the past the decline of one power brought yet another to control. We are now trying something new. Communism thinks it can win, without war, by the strength of its Marxist promise to the poor and landless whose expectations are rising faster than reform.

We are, indeed, treading a new and difficult road. We are trying to move toward a form of international security instead of going to war to resolve the challenge of new powers. Mankind has had an evil inheritance of violence. The U.N. is the only alternative.

THE ENLARGEMENT OF FORT RALEIGH

Mr. ERVIN. Mr. President, I am certain that the Senate will be pleased to be advised, as I am, that H.R. 5518, providing for the establishment of additional acreage at Fort Raleigh on Roanoke Island, N.C., has been passed by both Houses of Congress and sent to President Kennedy for his signature. It is my sincere hope that the President's signature will be affixed to the same in order that a protective provision may be made for one of the Nation's most historic establishments.

It was on Roanoke Island that Sir Walter Raleigh, under the banner of Queen Elizabeth, set down the foundations of the New World. The original Fort Raleigh was constructed on the island 377 years ago, in 1584. The present fort was rebuilt in recent times as a monument to frontiersmen of an earlier day.

Ninety thousand Americans visited this unique area last year. The facilities are inadequate for the blossoming influx of our countrymen who annually make the hegira to this great American landmark. The bill which is now on the President's desk will enlarge the land area, which now stands at 18.5 acres, to 143.5 acres. The area surrounding the old fort will thus be protected and new possibilities for archeological investigation will be opened.

My enthusiasm for the legislation moves me to remark at this time on the enormous advantages which it provides. We seek to establish new frontiers, but the preservation of our old ones from the depredations of time and progress must not escape our caution.

I commend the Senate and the House for their early action on a matter of principal interest both to the people of North Carolina, and to the citizens of the Nation.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I wish to make a unanimous-consent request. I have discussed it with the distinguished Senator from Virginia [Mr. BYRD], who is the author of the so-called Byrd amendment to the foreign aid bill, and also with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. I have tried to consult Senators on both sides of the aisle. The unanimous-consent request is that there be allowed 7 hours of debate on the Byrd amendment, beginning at the conclusion of the morning business tomorrow, the time to be equally divided between the Senator from Virginia [Mr. BYRD] and the Chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT].

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

Mr. MANSFIELD. Mr. President, for the further information of the Senate, it is anticipated that tomorrow the morning hour will be concluded as soon as possible. The Senate will remain in session tomorrow night until there is a vote on the Byrd amendment, and with that amendment out of the way, it is contemplated that the Senate will go over until Monday morning.

To make what I have said clear again, there will be a vote on the Byrd amendment before adjournment tomorrow night, and at the conclusion of the 7 hours, or whatever portion thereof is used in the discussion of the amendment.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Friday, August 11, 1961, at the conclusion of routine morning business, during the further consideration of the bill S. 1983, the Foreign Aid Act of 1961, debate on the pending amendment of the Senator from Virginia [Mr. BYRD] and all amendments thereto, or any motion or appeal, except a motion to lay on the table, shall be limited to 7 hours, to be equally divided and controlled by the mover of any such amendment or motion and Mr. FULBRIGHT: *Provided*, That in the event Mr. FULBRIGHT is in favor of the amendment or any amendment thereto or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said amendment shall be received.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourns to meet at 11 o'clock a.m. tomorrow.

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

RAYMOND MOLEY SUPPORTS ELECTORAL COLLEGE REFORM

Mr. MUNDT. Mr. President, the current issue of Newsweek contains a carefully written and highly informative commentary entitled "For a Better Republic" written by widely respected Raymond Moley. I recommend its serious reading by all who receive the CONGRESSIONAL RECORD.

Mr. Moley points out the necessity for electoral college reform in this country if our free institutions are to survive and succeed. He also emphasizes the dangers to freedom involved in the elimination of our electoral college safeguards through adopting a system of popular elections by a direct vote of the people. He points out how this must lead inevitably to the Federal control of elections and a final breakdown of States rights.

As author of the former Mundt-Coudert amendment and coauthor of Senate Joint Resolution 12, which is very similar to this earlier proposal for electoral college reform, I am, understandably, highly gratified by the support Mr. Moley gives this specific suggestion and I am likewise pleased and gratified by the enthusiastic support which former President Harry Truman gave Senate Joint Resolution 12 in the testimony he presented to the Senate Committee on the Judiciary.

I ask that the Moley article be printed at this point in the RECORD.

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

FOR A BETTER REPUBLIC

(By Raymond Moley)

A Senate subcommittee has held lengthy hearings on the long-needed reform in our method of electing Presidents and Vice Presidents. Thirteen proposed constitutional amendments are pending in the Senate. Former Presidents Hoover, Truman, and Eisenhower have called for reform.

To meet the need for public education and understanding of the problem, the American Good Government Society (810 Dupont Circle Building, Washington 6, D.C.) is organizing a committee representing every State and is issuing a fine statement of the problem and proposed remedies.

Since all efforts in earlier years have failed, the danger is that in frustration a method might be adopted which would be worse than the present system: Straight, popular election. In fact, two of the proposed amendments would provide just that.

One of these, sponsored by Senators SMITH, MORSE, BEALL, CHAVEZ, and AIKEN, would nominate candidates in a nationwide primary, with a runoff in case no candidate secured a majority in his party. Then there would be the election, with another runoff if no candidate received a majority. All these primaries and runoffs would be between July and December. Another popular-election proposal, by Senators KEATING and MANSFIELD, is only slightly less objectionable.

IRREPARABLE DAMAGE

Popular elections would irreparably damage the very nature of the Republic. The States would lose control of their own elections. The President and Vice President would be responsible only to a vague "general will" identical with Rousseau's plan for democratic despotism, the concept behind the French Revolution. Congress would continue to be a representative body. Thus there would remain only half a republic.

State laws would substantially be wiped out so far as presidential elections were concerned. Political-party organization, now based on a representative principle, would have to be reconstructed.

Most serious would be the practical impact upon those who might aspire to be candidates. Under the Smith-Morse plan, an aspirant would have to campaign over the Nation two and possibly four times in less than 4 months. Nobody but a Kennedy, a Rockefeller, a Ford, a Du Pont, or a Getty could afford the expense, unless he became obligated to vast special-interest groups. Nobody but a super Paul Bunyan could survive the physical strain.

The only one of the proposed plans which would retain the Federal, representative character of the Republic is that offered by Senators MUNDT, MCCLELLAN, HRUSKA, THURMOND, and MORTON. (This was formerly called the Mundt-Coudert plan.)

TRUMAN'S PLAN

It would presumably retain the present system of party nominations and elect electors in newly created districts equal in number to the Members of the House from each State, with two elected at large. If no candidate should receive a majority of electors, the President and Vice President would be selected by a joint session of Congress from among the three candidates having the highest number of votes. To prevent a deadlock, the choice on the fifth ballot would be between two candidates for President and Vice President, respectively.

Former President Truman's statement on the subject shows a most interesting maturity of judgment. He said that the present system of giving all electoral votes to the candidates with the popular majority in each State encourages "the emergence of the big cities into political overbalance, with the threat of imposing their choices on the rest of the country." He would follow the Mundt principle of election by districts with two electors elected at large in each State. But Truman would use the existing congressional districts rather than creating new ones. Also, in case there is no majority he would retain the old method of election by the House of Representatives, with one vote per State. In my judgment, his idea of using existing districts is better than MUNDT'S, but MUNDT'S plan of election by a joint session of Congress is preferable. Either the Mundt or Truman plan, however, is in the true principle of representative government.

SECRET BALLOT ON STRIKES

Mr. CASE of South Dakota. Mr. President, one great gap in our laws relating to strikes is the failure to provide adequate opportunity and procedures for secret balloting on strikes.

In January 1947 when the junior Senator from South Dakota introduced a bill in the House of Representatives as a followup to the so-called Case labor bill of 1946 which had been vetoed by President Truman, I included a provision to make an unfair labor practice of the calling of a strike without a secret vote by the persons who would be called out.

I have always regretted that such a provision was not included in the Taft-Hartley Act from the outset. Recent happenings in the field of industrial labor relations have pointed up the need for such legislation.

My colleague, the senior Senator from South Dakota [Mr. MUNDT], has introduced a bill which spells out in detail fair procedure for the conducting of strike elections in which secret ballots would be available to the membership. He has been joined in the sponsorship of that bill by a number of Senators including myself.

This proposal has attracted considerable editorial attention throughout the country. At this time I desire to place in the RECORD editorials from two daily newspapers in South Dakota, the Daily Plainsman of Huron, and the Argus-Leader of Sioux Falls, and ask unani-

mous consent that they may be printed at this point.

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

[From the Daily Plainsman, July 21, 1961]

MUNDT ASKS A VOICE FOR UNION MEMBERS

Individual union members participate by vote in authorizing a strike in a few unions, such as the Typographical and the Machinists Unions. The majority, however, have no such right. Strikes are called by union officials or the bargaining committee.

Since the average worker and his family carry the burden of any strike a half-dozen Senators are cosponsoring a bill introduced by Senator KARL E. MUNDT, South Dakota Republican, to require a secret ballot of union members to call a strike.

As a practical matter, notice of negotiations is usually given 60 days in advance. The strike vote would not be authorized until the 60 days had transpired, when the issues are drawn, and counterproposals made. The vote would be to strike or accept the proposals. It would put the responsibility for the decision on the members, who would be directly affected.

[From the Sioux Falls Argus-Leader, July 20, 1961]

WHO WILL OPPOSE SECRET STRIKE BALLOT?

U.S. Senator KARL MUNDT and six of his colleagues have introduced a bill which would help immeasurably in preventing costly strikes before they occur.

It is a bill to give union members the secret ballot in a vote to strike. The bill would guarantee the democratic procedure of the secret ballot and an honest count of those ballots in a strike vote.

The approach of this new measure is important. It provides both the union and the employer a better chance to effect a settlement before the strike, rather than trying to develop new procedures or authorities for ending the strike after it has begun.

Under the measure, collective bargaining negotiations would be carried on the same way as they are now conducted in the 60 days prior to the expiration of a contract. Any party desiring to modify or terminate the contract must serve written notice of such intent.

If, at the end of the negotiating period, the union representatives were not satisfied with the offer of the company, they could call for a referendum in which the worker could vote by secret ballot whether or not to strike.

Where appropriate, the union members would have a choice: to strike or to accept the employer's final offer. If the majority votes for a strike, the union representative has full legal authority to call a strike. He also has the option to continue negotiations as the strike authorization is good for a 60-day period.

If the majority vote of the union members is for acceptance of the employer's final offer, the employer is legally obligated to sign a contract containing such terms as extended in his final offer.

WHAT THE BILL PROTECTS

The prime purpose of the bill is one of protection.

It protects the right of free choice for the individual labor union member who is confronted with the question of striking and losing his paycheck during the strike, or seeking agreement.

It protects the labor leader against charges of making a decision not in keeping with the will of a majority of his union membership.

It protects the company involved in a collective bargaining dispute from an arbitrary action by a handful of labor representatives or one leader.

It protects the public from strikes which would not have been called in the first place had the decision been left in the hands of the membership.

As Senator MUNDT said on the Senate floor: "This bill does nothing more than to establish in the law a thoroughly democratic procedure for the authorization of strikes. * * * The right to strike is carefully and fully preserved and protected."

What is lost? The pressure of the group against the individual union member. Many members of labor unions are not provided with the opportunity to determine for themselves, in an atmosphere free from coercion, intimidation, and mob hysteria, whether or not they wish to strike.

Let any union man stand up and say why members of his union shouldn't have a chance to vote secretly on a strike.

CONGRESS SHOULD PASS IT

Cosponsors with Senator MUNDT of this bill are Senators FRANCIS CASE, of South Dakota; JOHN MCCLELLAN, of Arkansas; WALLACE BENNETT, of Utah; JAMES EASTLAND, of Mississippi; ANDREW SCHOEPPEL, of Kansas, and STROM THURMOND, of South Carolina. The measure has bipartisan support—three Democrats and four Republicans.

The strike ballot bill was introduced June 22 and has been referred to the Committee on Education and Labor in the Senate.

Congress would do well to pass this bill—and the sooner the better for our country.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate there will be no further votes this afternoon. For the further information of the Senate, the fact that when the Senate completes consideration of the Byrd amendment and votes on it tomorrow night the Senate will adjourn until Monday does not mean that I want Senators to get the idea that not meeting on Saturday is in the form of a "carrot." We had a very sorry experience with a Saturday session some time ago. I am sorry to say that not very much was accomplished in that Saturday session. That does not mean, however, that there will be no Saturday sessions in the future.

MAJOR LEGISLATIVE ACTION THUS FAR IN CONGRESS

Mr. MANSFIELD. Mr. President, I think every Member of the Senate can take pride in the record compiled by the Senate since it convened in January.

There have been many stories in the press about the success the President has enjoyed with his legislative program. They are true stories, and credit must certainly be paid those in the executive branch who have contributed to this success.

But an energetic and resourceful executive branch can accomplish little, Mr. President, without a similarly hard-working Congress. It requires thousands of hours of work—in holding hearings, in drafting bills, in preparing speeches, in debate—to accomplish the kind of record the Senate has made during this session. The President, as a former Senator who contributed much to the legislative record of past Congresses, understands this, and he has at all times displayed his grasp of the problems confronting the Congress as it labored to effectuate his program.

This record has been made, Mr. President, not by Democrats alone; on many occasions it was only because of the diligence and abilities of Members on the other side of the aisle that legislation was brought to fruition.

Mr. President, in order that the country may have this record before it in one document, I ask unanimous consent that a list of the major legislative actions taken by the 1st session of the 87th Congress be printed at this point in the RECORD.

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

MAJOR LEGISLATIVE ACTION, 87TH CONGRESS, 1ST SESSION, THROUGH AUGUST 7, 1961, SENATE DEMOCRATIC POLICY COMMITTEE

The Senate has passed 670 measures, confirmed 43,558 of the President's nominees and ratified 6 conventions or treaties. The Senate, at the present time, is working on the foreign aid program and following passage, we have ready for floor consideration the Peace Corps proposal, National Defense Education Act, the wilderness bill, the shorelines bill, Airport Extension Act, and numerous other proposals. The following summary includes some of the more important bills we have passed, on many of which final action has been completed.

In the economic area we have:

Omnibus farm bill: Enacted major farm bill designed to reduce wheat and feed grain surpluses; authorized Secretary to consult with farmers, farm organizations, and other groups to develop new farm programs; extended the Agricultural Trade and Development Act to December 31, 1964; consolidated and modernized the Farmers Home Administration; extended the Wool Act for 4 years to March 31, 1965; and extended Great Plains conservation program to December 31, 1971; authorized a 5-year extension of the school milk program to be paid by direct appropriations; and extends the Veterans' Administration and armed services milk program to 1964, with CCC furnishing the funds (Public Law 87-128).

Federal Aid Highway Act: Enacted the Federal Aid Highway Act of 1961, revising the original estimated authorization for 41,000-mile 13-year program of interstate highways by increasing the Federal Government's share from $25 billion to $37 billion. The measure also extended for 2 years the "incentive" bonus for States to enter into agreements for billboard controls (Public Law 87-61).

Housing Act of 1961: Enacted a housing program, authorizing $4.9 billion in new funds. The act provides for a new 2-year experimental plan of low-interest-rate, 35-year mortgage loans for middle-income housing (except in hardship cases the mortgages may be extended to 40 years); requires a 3-percent downpayment on low-income housing, with a permissive inclusion of settlement costs; authorizes $75 million for mass transportation systems, and $50 million for "open space" grants; and includes a reauthorization of approximately 100,000 public housing units (Public Law 87-70).

FHA: Increased by $1 billion the mortgage insurance authorization of FHA (Public Law 87-38).

Veterans' home loans: Extended direct and guaranteed home loan programs for World War II veterans to July 26, 1967, and for Korean conflict veterans to February 1, 1975; authorized an additional $1.2 billion for direct loan program through fiscal 1967 (Public Law 87-84).

Social security: Increased minimum old-age insurance benefits and benefits to widows

under the Social Security Act; provided reduced benefits to men at 62; liberalized disability provisions; increased tax for workers and employers by one-eighth of 1 percent; increased (for 1 year) the amount of public assistance payments for old-age assistance, aid to the blind, and aid to the permanently and totally disabled (Public Law 87-64).

Water pollution control: Authorized an additional $270 million to help communities construct sewage treatment plants to control water pollution, thus raising the annual limit on grants from $50 million yearly to $80 million for fiscal 1962, $90 million for fiscal 1963, $100 million for fiscal 1964, through and including 1967. In addition, this measure increased from $3 to $5 million the annual Federal matching grants to States to administer water pollution control programs and extended the program through June 30, 1968, and authorized $5 million a year for the Secretary to use to develop demonstration programs to treat sewage, to measure pollutants, and to evaluate the effects of sewage treatment (Public Law 87-88).

Debt limit: Increased the public debt limit by $13 billion to $298 billion through June 30, 1962 (Public Law 87-69).

Corporate-excise extension: Extended for an additional year the existing 52-percent corporate income tax rate, excise tax rates on automobiles, liquor, and tobacco, and taxes on local telephone calls and passenger transportation—thus preventing a loss of revenue of some $2.5 billion (Public Law 87-72).

Federal unemployment compensation: Authorized Federal advances to permit the States to extend unemployment benefits up to an additional 13 weeks for workers who have exhausted their regular benefits during the recession, thus providing an unemployed worker with benefits up to a total of 39 weeks—in an effort to ease the unemployment problem throughout the country (Public Law 87-6).

Railroad unemployment compensation: Approved benefits of a similar nature for unemployed railroad workers under the Railroad Unemployment Insurance Act (Public Law 87-7).

Aid to dependent children: Authorized a 14-month program, from May 1, 1961, through June 1962, an aid-to-dependent-children program, permitting States to aid needy unemployed persons and their children who are not now eligible for aid in which the Federal Government participates; and increased by $3 the minimum amount to which the Federal Government will participate on a matching basis in State programs carrying out the special medical care provision for recipients of old-age assistance.

Minimum wage: Increased minimum wage to $1.25 (from $1) and extended coverage to 3.6 million additional workers (Public Law 87-30).

Area redevelopment: Established the Area Redevelopment Administration in the Department of Commerce, and authorized a 4-year program of $300 million in loans and $94 million in grants for industrial plants and public facilities in economically distressed areas (Public Law 87-27).

ICC loans: Extended for 27 months (to June 30, 1963, authority of Interstate Commerce Commission to make loans to help ease the credit difficulties of railroads (Public Law 87-16).

Feed grain: Authorized a 1-year emergency price support for the 1961 crop of corn at $1.20 a bushel with the other feed grains to be supported at fair and reasonable levels in relation to corn in an effort to raise the incomes of feed-grain producers and to reduce the mounting surpluses of feed grains in Government hands (Public Law 87-5).

Drought relief: Enacted a temporary 1-year program authorizing the sale of Government surplus corn and feed grains to needy farmers and ranchers in drought areas at 75 percent of Government price support levels and permitting grazing of livestock on grasslands idled by the soil bank and other conservation programs or moving hay on these lands in or near drought areas (Public Law 87-62).

San Juan-Chama: Authorized $221 million in appropriations to construct the Navajo Indian irrigation project and the San Juan-Chama project, to irrigate land and help stabilize the economy of the water-deficient Rio Grande and Canadian Basins (S. 107).

Small towns and rural counties: Established a 20-member bipartisan Commission on Problems of Small Towns and Rural Counties to study and investigate Federal policies and programs relating to the needs and problems of such areas (S. 1869).

AEC sales: Accelerated property sales to stimulate the economic growth of atomic energy communities (S. 1622).

Metal scrap: Extended to June 30, 1962, the existing suspension of import duties on metal scrap (Public Law 87-110).

Farm loans: Increased proportion of appropriated farm loan funds available for individual farms with debt over $10,000 from 10 to 25 percent to help meet the rapidly increasing cost of farming (Public Law 87-8).

Cotton farmers' relief: Authorized emergency relief to cotton farmers where floods have made it impossible to plant (Public Law 87-37).

Duty-free allowance: Reduced the duty-free exemption from $500 to $100 through June 30, 1963, to counter our unfavorable balance of payments (Public Law 87-132).

In the international area we have:

Latin American aid: Appropriated $600 million for the Latin American aid program, which includes $100 million in disaster relief for Chile, $394 million for loans by the Inter-American Development Bank, $6 million for social and economic programs of the Organization of American States, and $100 million for loans and grants by the International Cooperation Administration (Public Law 87-41).

OECD: Ratified the creation of the Organization for Economic Cooperation and Development consisting of 18 European member nations, the United States, and Canada, to promote economic stability and an orderly growth of the economies of the member states.

Battle Act revision: Strengthened U.S. policy abroad by authorizing the President to permit economic aid to Iron Curtain countries, except the Soviet Union and Communist-held areas of the Far East, when he considers it important to U.S. security (S. 1215).

Foreign bank tax exemption: Exempted foreign central banks from payment of taxes in this country on interest accrued from ownership of U.S. Government securities not used or held for commercial purposes (Public Law 87-27).

U.S. Travel Service: Established a U.S. Travel Service in the Department of Commerce to promote and encourage tourist travel from abroad (Public Law 87-63).

Cultural exchange: Consolidated all cultural and educational exchange programs in an effort to promote these programs to a more important position in our foreign relations. The exchange programs combined are the Fulbright Act, the Smith-Mundt Act, the Finnish Debt Payments Act, the Mutual Security Act of 1954, as amended, the Agricultural Trade Development and Assistance Act of 1954, and the International Cultural Exchange and Trade Fair Participation Act of 1956 (S. 1154).

U.N. food reserve: Expressed an interest in exploring with other nations the possibility of establishing an international food and raw materials reserve under the United Nations and related international organizations to acquire and store in appropriate countries raw or processed farm products and other raw materials exclusive of minerals.

Red China: Expressed as the sense of Congress that:

1. The United States should continue to support the Government of the Republic of China as the representative of China in the United Nations;

2. The United States shall continue to oppose seating the Chinese Communist regime in the United Nations so long as that regime persists in defying the principles of the U.N. Charter; and

3. The American people support the President in not according diplomatic recognition to the Chinese Communist regime (S. Con. Res. 34).

Mercy fleet: Supported the establishment by the President of a White Fleet—a force of mercy ships to assist in disaster areas in any coastal region of the world, as well as to carry on a regular program of logistics support in the public health field and other works of technical assistance.

Inter-American Children's Institute: Continued U.S. participation in and contributions to the Inter-American Children's Institute (S.J. Res. 66).

Caribbean Organization: Authorized the President to accept on behalf of the United States the agreement establishing the Caribbean Organization; the participation of Puerto Rico and the Virgin Islands in the Organization; made available to the Organization the privileges, exemptions, and immunities conferred by the International Organizations Immunities Act; and authorized the Secretary of State to appoint a U.S. observer to the Organization. (Organization is to concern itself with social, cultural, and economic matters of common interest to the Caribbean area) (Public Law 87-73).

Fulbright Act: Authorized legally classified American nationals to qualify and receive financial assistance under the Fulbright Act for advanced education abroad (S. 539).

Agricultural aid: Authorized the administration to continue and expand the use of our agricultural abundance in helping needy people in the less-developed countries through development programs under title II of Public Law 480, Agricultural Trade Development Act (Public Law 87-92).

Repatriation assistance: Enacted an emergency 1-year repatriation assistance program to provide temporary assistance to U.S. citizens and dependents of U.S. citizens returning from abroad without available resources. Aid can consist of money payments, medical care, temporary billeting, or other goods or services needed for the health and welfare of the recipients (Public Law 87-64).

Surplus as aid: Authorized disposal of additional $2 billion in surplus commodities under the Agricultural Trade Development and Assistance Act (Public Law 87-27).

Sugar Act: Extended the Sugar Act of 1948 for 15 months to June 30, 1962, fixing quotas of domestic and foreign producers; and continuing the President's authority to exclude Cuban sugar imports and reallocate its quota (Public Law 87-15).

Brazil: Ratified a treaty of extradition with Brazil.

Columbia River: Ratified a treaty between the United States and Canada for cooperative development of the Columbia River.

German war bonds: Ratified a second agreement with Germany for the validation of East German dollar bonds to enable owners of these bonds to establish they were acquired from legitimate sources and not through Soviet sources in Berlin at close of World War II.

Loadline: Ratified a modification to the International Load Line Convention.

Oil pollution: Ratified the International Convention for the Prevention of Pollution of the High Seas by Oil.

NATO: Extended through June 30, 1962, the life of the U.S. Citizens Commission on NATO, a Commission established to explore means of increasing cooperation and unity of purpose among NATO countries (Public Law 87-116).

In the area of welfare and general government we have:

Aid to education: Enacted a $2,550 million 3-year Federal aid to education program for school construction and inceasing teachers salaries (S. 1021).

College housing: Increased the loan authorization by $300 million for each of the 4 years beginning July 1, 1961, through 1964 (Public Law 87-70).

Circuit judges: Created 73 additional U.S. district and circuit court judgeships to help ease the present workload and overcrowded court calendars (Public Law 87-36).

Mass transit: Authorized a new $75 million program to help overcome commuting problems in cities. The $25 million is authorized for demonstration grants (covering up to two-thirds of project cost) for projects to explore ways of overcoming mass transit problems. Authorized $50 million for low-interest loans to public bodies for the acquisition, construction, and improvement of transportation facilities and equipment (Public Law 87-70).

Government reorganization: Restored the authority of the President to submit plans for the reorganization of the Government (Public Law 87-18).

HEW: Authorized two additional Assistant Secretaries—one to handle international affairs—the second to handle medical and scientific matters (S. 2073).

Labor: Authorized an additional Assistant Secretary to perform functions relating primarily to the employment and effective utilization of women in our labor force (S. 1815).

FTC reorganization: Provided for the reorganization of the Federal Trade Commission to expedite the present workload (plan No. 4). Effective July 9.

CAB reorganization: Authorized the reorganization of the Civil Aeronautics Board to provide greater flexibility and a more expeditious handling of CAB cases (plan No. 3). Effective July 3.

Maritime reorganization: Authorized reorganization of Maritime Board (plan No. 7). Effective August 12.

FCC reorganization: Authorized FCC to delegate functions in adjudicatory cases to expedite and improve the administrative process (S. 2034).

Hijacking: Established criminal penalties for hijacking aircraft and for various other crimes committed on board aircraft in flight (S. 2268).

Educational TV: Authorized Federal grants up to $1 million for any State to purchase TV transmission equipment for educational purposes, providing the State or sponsoring agency to furnish the land, building, and guarantee to operate and maintain the channel (S. 205).

Disabled veterans' compensation increase: Provide increases in rates of service-connected disability compensation (to reflect cost of living increases since last compensation raise in 1957) ranging from 2.6 to 16.7 percent, depending upon degree of disability; restores for 2 years after January 1, 1962, the eligibility of veterans who served between October 8, 1940, and April 24, 1951, to apply for national service life insurance (H.R. 879).

Disability benefits: Increased weekly disability benefits for longshoremen and harbor workers to $70 (from $54); provided comparable increases in death case from $81 to $105; and increased statutory maximum compensation payable for all injuries other than cases of permanent total disability or death from $17,280 to $24,000 (Public Law 87-87).

Travel expenses: Increased the allowances of Government employees for traveling expenses when on official business. Increases include from $10 to $16 per diem allowances and from 10 to 12 cents a mile by private automobile (H.R. 3279).

Jury commissioners: For the first time since 1884, increased the fees of jury commissioners in the U.S. district courts from the present $5 to $10 per diem for each day employed in the performance of duties (S. 1899).

Postal pay: Eliminated discrimination against postal employees with respect to longevity pay increases by providing benefits comparable to those enjoyed by regular civil service employees (S. 1459).

Oceanography: Established a national 10-year program of oceanographic and Great Lakes research to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources and to enhance the public health and general welfare (S. 901).

Wabash River Commission: Established a Wabash Basin Interagency Water Resources Commission to coordinate Federal, State, and local plans for developing the water and land resources in the Wabash River Basin (S. 811).

Cape Cod Park: Established Cape Cod National Seashore Park to preserve for public enjoyment the scenic, scientific, and historic features of the cape (Public Law 87-126).

Juvenile delinquency: Authorized a program of Federal grants to communities and nonprofit agencies of $5 million a year for 4 years to aid in financing projects to combat juvenile delinquency (S. 279).

Geodetic Survey: Improved and expanded the Coast and Geodetic Survey Act of 1948 to induce qualified scientists and mathematicians to join the service (S. 685).

Nurses' scholarships: Extended for 4 years (to June 30, 1965), $5 million a year program for grants and scholarships for train- of practical nurses under Vocational Education Act (Public Law 87-22).

Vocational teacher training: Authorized two 1-year programs of Federal grants for training teachers of the deaf, and advanced training of speech pathologists and audiologists (S. 336).

Internal Revenue employees: Appropriated funds for an additional 4,265 Internal Revenue Service employees (H.R. 5954).

Rural carriers: Increased equipment allowance for rural mail carriers to 12 cents a mile (S. 189).

In the area of defense and space exploration we have:

Ready Reserves: Granted authority, requested by the President, to call to active duty up to 250,000 ready reservists, authority to continue until July 1, 1962, and to grant discretionary authority to the Secretary of Defense to extend enlistments, appointments, and other service obligations up to 12 months, which would otherwise expire on July 1, 1962 (Public Law 87-117).

Military procurement: Authorized $12.4 billion procurement program for aircraft, missiles, and naval vessels for fiscal 1962 (Public Law 87-53).

Additional military procurement authorizations: As requested by the President, authorized additional funds to provide for additional equipment primarily to improve the nonnuclear defense capabilities of our ground forces and of the Navy and Air Force; to provide increased airlift and sealift; and to expand our antisubmarine warfare program. The overall request for additional authorization for procurement of weapons, equipment, and ammunition was for $1,753 million; however, of this amount, additional authorizations are required only for $958,-570,000 (Public Law 87-118).

Military construction: Authorized $831 million for construction and improvement projects at military bases at home and abroad, including missile sites and nuclear submarine bases (Public Law 87-57).

Aeronautics and Space Council: Reactivated and strengthened the usefulness of the Aeronautics and Space Council, and provided that it be administered by the Vice President (Public Law 87-26).

NASA authorization: Authorized $1,784,-300,000 for the National Aeronautics and Space Agency (Public Law 87-98).

Civil aviation insurance: Extended until 1966, for 5 years, title XIII of the Federal Aviation Act of 1958, which provides that in the event of war the Nation's civil air fleet would have adequate insurance coverage for war risks (Public Law 87-89).

Marine Corps: Improved the combat effectiveness of the Marine Corps by providing for the expanded assignment of supply-duty-only officers to unrestricted duty (Public Law 87-123).

AEC authorization: Authorized $370,440,-000 for a total of 40 AEC projects including the Stanford linear electron accelerator and electric-generating facilities for the new production reactor at Hanford, Wash. (H.R. 7576).

Reserves: Reduced from 8 to 6 years the total Reserve obligation of certain military personnel and improved certain Armed Forces Reserve policies (H.R. 5490).

CRIME

Agency investigations: Prohibits obstruction of any lawful inquiry or investigation by the Departments of Justice or Treasury and strengthens prohibitions against injuries to persons furnishing information in connection with the inquiry (S. 1665).

Gambling devices: Broadened the definition of "gambling devices" to cover additional types of machines manufactured for gambling purposes, and requires detailed records of all such devices shipped in interstate commerce (S. 1658).

Racketeering enterprises: Prohibits the use of the mail or any transportation in interstate or foreign commerce for the purpose of distributing the proceeds of any unlawful activities (business enterprises involving gambling, bootlegging, narcotics, etc.) (S. 1653).

Transmission of bets: Forbids the use of wire communications (telephone, telegraph, or any other means of interstate wire communications) for gambling. Exempts information carried for use of the press and wireless communication (S. 1656).

Wagering paraphernalia: Prohibits interstate transportation of wagering paraphernalia for bookmaking, wagering pools, numbers game, or similar games carried by means other than common carrier in the usual course of its business, but allows transportation of equipment from a State where it is manufactured into a State where parimutuel betting is legal.

APPROPRIATIONS FOR FISCAL 1962

H.R. 7444: Agriculture and related agencies (Public Law 87-112).

H.R. 7577: General government matters (Public Law 87-125).

H.R. 7445: Independent offices (Public Law 87-141).

H.R. 6345: Interior appropriations (Public Law 87-122).

H.R. 7035: Labor-HEW (Public Law 87-290).

H.R. 7208: Legislative (in conference).

H.R. 7371: State, Justice, judiciary (passed House 6 to 1).

H.R. 5954: Treasury-Post Office (in conference).

H.R. 7581: Defense (in conference).

H.R. 8072: District of Columbia appropriation for 1962 (passed House July 12, 1961).

H.R. 8230: Military construction for 1962 (passed House July 12, 1961).

THE CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. HUMPHREY. Mr. President, I rise to acknowledge the conclusion of another highly successful congressional fellowship program and to express the thanks and appreciation of the Senate to the congressional fellows and to the American Political Science Association for again sponsoring this outstanding program in education and public service.

I know most Members of this body are thoroughly familiar with the congressional fellowship program. It began in 1953–54 with a grant from the Edgar B. Stern Family Fund of New Orleans and its purpose was to bring outstanding young political scientists and political journalists to work with us in Congress and thereby develop greater knowledge and insights into the legislative process.

The more accurately and incisively these teachers and writers of American politics understand our labors in Washington, the more effectively they can communicate with their students and readers in future years. Mr. President, if more teachers and reporters of American government possessed this understanding today, I am convinced that this Nation would comprehend more clearly the problems and challenges which confront the free world.

In addition to broadening their understanding of Congress, these highly talented and highly skilled political scientists, journalists, and law school faculty members make substantial contributions as staff members in the various offices and committees. Surely this is an arrangement where everyone benefits.

Since 1953 when the first six congressional fellowships were awarded, the program has grown impressively in terms of numbers and reputation. This past year eight political scientists, seven journalists, and two law school faculty members participated in the program. The congressional fellowship program was originally financed by the Edgar Stern Family Fund. The financial resources of this outstanding family carried the program through the formative years until its continued survival was assured. In 1957–58 the program was financed jointly by the Stern Family Fund and the Ford Foundation. Beginning in 1958, the program was principally financed by the Ford Foundation, as well as such other foundations as the Courier-Journal and Louisville Times Foundation, the New York Times Foundation, the Shinner Foundation, the Poynter Fund, the Revlon Foundation, the Helen Dwight Reid Foundation, Time, Inc., and Cyrus Eaton. I think we owe these foundations a sincere expression of thanks for providing the financial resources which makes it possible for us to have the services of the fellows for a session of Congress. This is, I might add, the equivalent of having an unpaid staff member in the office.

I can speak for my office by saying that I have had a very outstanding staff member, Mr. John G. Stewart, who has been working closely with me, confining much of his attention to the work of the Appropriations Committee. I have had good fortune indeed with these congressional fellows, and I rise to pay personal tribute to them.

Congressional fellows are selected from several hundred applicants through an intensive series of screenings and personal interviews throughout the United States. Final selections are made by the advisory committee to the congressional fellowship program. This is an outstanding group of public servants, scholars, and political analysts. This past year the advisory committee included Roger Hilsman, Director of Intelligence and Research, State Department, as chairman; Senators Gene McCarthy and John Williams; Representatives John Brademas and John Lindsay; Douglas Cater of the Reporter magazine; Marquis Childs, columnist for the St. Louis Post-Dispatch; Richard Scammon, Director of the Census Bureau; Harold Green, noted attorney and professor of law at George Washington University; and Joseph McCaffrey, television commentator for the American Broadcasting Co.

Following their arrival in Washington in November, the fellows participate in a 1-month orientation program which acquaints them with the general political scene in Washington. During this period they also make arrangements for their assignments in the House. During the Easter recess the group moves to Senate offices and committees, and the program concludes on August 15.

In conjunction with the opportunity for practical working experience, the fellows also meet as a group for interviews with a number of Senators, Congressmen, and other Washington political figures. I have met with the group for a number of years and I am always impressed by their grasp of the legislative process on the Hill, by their critical awareness of what is going on up here. Often their questions make a session of "Meet the Press" seem like a picnic by comparison.

I wish to emphasize that these people do not come to Washington to observe Congress in action. You never learn by just observing. They come to work with us and they make valuable contributions to the operation of an office or committee staff. In my office I have turned over entire areas of legislative staff work to congressional fellows. They learn a great deal from their experiences but they also teach us a great deal. Every office on the Hill can always use some fresh perspective, some fresh insights, and a fresh viewpoint in its day-to-day operations. A congressional fellow is well equipped to provide this valuable change of pace.

I wish to emphasize strongly that the program is rigidly nonpartisan in nature. Congressional fellows work in both Republican and Democratic offices. I understand that the issues we debate so vigorously here on the Senate floor are just as enthusiastically argued among the congressional fellows.

Mr. President, I ask unanimous consent that a list of the congressional fellows for 1960–61 be printed in the RECORD at this point, together with a list of their offices. Both Democratic and Republican offices are listed here.

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

CONGRESSIONAL FELLOWS OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1960–61

Lee Anderson, 26, research assistant in political science, University of Illinois; Representative Robert Giaimo, of Connecticut, Senator Frank Church, of Idaho.

Avard W. Brinton, 27, teaching fellow in government, Harvard University; Representative Ed Edmondson, of Oklahoma, Senate Interstate and Foreign Commerce Committee.

Patrick J. Conklin, 32, assistant professor of political science, University of Tulsa; House majority whip office, Mr. Albert, of Oklahoma. Senate majority whip office, Mr. Humphrey, of Minnesota.

Samuel Halperin, 30, assistant professor of political science, Wayne State University; House Committee on Education and Labor; Senate Subcommittee on Education and Special Committee on Aging.

Ronald H. McDonald, 25, teaching assistant and Ph. D. candidate, University of California, Los Angeles; Representative Peter Frelinghuysen, of New Jersey, Senator Thomas H. Kuchel, of California.

David M. Olson, 30, research assistant and Ph. D. candidate, University of California, Berkeley; Representative Homer Thornberry, of Texas, Senator Vance Hartke, of Indiana.

John G. Stewart, 25, Ph. D. candidate, University of Chicago; Representative Richard Bolling, of Missouri, Senator Hubert H. Humphrey, of Minnesota.

Seth P. Tillman, 29, assistant professor of political science, Massachusetts Institute of Technology; Representative John Lindsay, of New York, Senate Committee on Foreign Relations.

Luther J. Carter, 32, reporter, Virginian-Pilot, Norfolk, Va.; Representative Charles E. Bennett, of Florida, Senator Lee Metcalf, of Montana.

Lorraine E. Geittmann, 26, reporter, South Bay Daily Breeze, Redondo Beach, Calif.; Representative B. F. Sisk, of California, Senator Edmund Muskie, of Maine.

Ivan N. Kaye, 28, reporter, United Press International; Representative Robert Kastenmeier, of Wisconsin, Senator William Proxmire, of Wisconsin.

Eugene Lichtenstein, 30, assistant editor, Esquire magazine; Representative Chet Holifield, of California, Senator Claiborne Pell, of Rhode Island.

William R. MacKaye, 26, reporter, Minneapolis Star; Representative Frank Thompson, of New Jersey, Senator Joseph S. Clark, of Pennsylvania.

Robert A. Popa, 29, reporter, Detroit News; Representative Robert P. Griffin, of Michigan, Senate Antitrust Subcommittee.

Daniel S. Greenberg, 29, reporter, Washington Post; Representative John Brademas, of Indiana, Senate Antitrust Subcommittee.

Arthur E. Ryman, Jr., 31, professor of law, Cumberland University; Representative Peter Dominick, of Colorado, Senator Spessard L. Holland, of Florida.

John D. Scarlett, 37, associate professor of law, Wake Forest College; Representative Torbert H. Macdonald, of Massachusetts, Senator Thomas J. Dodd, of Connecticut.

Mr. HUMPHREY. Mr. President, in conjunction with the Asia Foundation, the American Political Science Association also sponsors several Asian fellows as part of the program. Everyone concerned with creating better understanding between the United States and the countries of Asia will immediately see the value of this program. It is a fine program. During 1960–61 the American Friends of the Middle East added a fellow from Iran. This aspect of the program will continue in 1961–62. Mr.

President, I ask unanimous consent that a list of the Asian fellows also be printed in the RECORD at this point.

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

FELLOWS OF THE ASIA FOUNDATION AND THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1960–61

Abdullah Ahmad, Republic of Malaya; Representative John Kyl, of Iowa, Senator Oren E. Long, of Hawaii, and Vice President Lyndon B. Johnson.

Shariff Ahmad, Republic of Malaya; Representative Clem Miller, of California, Senator Howard W. Cannon, of Nevada.

Matine-Daftary Hedayatollah, Iran; Representative Samuel Stratton, of New York, Senator Edward V. Long, of Missouri.

Miss Kimiko Okamura, Japan; Representative Sidney R. Yates, of Illinois, Senator Ernest Gruening, of Alaska.

Abdul Kadir Shaikh, Pakistan; Representative Dante Fascell, of Florida, Senate Subcommittee on Education.

Dong Suh Bark, Korea; Senator William Proxmire, of Wisconsin.

Mr. HUMPHREY. Mr. President, the congressional fellows for next year have already been selected. In order to introduce them to you and to make their names known to you and your staffs, I ask unanimous consent that a list of the 1961–62 congressional fellows, including their present academic and journalistic affiliations, be included in the RECORD.

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

CONGRESSIONAL FELLOWS OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION FOR 1961–62

Donald C. Bacon, 26, reporter, Wall Street Journal, Jacksonville, Fla.

James H. Chubbuck, 27, graduate assistant, department of government, Louisiana State University, and former reporter, Beaumont, Tex., Journal and Enterprise.

Michael N. Danielson, 27, metropolitan region fellow, Columbia University and Ph. D. candidate in political science, Princeton University.

Charles A. Frye, 24, Ph. D. candidate in political science, Yale University.

Daniel S. Guy, 33, assistant professor of law, Ohio Northern University.

Jack I. Heller, 29, teaching fellow and research assistant, Harvard Law School.

Fredrick P. Jellison, 29, research assistant and Ph. D. candidate in political science, University of Michigan.

James R. Kerr, 30, Ph. D. candidate in political science, Stanford University.

Edmund B. Lambeth, 29, reporter, Milwaukee (Wis.) Journal.

Teddy Roe, 27, formerly reporter for Des Moines Register and Tribune and Great Falls (Mont.) Leader.

John S. Saloma, 26, teaching fellow and Ph. D. candidate in political science, Harvard University.

David J. Stern, 33, Ph. D. candidate in political science, Claremont Graduate School.

Donald G. Tacheron, 33, copy editor and reporter, Eugene (Oreg.) Register-Guard.

Frank Tysen, 29, Ph. D. candidate in political science, Claremont Graduate School.

Richard D. Warden, 29, reporter, Great Falls (Mont.) Tribune.

David Welborn, 26, research associate and lecturer in government, Indiana University.

Wesley F. Willoughby, 31, reporter, San Francisco News-Call Bulletin.

Dr. Evron Kirkpatrick, the executive director of the American Political Science Association—and, I might add, a loyal Minnesotan, a former professor of mine at the University of Minnesota, and a very dear and close friend; and Mr. Mark Ferber, director of the congressional fellowship program, are to be congratulated for their fine direction and administration of this program. As the present congressional fellows return to their teaching and reporting assignments throughout the nation, they merit our congratulations and appreciation for a job well done.

Mr. President, I ask unanimous consent that various items describing the purpose and operation of the congressional fellowship program be printed in the RECORD.

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

FACTS ABOUT THE CONGRESSIONAL FELLOWSHIP PROGRAM

HOW THE PROGRAM OPERATES

The congressional fellowship program, sponsored by the American Political Science Association since 1953,

(a) Provides practical experience working with Members of Congress or congressional committees for younger political scientists, journalists, and law school teachers. Such experience, combined with earlier training, is designed to improve the participant's understanding of the organization, procedures and problems of Congress and to provide a broader and deeper knowledge of American politics and the problems confronted by Congressmen.

(b) Aims to provide an experience of both depth and breadth. Depth is achieved by long periods of service in single offices in the House and Senate. Breadth results from an initial 1-month "orientation program," followed by a continuing series of conferences during the year with distinguished Members of Congress, congressional staff, political journalists, political scientists, and others closely associated with the functioning of Congress.

The orientation program, which begins in the middle of November, is intended to provide a limited theoretical framework relative to the structure and functions of Congress; the role of Congress in the American system of government; political behavior in the congressional context; the political decision making process as it operates within Congress, and between Congress and other institutions within the total structure of American Government; and other related aspects of what some would call the congressional, or legislative process. During the orientation program the group meets morning and afternoon for informal discussions with a wide variety of persons associated with Congress, or with congressional relations in the executive branch.

By the first week in January, all fellows are at work with a Representative or a House committee of their choice, with whom they serve for the 3½ months the group spends on the House side. About the time of the Easter recess the group moves to the Senate, where members of the group work either for Senators or Senate committees. Fellows remain in Senate offices until the conclusion of the program around the middle of August. Services of the fellows are made available free of charge to congressional committees and the Members of Congress for whom they work.

HOW CONGRESSIONAL FELLOWS ARE SELECTED

Congressional fellows are selected in nationwide competition from among political journalists, political scientists, and law school teachers, in the 23 to 35 age range with superior training and experience.

Applications are first screened by a committee of three persons in Washington, consisting of a journalist, a political scientist, and a Government official. Between 35 and 50 applicants are then invited to appear before regional interviewing boards usually consisting of a political scientist, a journalist, and a third member selected from a related field. These boards submit reports on all interviews, which are then reviewed by the original screening committee. The screening committee drafts a recommended list of winners and alternates, which is given final review and approval by the advisory committee for the congressional fellowship program. The advisory committee, in addition to selecting the fellows, is responsible for helping the association determine policy for the program. It consists of two Members of the House and two of the Senate, divided equally between the two parties; three journalists; and two political scientists.

Announcement of winning fellows is made in the early spring, immediately following final selection. Winners are notified immediately, but they do not have to appear in Washington until the beginning of the orientation program in the fall.

TYPES OF SERVICES PERFORMED BY CONGRESSIONAL FELLOWS

Congressional fellows perform a wide variety of services for the Members of Congress or committees for whom they work. One fellow, who worked in the office of the chairman of the subcommittee responsible for the legislation, was given major responsibility for a bill extending the Surplus Agricultural Disposal Act. During his 4 months in the office, he followed the entire path of action of the bill in the Senate. He began by studying and digesting more than 35 documents, speeches, and hearings from previous years. Then he proceeded to sound out Government departments and private agencies, and to construct a list of possible witnesses. From that point to the adjournment of Congress, he was immersed in preparing questions for the hearings, drafting speeches and press releases, talking to Government representatives as well as private parties, inviting various witnesses to testify, preparing opening statements for the hearings, handling all telephone and mail inquiries and keeping in touch with the companion bill as it made its way through the House.

Other illustrations are contained in the following excerpts from reports by fellows on their activities:

"There is no point in listing the many varied duties I have performed for the Congressman. I think it more appropriate for me to state that he and I have enjoyed a close personal relationship; that we have spent a good deal of time together discussing pending legislation which could have a serious effect politically on his career. He values my judgment as a home State newsman who is familiar with the problems and personalities of his constituency. * * * During the past 4 months, I have written his weekly newsletters, his press releases and radio scripts, roughly a dozen extension of remarks for the CONGRESSIONAL RECORD, a number of extremely important letters to committee chairmen and heads of Federal agencies, and assisted with a myriad of other public relations chores.

"On legislative matters, one of my jobs is to sift the CONGRESSIONAL RECORD daily for items of special interest to the Congressman. More important is my regular attendance at the open session of the Foreign Affairs Committee and my perusal of the transcripts of the executive sessions—especially those which have recently begun on the foreign aid bill. Sometimes I sit right behind the Congressman at hearings and feed him suggested questions to put to the witnesses. More often we take time before or after a hearing and discuss the pattern of testimony and the issues it raises, and I then suggest matters which I think he should try to get clarified in the record.

"One of the best meetings was a briefing on the White House Conference on Education, which I followed up with press releases on the Senator's backing for a State conference. The State had taken no action, so I wrote some letters for him to the proper officials, got their plans, released them to the press also, and followed up with another statement. As a result the Senator got a letter telling him they got faster action in less than a week from his State than they could have gotten in 6 months."

THE SPONSOR

The American Political Science Association, founded in 1903, is the professional organization for political science within the United States. Its series of distinguished presidents has included: A. Lawrence Lowell, Woodrow Wilson, Charles E. Merriam, Charles A. Beard, Edward S. Corwin, Robert E. Cushman, Arthur W. Macmahon, and Ralph J. Bunche, to mention a few. It has performed numerous tasks for the President, for executive departments, congressional committees, Members of Congress, and State teachers of politics, Government administrators, Cabinet officials, university presidents, lawyers, and those active in the business world. It is the American affiliate of the International Political Science Association.

SOURCES OF FUNDS FOR THE CONGRESSIONAL FELLOWSHIP PROGRAM

For the first several years of its operation, the congressional fellowship program was financed by the Edgar Stern family fund of New Orleans. In 1957–58, the program was financed by both the Stern family fund and the Ford Foundation. Beginning with 1958, the program was financed by the Ford Foundation, as well as such other foundations as the Courier-Journal and Louisville Times Foundation, the New York Times Foundation, the Shinner Foundation, the Poynter Fund, the Revlon Foundation, and the Helen Dwight Reid Foundation.

ASIAN FELLOWS

Beginning with the 1958–59 program, the Asia Foundation has sponsored several Asian fellows who are affiliated with the overall congressional fellowship program but who receive special assistance. The applications and selection of the Asian fellows are handled jointly by the Asia Foundation and the association.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am glad to yield.

Mr. HOLLAND. I wish to associate myself with the Senator from Minnesota in warmly praising the congressional fellow program of the American Political Science Association and those persons and agencies which have made the program possible. One of the fellows under this program, Arthur E. Ryman, Jr., Esq., is now working in my office. We have found his services to be most helpful, and I trust that the experience has been of value to him from an educational and experience standpoint. Mr. Ryman is an outstanding young man who received his master of laws degree from Yale University. He served last year on the faculty of Cumberland Law School at Lebanon, Tenn. Beginning in September, he will join the faculty of Drake University Law School, Des Moines, Iowa.

Mr. Ryman has been particularly helpful in conducting thorough and detailed research of the type which my staff has difficulty in finding time to perform. He has made a thorough study of the Senate rule pertaining to unlimited debate, airline labor problems, the funding of civil service retirement payments, and similar complex subjects.

Mr. Ryman's service in my office should be beneficial to his law students by giving him a firsthand practical view of the making of Federal statute law. I appreciate the opportunity I have had of having his able assistance in the work of my office.

Mr. METCALF. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. METCALF. The Senator from Minnesota has performed a valuable service in calling to the attention of the Senate and of the country the fine group of young men and women who have served us so well during the past few months. The program is one with which I have been familiar since it was started. I have been fortunate to have three of these young men serve in my office. I have observed a number of the congressional fellows, including a few young women, who have served in the program during the years it has been in existence.

Among the young men who have been associated with me is Mr. Luther Carter, of Norfolk, Va., who has served in my office diligently and as a good right hand. As the Senator from Minnesota has said of the fellows who serve on his own staff, Mr. Carter has been a mighty fine member of my staff.

Before that, I had as an assistant Mr. Boyd Finch, of Ventura, Calif., a newspaper reporter. When Mr. Finch finished his service with me, he returned to his work in Ventura and is now one of the New Frontiersmen, working with Secretary Udall in the development of natural resources. His first interest in natural resources was gained in Montana, where he learned of our interest in the forests, rivers, streams, and mountains of that western part of our country.

Then I had on my staff Mr. Charles Young, of California, who returned to the University of California. He is now an assistant to the president. Here he learned about the various educational programs. He served well in spreading the same sort of gospel about which the Senator from Minnesota has spoken.

So these young men, I know from personal experience, have been devoted and dedicated in performing their research service. I know the country is better off because of the program instituted by the American Political Science Association. I am glad the Senator from Minnesota has placed in the RECORD the list of the fellows for next year, because I am proud that two of them will be Montanans, who, as have their predecessors, will delve into the mysteries of congressional procedure which are not taught in colleges and universities. I look forward to working with them.

I thank the Senator from Minnesota for yielding.

Mr. HUMPHREY. The fellows, I feel certain, will be more than grateful for the remarks made by the distinguished Senator from Montana, and the American Political Science Association will be doubly grateful for this testimonial as to the quality, caliber, and effectiveness of the congressional fellows.

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

Mr. HUMPHREY. I yield.

Mr. KUCHEL. The congressional fellows perform an excellent service for the Members of Congress with whom they are associated. I think it may be said that the Members of Congress, in their day-by-day deliberations, in their research, in their quest to find what is in the public interest in the bill which will be pending before them on the morrow, give to those young people in America who are able to participate in the program a unique education in the processes of the Republic, particularly as they receive those processes, parliamentarywise, with which we deal in the Senate and House of Representatives every day.

The Senator from Minnesota deserves congratulations for indicating the breadth of the program and the fact that it will be a continuing one.

I must say, speaking personally, that the very fine young man, Ronald H. McDonald, who has been associated with me for some time, will, as he leaves my office shortly to return to his homeland—California—take with him the best wishes of the personnel of my office and certainly the best wishes of the Senator from California.

In discussions which take place in my office with members of my staff, to determine what policy this one Senator should follow with respect to proposed legislation which, in many instances, is somewhat perplexing, Ron McDonald has participated. I feel certain that that pattern is followed throughout the entire congressional organization.

I speak as a Republican. I wish to see two strong parties in the Nation. I do not want this Nation ever to become a one-party country or to have a one-party government. Neither do I desire to see a multiplicity of splinter parties, from which one of our gallant neighbors across the seas suffered for so long a time.

When the Senator from Minnesota and other Senators representing the great Democratic Party, participate in this program, and when many of us on this side of the aisle participate in the same program, and have the joint opportunity to demonstrate, in some areas of legislation that there are conflicting views, honorably arrived at, then I think there is a keener appreciation of the fact that on the anvil of debate is the truth hammered out, not merely in theory, but usually also in actuality. From that experience these young people, men and women alike, return to their homelands refreshed and invigorated from an experience which I feel certain will permit them to invigorate both political parties in America in the days ahead.

Mr. HUMPHREY. I thank the Senator from California. I wish to associate myself with the views he has expressed in terms of the vitality of the two-party system.

I would be remiss if I did not pay special thanks to Mr. Patrick J. Conklin, of the University of Oklahoma, Tulsa, who worked with me in the office of the majority whip. He studied during the first period of his congressional service in the

office of the House majority whip, under Representative ALBERT, of Oklahoma. He then came to me and asked to have an opportunity to work in the office of the Senate majority whip. I was more than happy to agree, and I found Mr. Conklin to be a remarkable man. He will be all the better as a teacher and a professor. He did some splendid research work, not only upon the activities of the office of the majority whip now, but also in relation to the whole history of the office background and in terms of congressional life. He also gave me great help in the field of foreign policy, particularly as it relates to Latin America. He is a keen student of that area of the world; and I am deeply indebted to him.

I also wish to mention the name of Mr. John G. Stewart, a candidate for a doctor's degree at the University of Chicago. He has worked with me in recent months. Prior to that, he worked with Representative RICHARD BOLLING, of Missouri. He found a very rewarding experience with that splendid, brilliant, outstanding Member of the House of Representatives.

I wish to say publicly to Mr. Stewart that I shall ever be indebted to him for his diligence, for his concentration on the subject matters assigned to him, and for his splendid work generally, and particularly as it related to the activities of the Senate Appropriations Committee. I am a new member of that committee, and I needed help; and I found in Mr. John Stewart a reliable associate.

I am confident that he will return to his work better prepared and enriched in experience and in spirit. Surely he has made a great contribution to my office; and I know my constituents appreciate his kindness and his helpfulness.

Mr. PELL. Mr. President, I, too, would like to associate myself with the remarks of the Senator from Minnesota [Mr. HUMPHREY] in commending and praising the program providing for Government fellows. For their generosity in this respect, I wish to praise particularly the Stern family—and particularly Philip Stern, a good friend of mine, for whom I have great respect and great admiration—who have done so much to bring about this program.

My own office has been helped by the presence of Eugene Lichtenstein, who has helped us immeasurably in the last several months with his research, his knowledge, and, more particularly, his writing ability.

This program seems to me to be a very good one, because it encourages these young men to have an interest in government; and without the program, they might not have such an interest. In fact, in not too many years some of us may have the privilege of being defeated by some of them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. ROGERS of Texas, Mr. FLYNT, Mr. MOSS, Mr. ROGERS of Florida, Mr. BENNETT of Michigan, Mr. SPRINGER, Mr. YOUNGER, and Mr. THOMSON of Wisconsin, were appointed managers on the part of the House at the conference.

THE RECORD OF THE KENNEDY ADMINISTRATION ON BEHALF OF AGRICULTURE

Mr. HUMPHREY. Mr. President, I wish to have printed in the RECORD certain material relating to the agricultural program.

The Congress has passed and the President has signed the most important agricultural legislation since the passage of the basic Agricultural Act of 1938. The passage of the Agricultural Act of 1961 represents a singular achievement on the part of the Congress and the administration. Credit is due in particular to the Secretary of Agriculture, Mr. Orville Freeman, for the manner in which he presented the administration's farm program, and for the broad and comprehensive understanding of agricultural problems and policies that he so fully revealed in his testimony before the committees of the Senate and the House.

Mr. President, I wish to commend also the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], and the chairman of the House Committee on Agriculture, Representative COOLEY, and their associates on both sides of the aisle, for the work they have done at this session on the Agricultural Act. I have served for 8 years on the committee, and I can assure all my colleagues that the work on it requires a great many hours, much concentration of effort, and a considerable amount of judgment in the designing of agricultural and conservation policy.

In my opinion, the Agricultural Act of 1961 represents a major step forward in this administration's program for improving farm income. The act strengthens the agricultural economy and provides the Department of Agriculture with the facilities, the authority, and the means to bring about a better relationship between producers and consumers, with adequate regard for strategic food stockpiles reserves, our foreign policy commitments, and the use of American food and fiber as an instrument of economic and social development at home and abroad.

The President, in signing this important legislation, properly heralded it as a program of far-reaching importance not only to the farmer, but to the consumer; not only to agriculture, but to industry: not only to rural America, but to the urban areas and, indeed, to the entire Nation and the world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the President's statement at the time of the signing of the bill and also the statement of the Secretary of Agriculture.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection?

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

REMARKS OF THE PRESIDENT ON SIGNING S. 1643—THE AGRICULTURAL ACT OF 1961

The Agricultural Act of 1961 is a major step toward a sound agricultural economy and a better life for the farmers of this country. It is designed to improve farm income, expand the markets for agricultural products, reduce our stocks of grains and wheat, and relieve our taxpayers of carrying some of the costs of carrying these stocks. I believe these objectives are in the best interests of our farmers and our country.

Of particular significance is the extension of the use of marketing orders to additional farm commodities. This will offer producers an opportunity to influence the market and offer the consumers advantage in quality, regularity of supply and stability of prices. I am also pleased that the act permits us to increase the present scope of our program for the distribution of agricultural commodities abroad, and extends the school lunch program to assure millions of our children better nutrition and better health.

These programs have long proved their merit and in these critical times and days they do assume significance for the welfare of our Nation. The benefits of the farm program that will result from this act are all in the right direction. They should help us toward the achievement of our goals for American agriculture, because American agriculture is of concern to us all, whether we live on the farm or in the city, and of concern to hundreds of millions of people around the world who look to this tremendous capacity which we have, with a relatively limited number of people, to produce food for ourselves and a good portion of the world. This is really a most outstanding accomplishment of our civilization in this century, to produce more food with less people than any country on earth. And it contrasts to the efforts of those behind the Iron Curtain in Russia and China where by entirely different systems they have had great difficulty. We wish for them well in this area because we want food available for all people.

We do point with pride to the record the American farmers have made and I hope that this legislation—I am sure and I know it will keep to increase that record. So that in this bill today we serve our people, our farmers and also people around the globe.

STATEMENT BY SECRETARY FREEMAN ON THE SIGNING OF THE AGRICULTURAL ACT OF 1961

I regard the Agricultural Act of 1961 as the most constructive and promising farm legislation in many years. It is a significant step toward a healthier farm economy and will therefore strengthen the economy of the entire Nation. It represents real progress in the right direction, and can serve as a stimulus for further steps toward achieving the goals we seek for agriculture.

I am of course disappointed that the act does not include the President's recommendations to enable farmers to adjust their production and marketing more effectively on a long-term basis, with sufficient flexibility to meet changing needs and conditions. However, this disappointment is tempered by a recognition that the gains already achieved are such that the downward trend in farm income over the years just past can be reversed, and progress toward greater gains lies ahead.

I should like to highlight a few of the most constructive aspects of this new legislation.

First, the Agricultural Act of 1961 will bring about very substantial gains to the farmers of our Nation. These gains will result from the provisions relating to wheat and feed grains, the expansion of marketing order programs, and the improvements in our program for rural credit.

We expect that income for producers of wheat and feed grains should be increased by $600 to $800 million in the 1962 wheat year. We know that marketing trends, forces of nature and international affairs may be involved. But if farmers participate as enthusiastically as they have in this year's feed grains program their incomes will be increased as our stockpiles are reduced.

Marketing orders, which have already assisted producers of many commodities in achieving better incomes, can be extended to more commodities. This will give farmers greater influence on the marketing of these commodities, and at the same time offer consumers better and more consistent quality, greater regularity of supply and more stable prices.

In the long run, the significance of these measures may lie in the fact that they represent an implicit recognition by the Congress of the need for adjusting our abundant agricultural productivity to existing need and for encouraging balanced marketing programs for farm commodities. In the two areas in which the imbalance was in greatest need of correction—wheat and feed grains—this act confirms the principle of supply adjustment.

Better farm incomes can also be expected as the result of provisions in the new act that expand and improve the supervised credit service of the Farmers Home Administration. Loan limits have been modernized to meet the changing and increasing requirements for capital on the farm. The act removes restrictions that have in the past kept the agency from serving large numbers of family farmers who urgently need supervised credit to work their way out of their difficulties. We will now be able to be far more effective in meeting credit needs of young farmers struggling to get started and of established farmers who need to make major adjustments in their operations. Supervised credit will now be a more powerful instrument in eliminating rural poverty, strengthening family farms, and revitalizing rural communities.

Second, the act includes measures to expand consumption of our farm products. Most important is its extension and improvement of the Agricultural Trade Development and Assistance Act, a significant feature of the Agricultural Act of 1961. The 3-year extension of the programs under Public Law 480 gives us greater opportunities to expand the utilization of our agricultural abundance to help further economic growth in other nations of the free world. At the same time we contribute to our own national interest and security by raising standards of nutrition and health for the people of friendly nations. We look forward to facing, squarely and constructively, the interrelationship that exists between, on the one hand, the capacity of our agriculture to produce more than our domestic needs, and, on the other, the unmet needs existing in the rest of the world. We seek to resolve this situation in the best interests of both the American farmer and our national security.

Extension of the school milk program for 5 years will contribute better health and nutrition to millions of American children.

Third, the wheat and feed grain programs under the new act will result in substantial savings to the taxpayers by reducing storage costs for these commodities. For the 1962 grain crops alone the savings over the amount the old programs would have cost, will be between $750 million and $1 billion.

The U.S. Department of Agriculture will seek to carry out its responsibilities under the new programs with maximum concern for their success. We shall seek to consult and cooperate with farmers wherever appropriate, and to welcome suggestions from producers and groups of producers who seek to improve programs that affect their economic welfare. We shall seek effective implementation of the intent of the Congress as expressed in this act. We expect to learn from our experience under these programs, to the end that they may be improved and perfected.

We regard the period immediately ahead as an opportunity for further study and evaluation of proposed policies and programs, and most particularly for further efforts to build greater public understanding of the farm situation. We regard it as a challenge to formulate the next steps in seeking to reach our goals.

Mr. HUMPHREY. Mr. President, I have asked the Department of Agriculture to prepare a summary of the Agricultural Act of 1961, and also to prepare a summary of the achievements and the progress of this administration in the field of agriculture in the past 6 months. I ask unanimous consent that the record of the Kennedy administration of the past 6 months be printed in the RECORD at this point in my remarks, and also that the thoughtful summary and highlights of the Agricultural Act of 1961 be printed at this point in my remarks.

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

U.S. DEPARTMENT OF AGRICULTURE, REPORT, JULY 1961, THE FIRST 6 MONTHS

This administration has set forth positive goals for its agricultural programs. It is the purpose of this report to summarize progress made during the past 6 months toward the achievement of these goals.

The goals might be expressed as follows:

I. Better utilization of the Nation's abundant agricultural productivity to achieve:

A. Improved levels of consumption and nutrition in the United States.

B. Increased use of U.S. farm commodities to improve nutritional and living levels and to support economic development in underdeveloped parts of the world.

II. The strengthening of the agricultural economy by:

A. Assuring to the efficient, adequate-sized family farm the opportunity to achieve parity of income by adjusting production to the kinds and quantities that can be used under this expanded demand.

B. Strengthening and improving agricultural services in research, marketing, extension, and credit, with emphasis on cooperatives, the Rural Electrification Administration, and Farmers Home Administration.

C. The eradication of poverty in agriculture through assistance to low-production farmers and emphasis on rural area development.

III. The recognition of agriculture as an integral and indispensable part of the Nation's entire economy and future well-being.

A. Development, in cooperation with all appropriate agencies, of a program for land, water, and forest resource conservation and utilization that is consistent with the long-term social goals and national requirements of the United States, particularly for the production of food, fiber, and forest products, for recreation, for general economic well-being and for national security.

B. A recognition of the need for strategic security reserves in agricultural products.

C. Public understanding of the contributions of agriculture to the American economy and standard of living, and a recognition on the part of the public of the importance of solving the farm problem.

D. Cooperation and coordination of agricultural programs and policies with those other national programs and policies directed toward the solution of common problems: e.g., how Americans jointly meet the challenge of automation and technological revolution that brings about unemployment in industry and underemployment in agriculture; and how the United States gears our agricultural programs and policies to maximize their contribution to international needs and national security.

ACTION BY THE U.S. DEPARTMENT OF AGRICULTURE TOWARD THE ACHIEVEMENT OF THESE GOALS

I

A. Better utilization of abundant agricultural productivity to achieve improved levels of consumption and nutrition in the United States.

1. Distribution to those in need:

(a) Food procurement operations expanded: Two days after President Kennedy issued Executive Order No. 1 calling for an expansion in the volume and types of food to be distributed to needy families, the Agricultural Marketing Service launched into procurement operations to obtain the additionally needed supplies. The foods bought provide a substantial supplement to the commodities such as flour, cornmeal, rice, and nonfat dry milk which previously had been made available to needy families. Foods bought for this expanded distribution included 84 million pounds of dried beans, 47.2 million pounds of rolled oats, 76.5 million pounds of lard, 22.2 million pounds of dried eggs, 68.8 million pounds of canned pork and gravy, 40.3 million pounds of canned chopped meat, and 23.5 million pounds of peanut butter.

Additional purchases included 12.3 million pounds of carcass lamb for distribution to eligible nonprofitable charitable institutions, 7.1 million pounds of young chickens for the school lunch program, and 2.4 million pounds of cabbage principally for the school lunch program.

Purchases of livestock products alone, including meats, lard, dried eggs, and poultry have exceeded $105 million since the issuance of Executive Order No. 1.

(b) More food for more needy families: The distribution of food to needy families has been rapidly expanded both in terms of the number of people benefiting and the volume and variety of foods distributed to them. Total distribution in the last 6 months has amounted to about $101 million or more than three times the level in the same period of the previous year. In addition, the number of people receiving commodities has increased from 4 milion persons in January to about 6½ million in June.

(c) Areas of special need: The U.S. Department of Agriculture is launching a special effort to distribute food to needy families in Fayette and Haywood Counties, Tenn., in these cases providing labor costs and supervisory assistance which are not locally available. It is expected that 7,000 persons in each of these counties will immediately benefit from this distribution, and that this figure could easily double by fall.

(d) Pilot food stamp projects: Arrangements have been completed for the operation of the food stamp program in eight pilot areas. The project in southern Illinois opened July 12, and was the last project in the series to get underway. The first to open was in McDowell County, W. Va., on May 29. Others in operation are in Floyd County, Ky.; Virginia-Hibbing-Nashwauk and adjacent areas in Minnesota: Silver Bow County, Mont.; San Miguel County, N. Mex.; Fayette County, Pa.; and the city of Detroit, Mich. At the present time, close to 200,000 persons have been certified to participate in the program.

Carefuly study is being made of these pilot programs as a basis for further planning and policy determination.

(e) Special milk program: Legislation has been passed to extend this program through the fiscal year 1962, with an increase in the authorization from $95 million to $105 million. Through this program children in 85,500 schools, child-care institutions and summer camps were provided the opportunity of obtaining increased quantities of milk at nominal cost. It is estimated that more than 25 million children drank milk daily the past year under the school lunch and special milk programs—consuming more than 4.7 billion half pints, the equivalent of about 4 percent of the total nonfarm consumption of milk.

(f) School lunch program: Congressional action is pending on the administration's request to increase the regular national school lunch program appropriation, and to add $10 million to be directed to schools in distressed areas. Also before Congress is the administration's recommendation for the first major change in the National School Lunch Act since it was passed in 1946. The proposed amendment would result in a more equitable distribution of funds. Pilot projects have been initiated in two counties in West Virginia and one county in eastern Kentucky, in cooperation with appropriate State and local officials, to provide lunches to children in especially needy areas where a lunch-time food service is not available.

2. Research and educational activities to improve quality and utilization for American consumers.

(a) The Agricultural Research Service publicizes nutritional information indicating how the nutritional health of many adolescents and adults in the Nation could be improved by adding more fruits and vegetables and more milk and milk products to the daily diet. It also releases menus and other information to help families use to best advantage the foods now offered in the distribution program.

(b) The Department, in cooperation with the U.S. Atomic Energy Commission and the Department of Health, Education, and Welfare, is testing an ion-exchange method for removing strontium-90 from milk, designed to provide a practical method of assuring a safe milk supply in case of a nuclear attack.

(c) The Agricultural Research Service has developed a new method of dehydrating potatoes, carrots, and other vegetables that will improve the quality and decrease the cooking time for such products; and a new method for spray drying cottage cheese whey, which for the first time opens up the possibility of large scale commercial use of this dairy product. Whey is now mainly a waste product and disposal is frequently costly. High protein cottage cheese whey powder could find a use in both foods and feeds.

B. Better utilization of the Nation's abundant agricultural productivity to increase use of U.S. farm commodities abroad, both in commercial markets and to improve nutritional and living levels, and to support economic development in underdeveloped parts of the world.

1. Agricultural exports in fiscal year 1961 broke all previous records in both value, estimated at $4.9 billion, and volume. The increase over the previous year was in both dollar sales and special programs. Wheat and cotton accounted for most of the increased exports, with wheat exports being a record 650 million bushels.

2. The food-for-peace program was stepped up. High on the priority list for new legislation was an increase of $2 billion in authority under title I of Public Law 480, to permit the signing of programs in the remainder of calendar year 1961. This authority was enacted by the Congress in April. Programs in negotiation against the new authorization total about $1.1 billion, and programs under active consideration total an additional $0.7 billion. One of those in negotiation is the multiyear program with Pakistan which will total about $950 million.

3. The barter program, title III of Public Law 480, was the subject of a public meeting for the first time since its inception. At this meeting importers, exporters, suppliers and others were consulted on how to improve and expand the barter program. From this group a private trade task force was appointed to consider helping U.S. distressed areas by processing foreign raw materials; reducing the outflow of dollars for offshore defense and other procurement; assisting the less-developed countries by trading for their materials; and streamlining the procedures for barter for export of U.S. agricultural commodities.

4. Market development has been given increased emphasis.

(a) A joint Government-industry task force was called to review the cooperative program of oversea market development. This not only helped streamline the program but also helped expand it more than 50 percent over any previous year.

(b) In June USDA opened in London its first oversea trade center, operated jointly with the Department of Commerce, to promote the sale of food products and agricultural commodities.

(c) A marketing specialist was stationed in Hamburg, Germany, in April 1961, to work closely with the food-importing trade in this large-consuming, hard-currency area. It is planned to expand this program by placing other marketing specialists in key trading areas overseas.

(d) In the search for expanded markets USDA is aggressively investigating the use of new food products, such as bulgur wheat, to assure wider use of abundant food supplies.

5. Trade agreements that will expand U.S. exports have been vigorously sought. By aggressive pressure through GATT and with individual countries for reduction or elimination of trade barriers to U.S. agricultural exports, specific food items have been liberalized in the important dollar markets of Germany, Japan, Italy, and the United Kingdom. Acceptable tariffs affecting $500 million in agricultural trade have been negotiated with the Common Market, and negotiations are continuing on an additional $200 million worth of trade.

6. World food budget: Maximum utilization of agricultural productivity to meet human needs must be predicated upon an appraisal of what those needs are. Upon taking office in January, the administration was amazed to learn that there was no estimate of world food needs. USDA initiated a world food budget survey. The preliminary results show a free world deficit in 1962 equivalent to 50 million metric tons of wheat, 3.9 million metric tons of vegetable oil, 1.8 million metric tons of nonfat milk solids and 0.6 million metric tons of dry beans and peas. The Department is seeking estimates of needs, not only for 1962, but the years immediately ahead. On the basis of the final estimate of world food needs it will be possible to plan more intelligently and effectively how to gear programs to meet those needs.

7. The extension of Public Law 480, with certain essential improvements, notably long-term authorization, is incorporated in the omnibus agriculture bill now before Congress.

II

A. The strengthening of the agricultural economy by assuring to the efficient, adequate-sized family farm the opportunity to achieve parity of income by adjusting production to the kinds and quantities that can be used under this expanded demand.

1. To raise farm income we have raised support levels under existing authority and secured the passage of the 1961 feed grain program. Estimates now indicate that the farm operators' realized net income in 1961 will be at least a billion dollars higher than in 1960—an increase of about 10 percent—with this increase largely the result of action taken by this administration.

Original estimates were that the feed grain program would not only increase farm income but would enable the Government to save at least $500 million. It now appears that these estimates were conservative and that savings will be even greater.

To help farmers meet spring planting and other costs there was made available to them before the end of the storage year one-half the payments earned by storage of grain on farms under the reseal program—the advances totaling about $25 million. The reseal program was extended and broadened so as to permit, along with a continuation of the 1-year program for oats, barley, and rye, a 2-year program for corn, wheat, and grain sorghums—thus encouraging farmers to plan ahead for adequate storage facilities.

2. An important development in connection with support programs is the action by the new administration to revitalize the farmer committee system for the administration of farm programs. Regulations of the Department have been revised to return to farmers complete responsibility for the election of their own ASC committeemen.

3. Immediate assistance in drought and flood disaster has been provided.

4. The Department drafted, and supported vigorously before the Congress, an omnibus agriculture bill which would provide farmers with tools by which production could be adjusted, commodity by commodity, to quantities that can be used. While the Congress is apparently not ready at this session to provide the major enabling legislation asked for, it appears that it will still enact the most constructive farm legislation since 1938. Two major accomplishments are in sight: (a) the acceptance of the principle of supply adjustment by the enactment of such provisions applying to wheat and feed grains—the commodities most in surplus at present; and (b) the awakening of interest in and understanding of the need for the incorporation of that principle in legislation that is flexible enough and broad enough to apply to all commodities where supply adjustment is needed—the beginning of an educational process that will bear fruit in later sessions.

B. Strengthening and improving agricultural services.

1. Research and regulatory activities have scored progress in pest and disease control and greater productive efficiency.

2. The Rural Electrification Administration has been revitalized. The electrification loan program is being administered with a view to protecting the security and effectiveness of REA-financed systems, and generation and transmission loans are being evaluated from that point of view. Since January 20, REA has approved 145 loans for $166,901,218 for rural electrification purposes. These included the largest single loan ever approved by REA—for $60,225,000—to finance a 198,000-kilowatt generating plant in Indiana and a transmission line network to bring adequate, low-cost power to 16 REA-financed cooperatives in 44 counties.

REA has completed plans for a broad reorganization of the agency to enable it to be of more effective assistance to borrowers. It has redirected its power use promotion and education activities to help member-consumers make more effective use of power in the home and on the farm. A special promotion plan is being developed for farm water systems.

The telephone loan program has resulted in REA's approval, since January 20, 1961, of 126 telephone loans totaling $40,926,000. This total includes one of REA's largest telephone loans to date, to a North Carolina

borrower, which will provide new or improved service to 12,000 subscribers.

3. The Farmers Home Administration has expanded its farm housing loan program. In February, President Kennedy made available through the Farmers Home Administration an additional $50 million for farm housing loans. These funds had been appropriated by Congress but were withheld by the previous administration.

With the aid of the funds released in February, the Farmers Home Administration advanced more funds for farm housing in fiscal 1961 than in any previous year—a total of approximately $70.5 million.

In June, following recommendations made by President Kennedy, the Congress passed an omnibus housing bill which further expanded the farm housing program. The new legislation makes approximately $430 million available for farm housing loans over the next 4 years, and broadens the eligibility requirements to include families living in rural areas even though not engaged in farming.

The Housing Act marks another advance in housing legislation by authorizing the Farmers Home Administration to make small improvement loans without taking a mortgage on the farm for security, and permits the making of farm housing loans without taking a mortgage on the entire farm. This will cut down loan closing costs and speed up loanmaking.

The new legislation also authorizes extensive research in farm housing needs, construction and design, permits housing loans to farmers who do not own their land but have long-term leases, and authorizes the Farmers Home Administration to insure loans for housing and related facilities for domestic farm labor.

Operating loan program expanded

In February the administration made available an additional $35 million for farm operating loans. These funds had been appropriated by Congress but were withheld by the previous administration.

With the aid of the funds released in February, the Farmers Home Administration advanced more money to farmers to help defray operating expenses in fiscal 1961, than in any previous fiscal year. Operating loans made during the year totaled approximately $233.5 million.

The Farmers Home Administration also amended its regulations for making operating loans so as to use all of the authority granted by Congress and serve the needs of all farmers who could profitably use the credit and repay debts.

In addition the agency reversed the policy of the previous administration and instructed its field staff to concentrate on assisting those farm families most in need of supervised credit.

In March President Kennedy signed Public Law 87-8 authorizing the Farmers Home Administration to use up to 25 percent of the funds annually appropriated for operating loans to make loans that would bring the borrower's indebtedness above the $10,000 level. Previously only 10 percent of the funds could be used for this purpose.

Total lending operations in fiscal 1961 reached alltime high

The funds released in February for farm housing, and farm-operating loans increased the total amount of credit available to farmers through the Farmers Home Administration by 28 percent.

By June 30, 1961, the agency had advanced a total of $396 million for all loan purposes. This is the largest amount loaned by the agency in any fiscal year.

Loan appropriation for fiscal 1962 increased

The Agriculture Appropriation Act for 1962 will provide, when approved, $321.5 million for farm operating, farmownership, soil and water conservation, and watershed loans. This compares to the $186 million requested for fiscal 1962 by the previous administration.

Farmers now know their credit needs are recognized

As a result of the way the administration is administering the Farmers Home Administration's credit program, farmers now know the Federal Government recognizes their credit needs. The mail received in the national office from farmers needing credit assistance rose 450 percent during the first 2 weeks in March compared to the same period the previous year.

Total applications for loans during the spring of 1961 increased 50 percent over those of the previous spring.

Drought-stricken farmers quickly assisted

To meet the needs of drought-stricken farmers the Farmers Home Administration has streamlined emergency loan area designations. Field offices have been told to reduce the time previously consumed in surveying the need for emergency credit. During May and June 180 counties in 7 States were designated as areas where emergency loans can be made to help farmers fight the effects of the drought.

Agency mobilizes to take part in rural areas development

The Farmers Home Administration is moving rapidly to carry out its assigned duties in the rural areas development program. All field personnel were immediately notified of the duties assigned to the agency by Agriculture Secretary Freeman. State directors have been told how to set up the technical assistance panels needed to implement the program.

Watershed loan program speedup

Under the small watershed loan program the Agency helps local organizations finance the construction of dams, drainage canals, and similar improvements. Steps have been taken to speed the processing of these loans. Since January as many small watershed loans have been approved as had been approved in the previous year and a half.

C. Strengthening the agricultural economy by the eradication of poverty in agriculture through assistance to low-production farmers and emphasis on rural area development.

1. Since January 20 the Department has taken important steps to mobilize its resources and personnel for a greatly expanded program of rural areas development. The Secretary has issued directives indicating clearly to all departmental personnel that this program is a major responsibility of the Department and cooperating State agencies.

2. A special Rural Areas Development Board, representing 12 agencies, was set up to coordinate and give leadership to the program. Adequate staffing was provided the Board through establishment of a new Office of Rural Areas Development. This Office includes five area specialists who work closely with State and local leaders in promoting rural development.

3. With the assistance of departmental agencies, State leaders are currently taking steps to establish broad rural areas development programs in all States.

The Board and Office of Rural Areas Development are providing assistance of their resources into "area development" type programs, such as community assistance, rural industrialization, improvement of farm and nonfarm housing, small watershed development, improved marketing and processing of products produced in rural areas, and economic research on low-income problems.

Important accomplishments toward rural area development have already been reported for the Farmers Home Administration and for the Rural Electrification Administration. The FHA is moving rapidly toward carrying out other phases of the rural areas development program. The agency has issued instructions to the field staff on how to establish an efficient technical assistance panel to the State rural areas development committees. This panel will assist rural areas development committees in developing and carrying out all phases of the rural areas development program, conducting studies to identify problems, including areas economic development programs and the extension of program projects.

The Federal Extension Service has developed a set of suggested guidelines for extension's organizational and educational responsibilities in the rural areas development program for the State cooperative extension services to use in implementing the rural areas development program. The guidelines provide suggestions to States as to the functions of State and area rural areas development committees, how they are to be organized and their relationship to other USDA agencies. It puts emphasis on area planning and points out that the major emphasis and purpose of rural areas development are to stimulate economic activity for the purpose of increasing incomes, increasing employment and reducing underemployment through economic development and resource adjustment.

The States are moving ahead in reorganizing their State rural area development committees. Many have expanded the membership to include wider interests and competencies, and are in the process of delineating rural-area-development areas and in incorporating some existing economic development areas into rural-area-development areas.

Beginning this week, Federal Extension Service is holding regional meetings with State directors of extension to discuss their responsibilities to the rural-area-development program and means of getting areas organized and underway in line with the objectives of rural areas development and the guidelines.

The Soil Conservation Service has continued to promote its programs of resource development in rural areas. The increased emphasis on multipurpose watershed structures will help develop rural America. These structures will provide protection against flood damage, water for industrial uses, water for recreation and wildlife. In addition, Soil Conservation Service will make major contributions in the planning of overall economic development programs for all rural areas.

The Forest Service has prepared a number of suggested pilot projects to aid in providing employment in underemployed areas. These projects would add to the industrialization of low-income areas and would aid in the overall economic development.

The Economic Research Service has assisted the rural area development program by:

(a) Preparation of the task force report, "Guides to Development in Depressed Rural Areas."

(b) A program of research in some 20 low-income farm areas of the United States. Greater emphasis has been placed on the problem of low income in agriculture by organizing and giving greater impetus to this activity in the establishment of a new branch entitled Rural Development Branch with a professional research staff of approximately 30 people.

(c) Preparation of income data for every county in the United States for all families and for farm families, and furnished further analysis of these data to establish criteria for designation of rural development areas.

(d) Preparation of a suggested outline for rural development plan. This has been published under the title "Suggested Content of an Overall Rural Areas Economic Development Program," Office of Rural Areas Development, June 1961.

(e) Serving as consultants to the Office of Rural Areas Development in its negotiations with the Area Redevelopment Administration, Department of Commerce.

The Farmer Cooperative Service has prepared a kit to provide source information on setting up and operating a cooperative association. This will be of assistance to groups interested in forming cooperatives in rural areas.

The agency is also revising information folders to reflect current information on cooperative meat processing and rural credit unions.

The Agricultural Conservation and Stabilization Service has sharpened its farm development and improvement programs to fit the needs of low-income areas.

Other agencies including particularly the Statistical Research Service, the Agricultural Research Service, and the Agricultural Marketing Service, have contributed to the study of the overall needs of areas of underemployment and low income.

Area Redevelopment Act. Rural activities under the Area Redevelopment Act are awaiting decisions and delegations of authority to the U.S. Department of Agriculture from the U.S. Department of Commerce. The Department of Agriculture has made recommendations on designations of areas to receive assistance for acceptance by the Department of Commerce.

III

A. Recognition of agriculture as an integral and indispensable part of our Nation's entire economy and future well-being by an emphasis on conservation of forest, land, and water resources.

1. In the field of forestry, principal accomplishments since January 20, 1961, may be summarized as follows.

(a) The small woodlands program is being expanded in accord with the direction given in the President's messages on natural resources and agriculture, and the current budget was revised to help small woodland owners particularly in depressed areas.

(b) The national forest short-range program has been revised to broaden its coverage to include increased emphasis on the recreation resources, including a Visitor Information Service to provide interpretive programs on the ground, increased access road developments, a more rapid consolidation of national forest areas and other changes. The revision has been submitted to the Secretary and was made to meet President Kennedy's natural resource recommendations for giving more attention to the forest resources of the country.

(c) To meet this greater emphasis on recreation the Department has, in the past 6 months, reconstructed 1,800 family camping space units and has constructed 1,200 new units. Plans for fiscal year 1962 call for rehabilitation of an additional 10,000 existing units and construction of 1,700 new ones.

(d) The Forest Service is working with State fish and game departments in planning improvements for each area. Highlights of the program include: planting shrubs, grasses, and herbaceous plants on 1.5 million acres of game range; clearing openings, food patches, and game ways for wildlife in dense vegetation on 400,000 acres; and improvement of 7,000 miles of fishing streams and 56,000 acres of lakes by stabilizing banks, planting streamside cover, and constructing channel improvements.

(e) Increased coordination between the Departments of Agriculture and Interior is directed toward uniform forest management procedures.

(f) Forest Service research programs are being developed on fire protection; transport of woodpulp chips in water pipelines and other means to make timber harvest more efficient; disease and insect control by antibiotic and chemical means; intensified research on the utilization of abundant but little used species and low quality timber, especially in areas of underemployment.

(g) A new national forest was established in Oregon.

2. In the field of soil and water conservation:

(a) The Department entered into cooperative working relationships with 17 new soil conservation districts during the first half of 1961;

(b) It entered into contracts with 1,090 farmers and ranchers in the 10 Great Plains States to carry out complete conservation plans under the Great Plains conservation program;

(c) It stepped up the small watershed program in response to President Kennedy's messages on natural resources and agriculture. On May 19 USDA transmitted to Congress 20 watershed work plans; it presented a revised budget request to increase the watershed appropriation by $7.5 million for fiscal year 1962 which was unanimously accepted by Congress. During the past 6-month period the Soil Conservation Service authorized the planning of an additional 55 watersheds, as compared with 38 approvals in the previous 6 months.

The most significant speedup has been in completion of plans and the stepping up of construction activities. During the first 6 months of 1961, 23 additional projects were authorized for operations. A much larger number of completed plans were in process of approval, which is expected before the adjournment of this session of Congress. Committees of the Congress had 15 plans before them for approval. The Bureau of the Budget had 10 plans ready to transmit to the Congress early in July. An additional 18 plans under review by other Federal agencies and the States will be ready for transmittal to Congress by the middle of August. If all of these 52 plans are approved by the Congress, this will represent the largest increment to the small watershed program since it was authorized in 1954.

Total obligations for watershed construction—$20.5 million during the first half of 1961—also establishes a new record for any 6-month period since the program began. During the last 6 months 43 projects made new construction starts as compared with 6 in the prior 6 months. More new construction starts normally occur during the last half of a fiscal year than during the first half.

3. USDA is launching a comprehensive study of the entire question of land utilization, with emphasis both on desirable long-term goals and short-term programs where the need is crucial.

B. The Department is engaged in a study of the need for strategic security reserves in agricultural products to meet the needs of the Nation in case of war. USDA soon will have plans and recommendations for action in this area.

C. USDA regards as extremely important the function of increasing public understanding of the contributions of agriculture to the American economy and to the U.S. standard of living; and of increasing public recognition of the importance of solving the farm problem. Efforts to promote this increased understanding, and to thus create a new attitude toward the farmer and farm problems and a new sense of common interest and interdependence, are constantly being made through every appropriate means.

Achievement in this field is hard to measure. In terms of articles and editorials in publications ranging from the Saturday Evening Post to the New Republic, the U.S. News & World Report, and the New York Times, it seems that real progress is being made. USDA believes that this is a major effort that must be kept up if long-term goals are to be achieved.

D. USDA is emphasizing means of developing cooperation with other departments and agencies in order to coordinate agricultural problems and policies with other national programs and policies directed toward solution of common problems.

USDA is especially concerned with two areas:

1. How can the Department jointly meet the challenge of automation and the technological revolution that brings about both unemployment in industry and underemployment (accompanied by low income and surpluses) in agriculture? There is too little general recognition of how much the frontier, with its homesteads and farm opportunities, delayed and mitigated unemployment problems in the past, and of the modern corollary of how much a homesteads-in-reverse movement of people off the farms could add to the unemployment problem today. In other words, there is too little general recognition of the interdependence—and of the concern—that both labor and agriculture should share in problems of technological advance, increasing productivity, and their effects and demands on U.S. social and economic order. A common attack on these problems could be most productive.

2. How can USDA gear agricultural programs and policies to maximize their contribution to international needs and national security? The answer to this requires interdepartmental and interagency cooperation which USDA seeks to develop in every way.

SUMMARY AND HIGHLIGHTS, THE AGRICULTURAL ACT OF 1961

The Congress now has enacted S. 1643 after thorough study and hearings based on the proposals submitted by President Kennedy on March 16, 1961. While this amended bill does not contain all of the provisions recommended by the President, it still is comprehensive farm legislation.

It will provide during the next crop year a successful method of reducing the Nation's most pressing overproduction problems in feed grains and in wheat. Billions of dollars and millions of acres are involved in these major commodities, and effective handling of these problems will have far-reaching consequences for virtually every American citizen. Programs of the last several years have only magnified the problems. The new legislation guided by the dramatic success of the 1961 feed grain program, which is reducing production and simultaneously increasing the level of farm income for the crops involved, will have great assurance of success. The principle of the 1961 feed grain program has been followed in developing a wheat program for 1962.

If farmers vote "yes" in the national wheat referendum on August 24, 1961, and subsequently cooperate fully in the 1962 acreage retirement program, their incomes will increase by 10 to 15 percent. At the same time their voluntary actions will bring about a decrease of about 100 million bushels in Government wheat stocks. When coupled with the 1962 feed grain program, the gain in farm income could reach $600 to $800 million next crop year and ultimate costs to the Government could be reduced by from about $750 million to $1 billion.

Marketing order programs—self-help in a true sense—are being authorized on more commodities.

Important measures are provided to strengthen our Agricultural Trade Development and Assistance Act (our use of food for peace), credit programs for farmers who lack sufficient private credit, and the Wool Act, the Great Plains program, and the school milk program.

This legislation also helps assure consumers of fair and stable prices. Taxpayers will be benefited by savings of as much as $1 billion. Finally, as the sagging farm economy

is made healthy once more, farmers will increase their purchases of all kinds of industrial manufactured products, thereby benefiting wage earners, and so the entire Nation will receive great additional long-range benefits.

TITLE I

A. Authorizes Secretary to consult with farmers, farm organizations, processors, and others in connection with the formulation of legislative proposals and to pay transportation expenses and per diem as authorized under the Travel Expense Act of 1949 for Federal employees.

Significance: Farmer participation in formulating programs is essential if progams are to be successful.

B. Establishes 1962 crop wheat program. Provides a mandatory acreage retirement of 10 percent if farmers adopt marketing quotas by a two-thirds majority vote; voting eligibility for the 1962 wheat marketing quotas specified for producers who had over 13.5 acres of wheat in at least one of years 1959, 1960, or 1961; price supports available only to cooperators in commercial producing areas (if producers should disapprove quotas, price support would be available to cooperators at 50 percent of the parity price of wheat); a voluntary reduction of an additional 30 percent of 10 acres whichever is higher; 15-acre exemption reduced to either 13.5 acres or the highest acreage planted to wheat on the farm in 1959, 1960, or 1961; payment for diverted acres to be made in the 10-percent reduction bracket at 45 percent of the value (in cash or kind as the Secretary may direct) of the basic county support rate per bushel; producers diverting up to an additional 30 percent (or the balance of the small farm 10-acre maximum) of the farm wheat acreage would be paid at rate of 60 percent of the value of the yield per acre for the farm; for those who wish to use wheat entirely on their farm, not more than 30 acres may be produced for human or animal consumption; durum wheat, now in short supply, will be subject to a special program.

Significance: Government stocks of wheat, now 1¼ billion bushels, would probably increase by another 100 million bushels from the 1962 crop if the program were changed. Under this bill, stocks could be reduced by more than 100 million bushels rather than increased by nearly 100 million. This will result in savings on this one crop of $50 million in the first crop year and ultimately $258 million. The previous program offered little hope of increasing farm income. The new program will increase net farm income for wheat producers 10 to 15 percent. Under the new program, price supports will be set at about $2 a bushel; retired acreage percentages will be 10 up to 40 for 1962 with opportunity to reduce as much as 10 acres on small farms.

C. Establishes feed grain program. Provides for price support on corn at not less than 65 percent of parity. Limits price support for corn, grain sorghums, and barley to the normal production of the 1962 acreage of each eligible farm and requires as a condition of eligibility for price support on corn and grain sorghums that the producer participate in the special 1962 program for corn and grain sorghums and not knowingly exceed his base acreage of barley. Similarly, as to barley, the producer must participate in the special 1962 program for barley and not knowingly exceed his base acreage of corn and grain sorghums. Authorizes a special program under which payments will be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and make an equivalent increase in their average acreage of cropland devoted in 1959 and 1960 to approved soil conserving crops or practices. (Special provisions are made for producers of malting barley.) Diverted acreage shall be devoted to conservation uses including summer fallow and measures to control insects, weeds, and rodents shall be taken. Such acreages may be used for castor beans, guar, safflower, sunflower, or sesame but no payment shall be made for acreage so used. (Guar is a bean cash crop as well as a soil-building legume. It can provide high protein meal and a valuable gum for manufacturers.) Payments on the first 20-percent diversion are determined on the basis of the basic county support rate and an amount of the commodity not in excess of 50 percent of the normal production of the diverted acreage. Payments on an additional 20-percent diversion are determined on the basis of the basic county support rate and an amount of the commodity not in excess of 60 percent of the normal production of the diverted acreage. The feed grain provisions are substantially the same as for 1961 except for the addition of the provisions relating to barley.

Significance: During the 1961 emergency feed grain program, due to excellent cooperation among farmers, stocks are being reduced, and taxpayers are probably saving about $750 million as compared with costs that would have been incurred under the previous program. Here, again, as in the wheat program previously mentioned, the level of farmer income will rise substantially in the 1962 crop year. Nationally, for both wheat and feed grains programs, the increase in income of producers of these grains above that which they would receive under existing law will probably be about $600 to $800 million in the 1962 crop year. The two programs should reduce ultimate costs to the Government, as compared to existing law, by between $750 million and $1 billion.

D. Extends to additional commodities the authority for marketing orders and agreements (without producer quotas) originally enacted in 1937. Marketing order authority is extended to peanuts by areas of production, turkeys, and turkey hatching eggs, cherries and cranberries for canning or freezing, and apples, both fresh and for canning or freezing, and products (except canned or frozen products), produced in Michigan, New York, New England, Maryland, New Jersey, Indiana, and California. The present existing authority under the act for orders applicable to soybeans is terminated. There are added to the commodities subject to import regulation under the act, when marketing orders are in effect on the same commodities in the United States, oranges, onions, walnuts, and dates (except dates for processing).

Significance: Self-help through marketing orders has proved invaluable to producers of some commodities. Experience with milk, citrus fruit, vegetables, and other important commodities indicates that additional benefits may be realized. The principle of self-help as contained in marketing orders is an important means available to farmers for developing and adjusting their industry. Consumer interests also are adequately protected in these orders.

E. Extend the Wool Act for 4 years.

Significance: This act has been a successful one. It is carried on through annual incentive payments to domestic producers. A self-help program for advertising, promotion and related market activities on wool and lambs is authorized, if approved by producers. The 4-year extension should tend to improve and stabilize the industry.

TITLE II

A. Extends for 3 years Public Law 480 (Agricultural Trade Development Act) and provides additional money for title I sales (up to $4.5 billion in total with not more than $2.5 billion in 1 year); authorizes the use of foreign currencies for dollar sales to American tourists; improves agricultural marketing development activities in foreign nations by setting aside 5 percent of the foreign currencies acquired each year for this purpose. (Public Law 480 has been in existence 7 years. It provides for constructive means of utilizing U.S. agricultural commodities. Title I programs—sales for foreign currencies, have been the largest under this act with exports directed largely to underdeveloped countries and distributed through private trade channels. Foreign currency proceeds from sales of U.S. agricultural commodities are used to accelerate economic development in the countries where the sales are made and to finance U.S. work in those countries. Title II permits the President to help friendly peoples in case of natural disasters. Title III authorizes donations of CCC-owned commodities in the United States and abroad through nonprofit U.S. voluntary relief agencies and intergovernmental organizations; it also authorizes barter of CCC commodities for strategic or other materials. Title IV provides for long-term supply and credit contracts to expand or maintain export sales of agricultural commodities for dollars.)

Significance: Extension of Public Law 480 affords opportunity for better planning. It will be a key instrument in U.S. foreign relations. It is essential in implementing the food for peace program in expanding exports of food and fiber, and assuring emerging nations of our continuing interest in supplying agricultural commodities for economic growth. It is also essential to the establishment of a national food policy and development of a world food budget.

TITLE III

A. Consolidated lending authorities of Farmers Home Administration for making farmownership, operating, disaster and water facility loans, with some easing of credit for farms of less than family size and for nonterm operating loans. This title is a consolidation and modernization of statutes authorizing loans to eligible farmers who cannot obtain credit elsewhere for acquisition, improvement, and operation of farms. It will not, of itself, increase the cost of these credit programs.

1. Real estate loans would be available to persons who are or will become owner-operators of not larger than family farms. Available to all farmowners and tenants for soil- and water-conservation measures. Loans may be made to certain nonprofit organizations for conservation, drainage and flood control with insured loan limit of $1 million and direct loan limit of $500,000. Sets limits on loans to individuals for land acquisition at $60,000. Both insured and direct loans may be made up to 100 percent of normal value of the farm. Provides interest rate not to exceed 5 percent plus fees.

2. Operating loan limit increased from $20,000 to $35,000 and limits loan to 7 years at 5 percent. Single loans cannot exceed $35,000 and outstanding indebtedness and total loans cannot exceed $500,000 in any one year in the case of soil conservation districts.

3. Emergency loans not to exceed 3 percent interest under terms applicable to real estate and operating loans.

Significance: A sharp increase in demand for credit has resulted from low farm incomes of recent years along with the rapid development of machines, chemicals, and other elements of modern technology. The farmer who does not have the necessary credit to adopt the new technology or reorganize his farming when necessary cannot compete. Those who cannot produce efficiently at commercial levels cannot benefit adequately from other farm programs which are aimed at increasing farm income. Improved credit and related service for those who cannot obtain sufficient credit from cooperative and private sources are essential and would be provided by this legislation. Young farm people especially would benefit.

TITLE IV

A. Extends to December 31, 1971, the period that contracts may be entered into under the Great Plains program rather than the final date such contracts can remain in effect.

Significance: This program is completely voluntary; it helps landowners and operators in the Great Plains to achieve a more stable production to protect the lands from erosion, to develop farming and ranching practices more adequate to cope with the hazards of climate which characterize the area, and generally to stabilize the economy of the region. The program supplements other conservation programs and activities in 361 counties of 10 States. Farmers and ranchers may enter into cost-sharing contracts for a minimum of 3 and a maximum of 10 years. A good start has been made toward helping the farmers of the plains adapt their agriculture to the dangers of recurring droughts and other hazards peculiar to the area. Continuation of the program is essential for the development of a sound permanent agriculture.

B. Extends school milk program 5 years, to June 30, 1967, and veterans and Armed Forces dairy programs 3 years, through December 31, 1964.

Significance: These milk programs have found nationwide acceptance, and their continuance is a recognition of their value. The school milk program is a prime example of wise use of the farmers' abundant production.

Mr. HUMPHREY. Mr. President, I thank my colleagues for their patience while permitting me to make these statements and to request the making of these insertions in the RECORD.

THE PRESIDENT'S FOREIGN AID PROGRAM

Mr. PELL. Madam President——

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

Mr. PELL. Madam President, when the Senate passed the area redevelopment bill, we recognized that distressed areas in any part of our country weaken the country as a whole. We are now considering the act for international development; and I believe it most important that we keep in mind the same principle—namely, that distressed areas in any part of the free world weaken the strength of the whole free world. To put it bluntly, even if there were no threats from international communism, America and the other developed nations of the world simply can no longer afford to live in an island of comparative luxury in the midst of a sea of poverty and disease.

Moreover, it is interesting to note that the only—the only—areas of the world where the Communists have succeeded in securing power in the last decade have been those in which the people have been poorly fed and poorly educated.

There are no exceptions to that; and it is because of that situation that we would like to see more peoples in the world well fed, well housed, and well educated, because in those circumstances communism has little chance.

Madam President, when we discussed the area redevelopment bill, we debated at length the question of Treasury borrowing. During the course of that debate, an amendment to strike out the Treasury borrowing provision was defeated. I am confident that the Senate, in its wisdom, will defeat similar proposals to strike the Treasury borrowing provision from the Act for International Development which we are now considering.

The distinguished chairman of the Senate Foreign Relations Committee and other able Senators have cited many precedents for Treasury borrowing. It has been pointed out that the concept of using Treasury borrowing for foreign assistance is not new, and that President Eisenhower's administration made the same recommendation.

Madam President, many distinguished observers of world affairs have expressed the hope that the United States will take more initiative. I share this point of view, and believe that by authorizing Treasury borrowing for long-term dollar loans we shall indeed be taking the initiative. Admittedly, if we enact this provision, we shall be doing something we have never done before in our foreign-assistance program. This does not make me apprehensive. I think we must do—and I stress the word "do"—new things if we are effectively to meet new challenges and opportunities. In today's fast-moving world, what was sufficient in 1951 is not sufficient in 1961. This is true, not only of the world of space, but also of the underdeveloped world right here on this planet.

When we discuss Treasury borrowing to enable us to make long-term dollar loans to be repaid in dollars, we are talking about putting our assistance program on a businesslike basis. No business and no country can plan on a year-to-year basis. Giving the President authority to negotiate long-term dollar loans which will be repaid in dollars, will greatly strengthen our foreign-assistance program in two principal ways:

1. When negotiating loans with countries who have not made the necessary internal reforms to insure that our aid reaches the grass roots, our representatives will have the leverage of being able to offer long-term assurances if certain reforms are undertaken.

2. Governments assisted will be able to engage in long-range planning which will make our aid far more effective and will generally encourage a sounder attitude toward economic development questions.

Madam President, development loans are the heart of the President's program for the decade of development. They will be our principal tool for enabling the peoples of Asia, Africa, and Latin America, who now know it is possible to improve their lot, to do so without resort to authoritarian means and without succumbing to the blandishments of the Soviet bloc. One of the central questions we are dealing with today is whether the economic conditions of over one and a half billion people will improve under a non-Communist system. The people who will be affected by our decisions have per capita incomes ranging as low as $50 a year, compared to the $2,500 average in the United States.

The Development Loan Fund can provide such an alternative in those countries, where the principal bottleneck to advancement is a low rate of investment. As we know, investment can rise by one of two means: either through increased domestic savings or from external aid. To raise the level of savings sharply in many of these less-developed countries is virtually impossible. When one's income is barely enough to sustain mind and body, saving is academic. We have an obligation not only to provide an alternative to such desperation measures, but to identify our own Nation with the forces of change and to play a role in channeling toward constructive political, economic, and social solutions the energies which have now been unleashed throughout the world.

Madam President, we often hear the question: "Can the United States afford this program?" The simple answer, it seems to me, is that the United States can afford whatever is needed for our national future and survival—just as we were able to "afford" World War II and the Marshall plan, and just as we were able to afford this year's Defense Department appropriations of $46,848,292,000 which we passed by a vote of 85 to 0 last Friday.

Actually, the burden of the Marshall plan was really much greater than that now contemplated by President Kennedy's proposals. References to our current Federal debt burden often overlook the significant fact that it now stands at about 58 percent of our gross national product for 1 year, whereas, at the start of the Marshall plan, the percentage of our Federal debt in relation to our gross national product was more than 96 percent. The foreign assistance, both military and economic, proposed in the legislation now before this body is approximately 1 percent of our national income, or about one-tenth of the Biblical tithe. By contrast, foreign assistance appropriations in 1949 were about 2½ percent of our national income.

An economic assistance program which holds out a reasonable prospect for success will cost less over the entire decade of the sixties than our defense budget for 1962. There is no question of the need for our defense budget. There should also be no question of the need to win the long, hard struggle for development and progress on which the survival of the free world ultimately depends.

Our objective should be that the people of the whole world eventually will be fairly well educated and reasonably prosperous.

Madam President, yesterday I received from the Textile Workers Union of America a most thoughtful communication which I am anxious to share with all of my colleagues.

As my colleagues know, the textile industry has many problems and the workers in this industry have suffered severe hardships. Therefore, I was particularly struck by the truly statesmanlike passage in Mr. Pollock's telegram which refers to the difficulties of the industry, and then states, "However, we realize that an even bigger issue for all Americans is to take steps to prevent many underdeveloped countries from being drawn into Communist orbit by promises of economic aid."

Therefore, I ask unanimous consent that a telegram from William Pollock,

general president, Textile Workers Union of America, AFL–CIO, supporting the proposed Foreign Assistance Act, S. 1983, be inserted in the RECORD.

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

Despite fact that Textile Workers Union has fought to limit imports of textile products we earnestly request and urge that you vote for S. 1983 in form presented to Congress. We shall continue our efforts for protection of domestic textile industry. However, we realize that an even bigger issue for all Americans is to take steps to prevent many underdeveloped countries from being drawn into Communist orbit by promises of economic aid. Our union has debated this issue at several conventions and has always voted overwhelmingly to endorse type of program embodied in S. 1983. We believe that it is in the interest of membership and indeed of all citizens of free world to support broadest possible long-term assistance programs aimed pressing needs of peoples of newer countries in Asia, Africa, and Latin America.

WILLIAM POLLOCK,
General President, Textile Workers Union of America, AFL–CIO, Washington, D.C.

Mr. CASE of New Jersey. Madam President, I rise in opposition to the amendments offered by the Senator from Virginia to the Foreign Assistance Act of 1961.

The bill before the Senate—the Foreign Assistance Act of 1961—is, I believe, one of the most important pieces of legislation that will come to this Congress.

We are going to have a foreign aid program: I think everybody concedes that. We are going to have to have it, because it is necessary. But the pending bill contains several controversial provisions, the most important of which is the proposal to give the Development Loan Fund authority to borrow from the Treasury to cover its commitments over a 5-year period. To me, this borrowing authority is the heart of the bill, and it would be eliminated by the Byrd amendment.

This long-term feature is not, as some have indicated, a new proposal. In 1957 the Eisenhower administration proposed a long-term program which was approved by a bipartisan majority in the Senate. Unfortunately, this provision was lost in conference. Again in 1959, the idea was considered but a House amendment deleted the long-term commitment plan.

This year a 5-year program has been proposed. Secretary of the Treasury Douglas Dillon, who served as Under Secretary of State in the Eisenhower administration, supported the long-term commitments before the Senate Foreign Relations Committee in the following words:

Long-term financing authority is an essential tool for the achievement of our foreign policy objectives. I am equally convinced, as Secretary of the Treasury, that this is the most efficient and least costly method of providing development assistance.

In recent years the problem of making our foreign aid program more effective has been the subject of extensive studies both in the executive and legislative branch of our Government. Without exception, they have resulted in the recommendation that the program be put on a long-term basis. Thus, the weight of expert opinion supports the recommendation of both the Eisenhower and Kennedy administrations on this point.

There are a number of reasons for this consensus. I should like briefly to refer to several of them.

First, the bill's provision for long-term lending authority will give the aided governments confidence that they can rely on firm commitments from the United States in carrying out their own long-term programs. Economic and social development is not an easy task. Most of these countries face an enormous job. Their willingness to undertake it, and their ability to accomplish it, will be greatly strengthened by the assurance of our continuing support—assurance that is not subject to the hazards of a yearly appropriation process.

If they are to achieve real economic and social progress, these countries have to provide for tax reforms, agricultural reforms, and administrative reforms, and take many other difficult but essential steps. Without the confidence that can be supplied by long-term U.S. commitments, these countries can hardly be expected to put out the effort and take the political risks which will be required.

Perhaps the best way to illustrate the advantages of long-term commitments would be to quote an unidentified Foreign Minister who said of himself and his people:

In the past, not knowing the exact volume of aid to be received, we were often forced to be either too conservative, thereby missing opportunities for fruitful investments, or to be overoptimistic in our expectations and commit ourselves too deeply. Under the proposed plan, by knowing several years in advance the exact amount of U.S. aid, we would be in a position to draw more accurate plans in accordance with financial responsibility and to get the greatest returns out of every aid dollar invested.

Even as we debate now there is in progress a meeting of the Inter-American Economic and Social Council in Uruguay where plans are being made for the long-term reforms necessary for Latin American development. Secretary of the Treasury Dillon heads the U.S. delegation to that meeting. From Uruguay, Secretary Dillon has cabled the chairman of the Foreign Relations Committee as follows:

Three days here have heavily underlined the overriding importance of our having authority to make long-term commitments to match the major effort which Latin-American countries are now prepared to make on their own behalf.

Secretary Dillon is not given to overstatement. It seems clear that the success of the conference in Uruguay will depend in large measure upon our action here. And what is true of Latin America is equally true of all the other underdeveloped areas of the world.

By putting the lending program on a long-term basis, Congress will give the executive branch the tools it has long sought and needed. In return the Congress can and should hold the administration responsible for:

First. Good administration.

Second. The economic soundness of the activities to be financed.

Third. The consistency of such activities with other plans proposed or performed.

Fourth. The recipient's responsiveness and his clear determination to take effective self-help measures.

Fifth. The effect on the U.S. economy.

Moreover, the long-term commitments will assure our allies of our continuing interest in the underdeveloped areas. This can and should be useful in persuading them to do their share toward the development of these areas.

Finally, if we would help the developing nations maintain their freedom and independence in their quest for economic and social progress, the aid we offer must be no less adequate to their needs than the long-term assistance held out by Soviet Russia and Communist China.

All in all, it is both to our benefit and to the benefit of the aided countries to be able to give multiyear commitments with the assurance they will be fulfilled.

But the 5-year program is meaningless without the provision for borrowing from the Treasury. This borrowing has been labeled "back-door financing." It is not. Congress will not lose control.

The President must make quarterly reports on lending operations to the Congress. Furthermore, under the Government Corporations Control Act the President must include, as part of each annual budget, the proposed lending program of the Development Loan Fund for the coming year. In the Appropriations Committees these programs will be reviewed annually, and any limitations whatever can be recommended by the committees and enacted by Congress as a part of the annual appropriation bills.

But while the proposal would not take from Congress its ultimate control over foreign aid, it is true that under the bill the burden would be on Congress of justifying to itself any action it might take to cut any proposed program which is within the general lending authority provided by the bill. It would prevent a few individuals in strategic positions who oppose the whole foreign aid program from using their power over appropriations to make arbitrary reductions and eliminate programs without specific and affirmative reasons for such action.

The Committee on Foreign Relations is, in my judgment, to be congratulated upon presenting to us a formula which will provide both the benefits of the long-term lending authority and, at the same time, retain basic congressional control.

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

Mr. CASE of New Jersey. I am happy to yield.

Mr. JAVITS. I remained for a while, since the Senator was kept waiting. I was anxious to state to the Senator what I shall now state.

We who are going to back this provision of the bill are a relatively small band on this side of the aisle. We are likely to prove to be a very important and critical small band in regard to the vote.

I must say that personally I welcome the Senator's position, and find therein deep gratification and confirmation of my own position. He has a longstanding record of being one of the most enlight-

ened public servants in our country. What he is stating as his view typifies this position.

Does the Senator feel, as I do, in view of the fact that there will be fundamental congressional control, except that Congress will have to be self-activating? As the Senator says, a very few Members of Congress will not be given rather heavy powers over the rest of us through their positions on committees. The issue of congressional control is an illusory issue. The real issue is whether one is for or against a substantial, major commitment in the foreign aid field, over a period of years, which will provide the amount of time required for the purpose of using the aid the most advantageously in order to meet the needs of the free world and the competition of the Communists, both in Red China and in the Soviet Union. Does the Senator agree with me that is the issue, rather than congressional control?

Mr. CASE of New Jersey. The Senator from New York has put his finger on the very heart of the problem. That is exactly the point. I do not characterize any of the opponents, nor do I single out anyone, but the opponents, I think, are really opposed to this provision in the bill because they are opposed to long-term financing and because they are opposed to foreign aid in their very deep philosophical beliefs. Even those who do not think this is the reason, if they should succeed in putting the Byrd amendments into the bill, in my judgment would be playing directly into the hands of the small group of people who, in my opinion, have been misusing the power given to them. I do not characterize their motives, and the power was given to them by virtue of their positions in the Congress, so Congress is responsible. They have used the power to prevent the will of the Congress from being fulfilled.

In my judgment, also, this has been much to the detriment of our foreign policy for many years.

I think it would be a tragedy if the Byrd amendments were adopted either in the Senate, or their equivalent, in substance, in the other body, because I think we have at long last an opportunity to put this program on such a basis as to really serve the needs it must serve if we are to succeed in maintaining a decent, stable world, one in which peace is possible.

Mr. JAVITS. I should like to have the Senator address himself to another question. Is it not a fact that the appropriations for the Development Loan Fund have been cut to ribbons since 1958, and that, therefore, there could be no reasonable expectation of other countries relying upon our authorizations? I have the record. It is being compiled now. I shall put it into the RECORD in the course of my own argument tomorrow.

The record shows that the appropriations, no matter how close to the date of the authorizations, have been cut to ribbons.

Mr. CASE of New Jersey. There is no doubt about it. We shall be in much worse shape if we adopt the Byrd amendments. As the Senator from New York has pointed out, there is a record of constant reductions in the appropriation process of the amounts authorized in the basic legislative acts. On the basis of that record, and against that background, no country could possibly assume that the future course of Congress would not be the same as it has been in the past.

We would be in very bad shape if the Byrd amendments were agreed to, against the background which the Senator has mentioned. I am glad the Senator is going to put the specific facts in the RECORD tomorrow. It would be very difficult to induce the Latin American countries or any of the rest of the underdeveloped areas of the world to accept assurance of the executive branch of the Government on the basis of history.

Mr. JAVITS. I consider it an honor to stand shoulder to shoulder with my colleague in this very major effort for our country. This is the real offensive of the free world of which we are now talking. I consider it quite typical of the statesmanship and character of the Senator to find him enrolled in this fight in the way he is.

Mr. CASE of New Jersey. Madam President, I am most grateful to my colleague. I can think of no one whose commendation is more precious to me. It is typical of his generosity. The fact that he happens to agree with me—as happens, I am glad to say, on a good many occasions—strengthens my own convictions that I am correct.

Madam President, opponents of foreign aid have suggested that Treasury borrowing is a new, untried method of obtaining funds. This is not true. The Reconstruction Finance Corporation, formed under the Hoover administration, was the first agency to use this system. Since that time the Federal National Mortgage Association, the Federal Savings and Loan Insurance Fund, the investment guaranty program, the Export-Import Bank, the Area Redevelopment Act and many others have used this same system. As a matter of fact the proposed lending program would consume each year only one-eighth of the average annual amount borrowed from the Treasury during the latter part of the last administration.

No one is under any illusions concerning the effectiveness of past foreign aid programs. No one is happy with the waste and mismanagement that have occurred. Yet the way to improve matters is not to make it more difficult to operate but rather to provide basic procedures which promise a better opportunity for maximum efficiency. This, I believe, the pending bill will do.

No one can be sure that even with this we can attain the goals we seek. But these goals are crucially important to us and to the entire free world. It is unthinkable that we should refuse to give ourselves the best possible chance of reaching them.

Madam President, I urge the Senate to reject the Byrd amendments.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 10, 1961, he presented to the President of the United States the following enrolled bills:

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. 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;

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;

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

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

S. 1815. An act to provide for one additional Assistant Secretary of Labor in the Department of Labor.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. SMITH of Massachusetts. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 11 o'clock a.m. tomorrow, pursuant to the order previously entered.

The motion was agreed to; and (at 5 o'clock and 30 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, August 11, 1961, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, August 10, 1961:

THE JUDICIARY

James B. Parsons, of Illinois, to be U.S. district judge for the northern district of Illinois, vice Philip L. Sullivan, deceased.

FEDERAL RESERVE SYSTEM

George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1948, vice M. S. Szymczak, resigned.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Joseph F. Donelan, Jr., of New York.
Joseph J. Jova, of New York.
Alexander Schnee, of New York.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Roger C. Dixon, of Virginia.
Turner B. Shelton, of California.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

Arthur B. Allen, of Virginia.
John Calvin Hill, Jr., of South Carolina.
Homer W. Lanford, of Alabama.
Lawrence Koegel, of Maryland, for appointment as a Foreign Service officer of

class 3, a consul, and a secretary in the diplomatic service of the United States of America.

Maurice J. Scanlon, of Wisconsin, for appointment as a Foreign Service officer of class 4, a consul, and a secretary in the diplomatic service of the United States of America.

Edward J. Chesky, Jr., of Kansas, for promotion from Foreign Service officer of class 6 to class 5 and to be also a consul of the United States of America.

John J. Helble, of Illinois, now a Foreign Service officer of class 6 and a secretary in the diplomatic service, to be also a consul of the United States of America.

Mrs. Winona Eyre Hanlin, of Colorado, for appointment as a Foreign Service officer of class 7, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 8, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Kenneth E. Block, of Maryland.
Paul H. Boeker, of Ohio.
Kenneth L. Brown, of California.
Balfour B. Cassen, of California.
Joseph R. Chesen, of Wisconsin.
James R. Cobbledick, of Connecticut.
Robert G. Davis, of Nebraska.
Gerald de Santillana, of California.
David K. Edminster, of Virginia.
Frederick D. Elfers, of New York.
Otho Evans Eskin, of the District of Columbia.
Robert E. Ezelle, of California.
David J. Fischer, of the District of Columbia.
Frederick A. Hahn, of New York.
Robert F. Illing, of California.
Robert H. Knickmeyer, of Missouri.
C. William Lafe, of Pennsylvania.
Stephen R. Lyne, of Vermont.
Richard H. Melton, of Maryland.
Bert C. Moore, of Ohio.
James H. Moss, of Colorado.
Ernest C. Ruehle, of Missouri.
Peter Bird Swiers, of New York.
Charles T. Sylvester, of Rhode Island.
Haven N. Webb, of Tennessee.
Richard L. Wilson, of Iowa.
Warren Zimmermann, of the District of Columbia.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

William C. Buell, of Washington.
Milton M. Chase, of Ohio.
Harold E. Engle, of the District of Columbia.
Thomas J. Flores, Jr., of New York.
Richard M. Long, of Colorado.
Paul E. A. Van Marx, of Connecticut.
Earl J. Wilson, of Maryland.

John R. Wood, of Georgia, a Foreign Service Reserve officer, to be a consul general of the United States of America.

Albert S. Bonner, Jr., of Maryland, a Foreign Service Reserve officer, to be a consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

William D. Carey, of Virginia.
Peter B. Edmonds, of New York.
Robert L. Fambrini, of California.
Stephen R. Gibson, of California.
Mrs. Lillian L. P. Mullin, of Virginia.
Patrick H. Ramsey, of Texas.
James Frederick Smith, of Ohio.
James K. Welsh, Jr., of New York.

Stephen Winsky, of Maryland, a Foreign Service Reserve officer, to be a vice consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

Edwin F. Atkins, of the District of Columbia.
William V. Broe, of Maryland.
William B. Caldwell, of Texas.
G. Huntington Damon, of Maryland.
Ralph J. Katrosh, of Pennsylvania.
John F. Markham, of the District of Columbia.
Gray M. Randall, of Washington.
Carl R. Sharek, of New Hampshire.
Eugene S. Staples, of the District of Columbia.
Ernest G. Weidul, of the District of Columbia.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John J. Curtis, of Ohio.
Samuel P. Dieli, of Michigan.

The following-named Foreign Service officers for promotion from class 8 to class 7:

James A. Placke, of Nebraska.
Herbert E. Wilgis, Jr., of Maryland.

IN THE NAVY

The following-named officers for temporary promotion in the Medical Corps of the U.S. Navy, in the grades indicated, subject to qualification therefor as provided by law:

To be captains

Allebach, Newton W.
Aune, Edwin F.
Brown, Roy G.
Cowart, Elgin C., Jr.
Garland, Charles M., Jr.
Giknis, Francis L.
Gray, Oscar, Jr.
Hodges, James C., Jr.
Ingram, William B.
Jenkins, Judson H.
Nelson, Albert D., Jr.
Nielsen, Orville F.
Rulon, David B.
Taylor, George W., Jr.
Waite, Charles L.

To be commanders

Bernstine, Richard L.
Johnson, Burt C.
Martin, Stuart H.
Milnes, Roger F.

To be lieutenant commanders

Ciliberti, Angelo A.
Hurvitz, Seymour A.
Kibbey, Ianthus I.
Stinely, Regis W.

The following-named officers for temporary promotion in the Dental Corps of the U.S. Navy, in the grades indicated, subject to qualification therefor as provided by law:

To be captains

Armstrong, Lloyd M.
Brigance, Frederick W.
Brown, James J., Jr.
Carmen, Marvin
Conglis, Peter C.
Cordonier, Louis H.
Elder, Stewart T.
Ellis, Frank N.
Folkers, Charles W.
Hagerman, Wade H., Jr.
Hancock, Joseph G.
Hanson, Thomas J.
Hawkins, Donald C.
Hicks, Henry H.
Hodder, Edwin J.
Hoffman, Seymour
Hoyt, Joseph J.
Hurka, Joseph S.
Hutton, Edward G.
Mayo, Thomas H.
Monroe, William A., Jr.
Mumme, Henry T., Jr.
Naylor, Merlin E.
Nelson, Wayne A.
Newman, Dwight W.
Nystul, Oliver G.
Pape, Thomas J.
Papera, Fiore A.
Peterson, William A.
Pfaffmann, George A.
Ralls, Walter E.
Rovelstad, Gordon H.
Sedlacek, James W.
Smith, John H.
Sochowski, Richard T.
Stolitsky, Justin F.
Suehs, Leon G.
Thimes, Carl B.
Valentin, Enrique, Jr.
Wheat, Alva A.
Wilhelm, Carl L.
Williams, Leonard E.
Wood, Quentin L.

To be commanders

Beall, Frank P., Jr.
Hutchinson, William G.
Swanson, Carl J.
Zustiak, Michael

The following-named officers for temporary promotion to the grade of lieutenant in the line of the U.S. Navy, subject to qualification therefor as provided by law:

Cracknell, William H., Jr.
McMichael, William L.

The following-named officers for temporary promotion to the grades indicated subject to qualification therefor as provided by law:

To be chief warrant officers, W-2

Aldrich, Marvin M.
Allen, Raymond S.
Allerdings, Robert D.
Anderson, James C., Jr.
Arnett, William C.
Baca, Raymond W.
Bacha, Michael
Bailey, Howard L.
Baker, Oscar M.
Baney, Richard L.
Barlow, Gerald F.
Barnett, Bryan R.
Barratt, James F.
Barrett, James L.
Bates, Arthur H.
Beckley, Wendell
Bishop, John F.
Blankman, Ernest R., Jr.
Block, Marvin G.
Bober, John T.
Bodge, George R.
Boehle, William A.
Boesenhofer, Karl, Jr.
Bolling, Fredrick M.
Booth, Thomas G.
Borer, William J.
Bostick, Daniel C.
Boucher, Leonard R.
Boyer, Robert E.
Briody, John H.
Brockman, Edward B.
Brown, Albert L., Jr.
Brown, Charles D.
Brown, Edward C.
Brown, Hall G.
Brown, William H., Jr.
Bruce, Hance R.
Budacki, Frank J.
Budrevich, John P.
Bull, Charles H.
Burnett, Lee R.
Burns, John C.
Butler, Henry C.
Butler, Kelly, Jr.
Cady, Howard P.
Carl, Charles L., Jr.
Carlin, John T., Jr.
Carlson, Kenneth L., Jr.
Carr, Robert G.
Carson, Joe W.
Cassie, Lawrence
Castleberry, Noble R.
Cedarstaff, Carl A.
Chandler, Neil B.
Chastain, Edward C.
Chatterton, Edward M.
Cislo, Walter J.
Clark, "J" "B"
Clark, Lloyd E.
Clarke, George E., Jr.
Cochrane, James E.
Coke, Carroll E.
Correll, James A.
Cote, Roland F.
Cox, James H.
Creel, Winford L.
Crisler, Clifton C.
Davenport, William K.
Deming, Robert L.
Dersham, Dayton L.
Dick, Gene R.
Dickerson, Roy E.
Disney, Charles
Dodson, Ola A.
Dolan, John
Donahue, Donald J.
Dore, John C.
Dowdey, Jesse C., Jr.
Duncan, Burrell E.
Duncan, Floyd A.
Durland, Ray M.
Durren, Richard L.
Dutcher, Clinton E.
Dyer, William J.
Early, George, Jr.
Edwards, Charles R.
Ellis, John W., Jr.
Enzminger, Kenneth A.
Epoch, Paul
Erdner, Homer F.
Esenwein, Robert G.
Evans, Lockwood F.
Felder, Kelly R.
Ferguson, John R.
Fickett, Lawrence E.
Filina, George F.
Fortney, Doyle W.
Foster, Russell L.
Friel, Joseph A., Jr.
Fuller, Laverne H.
Gall, Ernest R.
Ganey, Walter F.
Garrett, Kenneth E.
Gerbis, Daniel
Giglio, John R
Giles, Guy M.
Gilligan, Thomas F.
Gilmore, Fredrick W.
Glaab, George W.
Gleason, Albert J., Jr.
Gohrband, Howard F., Jr.
Gomez, Fabian J.
Gonzalez, Ernest G.
Graham, Frank
Gudger, Floyd H.
Hafslund, Robert H.
Haldeman, Leonard D.
Hamlett, Clyde, Jr.
Hamlin, William R.
Hanna, Adrian L.
Hardin, Billie R.
Haskins, Richard L.
Hathcock, Milton T.
Heckman, Robert J.
Hedrich, Charles L.
Hendricks, Jack M.
Hendricks, Roy L.
Hendricks, Thomas B.
Hillhouse, William C.
Hoffman, Richard P.
Hofmann, Clifford H.
Hogle, Walter D.
Hohe, Joseph D.
Holdridge, Oscar A.
Holzinger, John J.
Hornbuckle, John D.
Hornick, James F.
Huffman, James W.
Hughes, John C.
Hughes, Raymond F.
Hutchins, Elmer S., Jr.
Hyatt, Gerald C.
Isebrands, Arthur B.
Jacobs, Meredith D.
Jaggard, Joseph F.
James, Howard L.
Jensen, Dana C.
Johnson, Charles J.
Johnson, Roland L.
Jones, John D.
Jones, Willard E.
Jones, William W.
Jordan, Robert L.
Julius, Paul A., Jr.
Kamperschroer, Glenn N.
Kellner, Edward J.
Kemske, William M.
Kesterson, Joseph A.
Ketels, Yung H.
Ketterer, Frank R.
Kimble, Kenneth K.
Kimbrough, Edward L.
King, Alfred E.
Kinnie, Phillip B., Jr.
Kitch, Dale
Kliem, Arnold W.
Knight, Edwin L., Jr.
Koehler, Merle H.
Koenig, Robert L.
Kosley, Andy D.
Kraft, James R.
Kremsner, Carl J.

Kubovsak, Joseph E.
Kulik, Charles A.
Kunkel, Melvin L.
Kunold, Gerald J.
Kurrus, John B.
Lamb, Gerald M.
Lamb, Harold E.
Landon, Stewart N.
Largent, Gilbert M.
Larrin, John A.
Lasater, Marion H.
Layel, Coy L., Jr.
Leach, Rudolph D.
Leduc, Donald E.
Lee, Willard
Lewis, John A.
Lindholm, Garth F.
Luther, Bert S.
Malley, James O.
Mann, Arthur M., Jr.
Marlin, Richard E.
Martin, Robert J.
Martin, Virgil, Jr.
Martinez, Roy B.
Mathews, Donald B.
Mattox, Lewis E.
McBride, Gene
McFarland, Archie P.
McGowen, George F.
McKellips, Charles M.
McKimens, Paul K.
McKinley, Robert N.
McKnight, William N.
McMahill, Thomas A., Jr.
McMurrain, Robert L.
McNease, Sollie, Jr.
Megil, Thomas L.
Melvin, Van
Meyer, Harry W.
Mikesell, Robert H.
Milne, Douglas S.
Minard, Glenn F., Jr.
Minges, Edward H.
Minor, Robert G.
Mitchell, Harold J.
Mitchell, Robert F.
Moniot, James L.
Morton, Joseph W.
Moss, Clarence D.
Munger, Robert H.
Murphy, William J.
Murray, Douglas L.
Myers, Paul R., Jr.
Myers, Wayne E.
Myers, William H.
Nadal, Jaime B.
Neely, Benjamin C.
Neil, Richard C.
Nelson, Warren H.
Newton, Killraine, Jr.
Nicholas, Harry J.
Nicholas, Robert M.
Nichols, William E.
Nickens, Samuel L.
Oakes, Glenn N.
Oates, Bob, Jr.
Olmsted, Andrew R.
Olmsted, Stanley H.
Orr, Charles P.
Pace, James C., Jr.
Page, Harold D.
Parrish, Solomon A.
Patton, Kuemen B.
Peacock, Virgil N.
Pehosh, Nicholas
Pelkey, Frank D.
Pendleton, Edmund P., Jr.
Perkins, Daniel J.
Perry, Roy L.
Peters, Randolph
Peterson, Donald L.
Peterson, Richard N.
Pettigrew, Melvin N.
Pierce, Burton M.
Pike, Clifford L., Jr.
Pink, William E.
Player, Charles E.
Plummer, Willis R.
Powell, Claudious A., Jr.
Powell, Morrison, Jr.
Powers, Kenneth W.
Preston, William J.
Probst, Richard W.
Proctor, Marlow
Putnam, Charles M.
Quicker, Joseph M.
Radliff, Eugene J.
Rathke, John E.
Reber, Forrest C.
Reynolds, Dexter H., Jr.
Roberts, Alvin E.
Roberts, Clinton O.
Robinson, Paul
Roche, Patrick J.
Ross, Ralph
Saffell, Charles R.
Salamon, William
Saunders, James H. E.
Scales, John W., Jr.
Scarlett, Bernard
Schardein, Edgar A.
Schmidt, Christopher G., Jr.
Schneider, James M.
Schuman, Daniel D.
Scott, Lawrence J.
Shaffer, Charles T.
Shew, Henry C.
Shultz, Robert C.
Sleeper, Joseph R.
Sluss, Charles S.
Smith, Charles S.
Smith, David N.
Smith, George D.
Smith, Henry A.
Smith, James E.
Smith, Randell C.
Smith, Roy B.
Specht, Kenneth W.
Spencer, Robert R.
Stanton, Robert E.
Steadman, Joseph D.
Steagall, Inman
Steele, Olson R.
Stiles, Roger L.
Stowers, Bernard L.
Stuart, Edward W.
Talley, Richard M.
Tarkington, Dewey A.
Taylor, Harley V.
Teagle, Fred J.
Teal, Roy A.
Tenerowicz, Walter J.
Terry, Donald L.
Terry, James
Thomas, Richard E.
Thomas, Robert C.
Thomas, Welcome J.
Thompson, Robert J.
Thornley, Robert, Jr.
Thornton, Terrence E.
Torres, Edward G.
Trivett, Donald H.
Tuegh, David E.
Turetz, Richard
Turner, Jack D.
VanArtsdalen, John P.
Varnado, Richard A.
Ventresca, Arthur
Wagner, Charles P., Jr.
Walker, Robert O.
Walker, Willie A.
Waller, James R.
Ward, Charles W.
Wass, Merle S.
Waters, Daniel L.
Wheless, Willie R.
Whitcomb, Winfield J.
Wilkens, Bernard H.
Wilkes, Roy W.
Witte, Ernest R.
Woodford, Duval S.
Wyatt, Robert N.
Yarborough, Lawrence B.
Youngdahl, Robert J.
Zack, Henry C.
Zielinski, Raymond J., Jr.
Zulick, Paul

To be chief warrant officers, W-3

Anagnostou, Angelo
Bagwell, Carols D. T.
Baldasari, Nilo J.
Behrens, Clifford H.
Bowman, Glenn P.
Boyce, John H., Jr.
Butler, Creighton F.
Campbell, William H.
Canfield, Glenn R.
Carryl, James J.
Case, Joseph R.
Connery, Robert E.
Daniels, William J.
Dignon, Donald H.
Donovan, Peter B.
Doss, Edward H.
Faini, Orlando R.
Floyd, James H.
Gay, William C.
Gilbert, Grady E.
Goldberg, Sol
Golden, Edward L.
Goodwin, William H.
Gurecki, Thaddeus J.
Hamilton, Frank P., Jr.
Hixson, James T.
Hutchison, Frank
Karl, Walter L.
Kear, Kenneth L.
Leu, Walter P.
Lind, John J.
Martz, Donald B.
McGroarty, Edward J.
Mitchell, Leonard T.
Molloy, Stephen J.
Murray, Leo J.
Nagle, Richard R.
Neyer, Arthur E.
Powell, Norman R.
Pyke, Ross M.
Reeves, Howard S.
Seppe, Angelo L.
Shrum, Wayne A.
Smith, George H.
Spriggs, Max E.
Stewart, George W.
Swanson, Joseph L.
Warnes, William K.
White, Charles R.
Whitt, William F.
Wright, Scott E.

To be chief warrant officers, W-4

Adams, Nicholas, Jr.
Adcock, Cecil A.
Anderson, Frank C.
Anderson, Kenneth E.
Anderson, Rodger W.
Albert, Cyril H.
Arnn, Clifton J.
Asseier, August H.
Atwood, Ellsworth L.
Bacon, Everett R.
Baldwin, Joseph C.
Barksdale, Leon K.
Beardsley, Francis L.
Birchard, Mervale B.
Blaess, Archie
Book, Mac
Bowen, William D.
Bowker, Elmer E.
Brad, Carl
Brinson, Marion H.
Brock, Woodrow W.
Brooks, Loyn R.
Bruno, Dominic P.
Burdyshaw, Loyd R.
Carlquist, Robert A.
Case, Alexander
Chapman, Raymond L.
Chisholm, Perry L.
Christensen, Knud H.
Clarke, Wiot L.
Corday, Earl F.
Cornelison, Charles H.
Crawford, Gorden H.
Crosthwaite, Frederick N.
Cunningham, Albert L.
Danaher, John S.
Davis, Clifford
Dersham, George E.
Dickenson, Waldo E.
Dmoch, John
Dorton, Charles C.
Drechsler, Max K., Jr.
Ettling, Sheldon
Evans, Joseph L.
Falconer, Leroy D.
Farmer, Eddie L.
Farmer, Paul E.
Farmer, Walter E.
Farmer, William L.
Garrison, Randolph J.
Groff, Edward A.
Grunwald, Otto A., Jr.
Hamilton, Donald L.
Hammock, James C.
Harrell, Dexter E.
Hart, Robert N.
Hayes, William R.
Heifner, Raymond B.
Hill, James A.
Holden, James B.
Holewinski, Joseph J.
Holland, John W.
Howard, John R.
Ischar, Douglas H.
Jackson, George H.
Jackson, Wilfred R.
Jones, Harold E.
Kalberg, Kenneth O.
Karetnuk, Anthony
Kline, Eugene R.
Knight, Lyle G.
Knutson, Orton L.
Lalley, James M.
Lankford, John R.
Lasley, Claude H.
Lazenby, James H.
Lewis, Don E., Jr.
Little, Richard W.
Ludwig, Russell L.
Maroney, Frank J.
Marshall, Ancel V.
Maurer, Richard H.
Malik, Joseph, Jr.
Martin, Clarence J.
Mathews, Kenneth C.
McGraner, Everett J.
Messersmith, Eugene K.
Miller, Andrew J., Jr.
Moon, William N.
Moore, Forrest D.
Morrow, Paul E.
Neth, Robert L.
O'Connell, William E.
Oulie, Keith N.
Padget, Bernard B.
Palmer, Robert W.
Parker, Guy J.
Pratt, Andrew C.
Radcliff, George T.
Red, Samuel C.
Rice, Roy L.
Riposa, Guiseppe
Rivers, Lee D.
Robinson, James W.
Rosko, Walter P.
Schardin, Roy K., Jr.
Seacrist, Richard L.
Shannon, Mark L.
Shick, Clifford D.
Shurick, George A.
Smith, Thurlow S.
Snoey, Jakob
Stark, George R.
Stone, Lewis H., Jr.
Styers, Roy W.
Sutton, Delmar F.
Svenningsen, Arne R.
Swartz, Charles W.
Swisher, Glenn A.
Taft, Harold E.
Trotter, Roy W.
VanAuken, Merrill J.
VanOrden, Gene R.
Wicks, Clifford C.
Wininger, Darrell
Wright, Robert

The following-named officers for permanent promotion to the grade of chief warrant officer, W-4, in the U.S. Navy, subject to qualification therefor as provided by law:

Clarke, Wiot L.
Jackson, Wilfred R.
Mathews, Kenneth C.
Palmer, Robert W.

The following-named officers for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Church, Edgar C
Fleming, James J.
Hoene, Edward R.
Johnson, Robert D.
Kelley, Robert D.
Kopec, Thad L.
Rocray, Samuel E.
Thorne, Charles E.
Yetter, William S.

SUPPLY CORPS

Leeson, Donald D.
Lytle, James A.
Overman, Douglas R.

NURSE CORPS

Warner, Patricia A.

Franklin B. Shakespeare for transfer to and appointment in Supply Corps of the U.S. Navy in the permanent grade of lieutenant.

Richard A. Hough, for temporary promotion to the grade of lieutenant in the U.S. Navy, subject to qualifications therefor as provided by law.

The following named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Alan S. Lammey
Malcolm B. Moore
William L. Mosteller
Samuel L. Vernallis

John A. Spear (Naval Reserve Officers Training Corps candidate) to be a permanent ensign in the Civil Engineer Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named graduates from naval enlisted scientific educational program to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Owens, Thomas
Sekula, Basil, Jr.

The following named (Naval Reserve officers) to be permanent lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Peter J. Anastasia
Lee E. Bockhacker
Gregory H. Cross
James R. Dickson
Clinton M. Furuya
Robert E. Mammen
George A. Pohle
Mario E. Rosa-Garcia

The following named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Martin L. Fackler, Jr.
Henry T. H. Grant
Howard "D" Kurland
Carl R. Peterson
Charlie O. Sennett, Jr.
Herbert A. Steimel

The following named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

William C. Best
Dudley E. Brown, Jr.
George M. Kroncke
Theodore J. Trumble

James F. Scott (Naval Reserve officer) to be a lieutenant commander in the Dental Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law.

Gertrude H. Nelson, U.S. Navy retired officer, to be reappointed a permanent commander in the Nurse Corps of the Navy, pursuant to title 10, United States Code, section 1211.

The following-named lieutenants (junior grade) USN(T) to be lieutenants in the

Navy, limited duty only, for temporary service in the classification electronics in lieu of avionics as previously nominated and confirmed to correct classification, subject to the qualifications therefor as provided by law:

Jack Hamer.
Chester A. Murphy.

IN THE MARINE CORPS

The following-named officers for temporary appointment to the rank of captain in the Marine Corps, subject to the qualifications therefor as provided by law:

Busch, Peter M.
Driscoll, Bruce W.
Jacobsen, Donald E.
Lockwood, Robert H.

The following-named officers for temporary appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Armentrout, Terrence J.
Chancey, John A.
Deibert, John C., III
Grissett, Larry K.
Letchworth, Rodney R.
Lewis, Dayton A.
McBrien, Thomas P.
Mead, William H.
Melville, Robert H.
Nebel, Rudolf M.
Omer, Jack L.
Peters, Thomas H.
Rever, William H., Jr.
Schober, Frederick J.
Schwenkler, Ronald G.
Seward, William H.
Simpson, James D.
Strawn, James E.

The following-named officers for permanent appointment to the rank of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Buchanan, John H.
Cox, George F.
Davis, Jay M.
Ditto, John H.
Eichelberger, John M.
Hart, George R.
Laughlin, William S.
Marshall, William H.
Stein, William L.
Taffe, Henry W.
Wood, David V.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 10, 1961:

U.S. REPRESENTATIVE TO THE EUROPEAN COMMUNITIES

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.

INTERNATIONAL MONETARY FUND

Frank A. Southard, Jr., of New York, to be U.S. Executive Director of the International Monetary Fund for a term of 2 years.

COLLECTOR OF CUSTOMS

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.

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

EXTENSIONS OF REMARKS

Lindsay Asks Rusk, Is Bobby Meddling Again?—No Reply

EXTENSION OF REMARKS
OF
HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mr. MICHEL. Mr. Speaker, during the course of the Cuban tractor fiasco, I called attention to Bobby Kennedy's pathetic attempt to direct from behind the scenes, Mr. Hooker's futile blackmail negotiations with Castro. I need not emphasize the fact that the aforementioned activity ended with the administration in complete disgrace.

Now I find that my good friend and colleague, JOHN LINDSAY, has written to Secretary Rusk in order to obtain his thoughts regarding Bobby's behind-the-scenes maneuvering on the Berlin question. Mr. Rusk's silence has expressed more than any number of words.

Mr. Speaker, under unanimous consent, I include an article by Doris Fleeson from the Washington Star dated August 9, 1961, discussing the Lindsay letter, to be reprinted at this point in the RECORD.

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

When a Member of Congress does not receive a reply to a letter he has written a member of the President's Cabinet it is news, for Congress controls the purse strings.

It is especially noteworthy when this occurs in the Kennedy administration, which is justly renowned for its personal courtesy to Senators and Representatives. The noteworthiness increases when the letter is written by a liberal internationalist who is also a Republican.

Few Democrats receive from their President and his aids the tender loving care accorded such Republicans, who are all too few for Kennedy purposes in this session of Congress. They are particularly treasured in the House where the Kennedy "Waterloos" most frequently take place.

Still it is possible that Representative JOHN V. LINDSAY, of New York City's silk stocking district, was not too surprised when Secretary of State Rusk failed to answer his letter of July 27 last though a reply was requested before the Secretary left the country.

The letter follows:

"DEAR MR. SECRETARY: First I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of 'quiet diplomacy.'

"Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

"If the report is correct, I am deeply disturbed about this turn of events.

"First, it bypasses your office and your Department, and in so doing runs great risks.

"Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reined ad hoc manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

"Third, it makes it difficult for those of us who have a responsibility to our constituents and to the country to make sound evaluations which should lead to bipartisan support on foreign policy.

"I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

"Respectfully yours,
"JOHN V. LINDSAY,
"Member of Congress."

The Attorney General is, of course, the President's brother, Robert.

A Distinct Public Service Performed by WIP

EXTENSION OF REMARKS
OF
HON. KATHRYN E. GRANAHAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 10, 1961

Mrs. GRANAHAN. Mr. Speaker, as the Eichmann trial draws to a close following many weeks of almost unbelievable testimony, I would like to take this opportunity to call attention to the distinctive public service performed by an independent radio station in Philadelphia—WIP—which has been rebroadcasting the complete trial with concurrent English translation every night on its FM facility.

I do not know whether any other radio stations in the Nation, or anywhere in the world outside of Israel, for that matter, have carried this entire historic proceeding. Mr. Harvey Glascock, vice president and general manager of WIP, is to be congratulated, along with his entire staff, for their initiative and resourcefulness as well as spirit of public service in carrying the details of the trial of the hideous exterminator of millions of people during World War II.

WIP engaged an Israeli electronic engineer and shipped him hundreds of reels of recording tape as well as recording equipment in order to have every word of the trial on tape for rebroadcast in Philadelphia. This is in keeping with the station's tradition of broadcasting in full every session of the United Nations General Assembly and Security Council, and the President's news conferences.

Normally I would hesitate to single out a single station among the many good ones in Philadelphia for a tribute of this nature, but the circumstances are such in connection with the Eichmann trial that I feel justified in doing so.

Voters for the Constitution

EXTENSION OF REMARKS

OF

HON. DALE ALFORD

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. ALFORD. Mr. Speaker, within the past 48 hours I have issued a statement calling for the formation of groups known as Voters for the Constitution, whose objective would be to elect men to public office who are pledged to restore the Constitution through valid measures for its enforcement. Many interpretations have been placed on this statement, and so that Members of this House may have the benefit of the full statement, I include it, under unanimous consent, in the RECORD.

The statement follows:

VOTERS FOR THE CONSTITUTION

A recent memorandum published in the CONGRESSIONAL RECORD of August 2, 1961, is truly shocking. Under the beguiling cover of reiterated assertions about the constitutional principle of civilian superiority over the military, it attempts to discredit the professional officers of our armed services for their strong stand in support of the Constitution and their opposition to internal communistic subversion in the United States. The same paper urges programs that could only result in further impairment of the sovereignty of our country by progressive weakening through various socialistic and international undertakings.

An insidious attack on the officer corps and a clandestine assault on the very foundations of our system of government, what could be better calculated to silence our officers sworn to support and defend the Constitution against all enemies, foreign and domestic? The case of General Walker is but one example in what appears to be a pattern of organized intimidation to prevent our officers from alerting their commands and the public to the menace that they are sworn to oppose?

The silencing effect of that memorandum on the freedom of our officers to discharge their duty to speak, suggests that the hour is late. It also emphasizes the necessity for our sovereign people to protect themselves against further impairment of their system of government through valid enforcement of the Constitution.

With this objective, I urge the citizens in all States, in line with those of Texas and Virginia, to organize groups known as Voters for the Constitution.

I urge also that these voter organizations undertake to retire from public office, both State and Federal, all those who have been unable or unwilling to initiate and enact measures to defend our people and the States from tyrannical usurpations and to replace them with those who can and will.

The resulting lineup would be between (1) those who wish to maintain our liberties and freedom under the Constitution as was carefully provided for by the founders, and (2) those who accept or welcome Federal usurpation which aims at overthrowing the Constitution and establishment of autocratic rule.

In the final issue, which would be constitutional liberty against centralist slavery, the people of the United States, acting in their highest sovereign capacities through their legislatures, can and must restore the Constitution through valid measures for its enforcement.

Four Freedoms Awards Go to Four Great Americans

EXTENSION OF REMARKS

OF

HON. RALPH YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, August 10, 1961

Mr. YARBOROUGH. Mr. President, last evening the Four Freedoms Award dinner was held here in Washington, at which function the Four Freedoms Awards for 1961 were presented to the Honorable Abraham A. Ribicoff, Secretary of Health, Education, and Welfare; our genial colleague, the senior Senator from Michigan, Senator Pat McNamara; Dr. Robert C. Weaver, Administrator of the Housing and Home Finance Agency; and the Secretary of Labor, Arthur Goldberg, for their work on behalf of the solution of some of the pressing problems of the aged in America. The Four Freedoms Foundation is making great progress in its building of housing for the elderly at Miami, Fla., at Detroit, Mich., and at other places.

Secretary of Labor Arthur Goldberg's remarks were delivered for him by Under Secretary of Labor Willard Wirtz which seem to me to catch the spirit of the program for the aged in America.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD Secretary of Labor Goldberg's remarks as read for him by Under Secretary Willard Wirtz.

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

REMARKS ON ACCEPTANCE OF PLAQUE AT THE FOUR FREEDOMS AWARD DINNER BY THE HONORABLE ARTHUR GOLDBERG, SECRETARY OF LABOR, AS READ BY UNDER SECRETARY OF LABOR WILLARD WIRTZ

I accept this award gratefully, proudly, but most of all humbly.

Such recognition can be only in the smallest measure a reflection of anything I have done to further the purpose of meeting the problems brought by advancing years—for I have done all too little.

My feeling is rather of being invited to participate in a program others have already instituted; and it is this opportunity for which I am grateful.

Older people have become in many ways our most underprivileged minority—a universal minority to which we all seek membership, sometimes desperately, but which, when we enter upon it, more often than not turns desire to disillusion and dashes hope with heartbreak.

To believe deeply that life has a divine pattern is to deny the completeness of today's design of it for so many—a design which commits one of every four people over 65 to living alone, which denies medical aid to so many just when they need it most, deprives people of recreational opportunity just when they are free to enjoy it, faces them with stairs—literally and figuratively—just when it is hardest to climb those stairs.

Life was not given man on terms that make it a bitter disillusionment. What failure there has been is ours, and ours to repair.

President Kennedy has committed himself and this administration to those changes in our system of things which will let the evenings of our lives be times of new opportunity, new activity, new usefulness, new belief in ourselves. This is part of what freedom must mean.

But government can only be the agent of national purpose, helping to carry forward people's enterprise. Four Freedoms House, Inc., reflects the willingness of the American labor movement to accept responsibility in matters which go beyond the concerns of the bargaining table, and fall, instead, within the realm of public service.

I think of Robert Frost's poem about the homeless hired man, who returned, mortally tired, to the farmhouse where he had once worked. He had, in the poet's phrase, "nothing to look backward to with pride, nothing to look forward to with hope." The farmer wanted not to take him in; this was not, he said, the hired man's home; and "Home," he added, "is the place where, when you have to go there, they have to take you in." But his wife replied, "I should have called (home) something you somehow haven't to deserve."

This is the spirit which inspires Four Freedoms House, and to which we all here subscribe.

Federal Aid to Education

EXTENSION OF REMARKS

OF

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. DELANEY. Mr. Speaker, last week I issued a statement, giving my views on Federal aid to education. Because of the widespread interest that has been expressed, under leave to extend my remarks, I should like to make it available to readers of the RECORD.

STATEMENT ON SCHOOL BILL BY HON. JAMES J. DELANEY, OF NEW YORK

Good education is an absolute necessity for the welfare and future of our country. We all agree on this.

We can, and do, disagree as to methods. There are those who oppose Federal aid to education of any kind, fearing Federal control, and who feel that education must remain the responsibility of the States and local communities. Others are convinced that Federal aid is imperative, but should be extended only to the public school systems. Still others, and I am among them, have an equally strong conviction that if Federal aid is to be granted, then it should be made available to all students.

In a democracy there should be freedom of choice in education. If and when the Federal Government is to contribute to education, it should do so without discrimination.

At the present time there is no Federal public school system of education in the United States. Rather, our educational system is a pluralistic one.

In addition to the 50 different public school systems in the 50 States, there is a vast system of privately controlled schools in the country.

If it is in the interest of national defense or in the interest of the general welfare to aid education, then the Federal Government should accept as a fact the pluralistic educational system that now exists and help each and every pupil attending any and all of these schools.

A most potent objection to the "public school bill" is that it offends justice by including private and parochial school children in the formula which determines the amount of aid which goes to public schools.

Under this bill, the Federal Government is saying to the parents of 7 million children in private and parochial schools: "We are going to give your State so many dollars a year for every child in a private or parochial school, but we have made sure that not a penny of this aid can be used for their education in these schools."

So long as these children are excluded, it violates logic and justice to count them for the purpose of increasing the aid which goes to public schools.

This is discrimination, and I shall not vote to legislate discrimination.

The problem of aid to education must be related to the problem of democratic survival. It must be hinged upon the concept that if we are to survive as a free people we must develop individuals who are creative, each according to his or her God-given endowments.

In a free society, the individual is the prime concern. In a totalitarian system it is only the state that counts.

The existence of a free society is conditioned upon the existence of unshackled individuals with differing views and different approaches. Diversity is the quintessence of democracy. Uniformity is the hallmark of totalitarianism.

We, therefore, cannot solve this problem in terms of shibboleths and slogans such as "separation of church and state." It must be solved in terms of people and how best they can be trained and developed, each to contribute his best to the common problem that confronts our Nation and the free world.

If we are to give aid only to children who attend public schools, and exclude all others who also contribute to the making of our national life, we shall be taking the first long step in the direction of rigid uniformity, which is the thing we are striving to avoid.

Democracy is predicated upon diversity. Our Nation was built upon diversity. The production and reconciliation of diverse views is what makes for progress and vitality and freedom.

If we are now to impose a rule of thumb that only public school children shall be aided by the Federal Government, we shall be paving a road that can lead only to a totalitarian result.

The great generalities of the Constitution interpreted narrowly and rigidly can lead to disaster.

But here not even constitutional principles are involved. There is not a single word in our Constitution about schools and education. Public schools came long after the Constitution was written.

The tragedy here lies in the fact that proponents of strictly public school aid rely upon extraconstitutional slogans that have no relation to the real issue at hand—and that issue is whether we shall maintain in our national life that measure of diversity which is so essential to democratic survival.

Freedom of mind and freedom of religion are the essence of a free and open society. An open society is legally tolerant of varying ideas and beliefs. In an open society there is not, nor can there be, a state-established orthodoxy of belief to which all must conform. A free and open society provides constitutional guarantees to protect the rights and liberties of the individual.

The rationale behind separation of church and state is equally applicable to separation of school and state. State monopoly in education is not desirable in a democracy. To maintain a totalitarian state, a monolithic school system is necessary.

In case it be suggested that fear of a monolithic system is exaggerated, attention is called to a brochure issued last April by the Department of Health, Education, and Welfare. It is entitled, "A Federal Education Agency for the Future," and is the report of a committee appointed to make recommendations for the reorganization of the U.S. Office of Education.

This report should be studied by all who are concerned with the future of education. It gives detailed plans, which, if put into effect, would have the Federal Government reach into every public school classroom in the country, dominate the teachers, establish required teaching techniques, and dictate the curriculums. The language is suave and sometimes oblique, but the purpose is clear.

Examine this paragraph: "In summary the committee recommends a new and significant role for the Federal education agency in the 1960's. This agency must, over the next decade, not only perform its traditional functions, it must also prepare itself to assume larger responsibilities in carrying out Federal policy through the administration of operating programs. It must assume a new role, speaking within the Federal Government for the long-term interests of education. And it must render assistance in the development of public educational policy."

It is interesting to consider 11 future programs that are suggested:

1. Grants to States for elementary and secondary education.
2. Grants for higher education physical facilities.
3. Grants to States for vocational education.
4. Increased aid to graduate education.
5. Expanded educational research in all areas, including graduate education.
6. Strengthening of educational statistics programs.
7. Increased financial assistance to students for higher education.
8. Increased financial assistance for teacher education.
9. Broadening of Federal interest in curriculum and improvement of instruction.
10. Marked increase in international educational assistance.
11. Broadening of Federal interest to include educational activities and service outside the structure of organized education.

On the surface, all of these suggested programs have merit. But add them all up, and the result will be Federal dominance of education, and, eventually, Federal control.

In contrast to this, there are at the present time some 11 Federal education programs which respect the right of the student to select the school of his own choice, and which steer away from Federal control.

All of these programs have worked well and are in keeping with the American tradition. These existing programs serve as an exemplar for any Federal aid to education and avoid the monolithic character of the education program of the Soviet Union. These programs respect the civil rights of some 7 million students attending nonpublic schools and will give to the Nation the benefits of their God-given talents.

There are other objections to the public school aid proposals which I have not discussed in this presentation. There is the matter of double taxation. There is the question of equitable distribution of aid to the States. These subjects can be developed at another time.

The heart of the issue is that if we surrender freedom of choice in education, a totalitarian system of education will become inevitable. Freedom and coercion cannot live side by side. We cannot preserve a free society by following totalitarian methods.

(NOTE.—Eleven present Federal programs: (1) GI students, (2) National Youth Administration students, (3) congressional and Supreme Court page boys, (4) V-12 officers training students, (5) war orphans, (6) ROTC students, (7) NDEA fellows, (8) NDEA loan students, (9) NROTC students, (10) NDEA institute students, (11) National Science Foundation students.)

Lindsay Awaits Rusk's Reply—Delay Is Cited in Answering Criticism of Robert Kennedy-Menshikov Meeting

EXTENSION OF REMARKS

OF

HON. CLARK MacGREGOR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. MACGREGOR. Mr. Speaker, along with many other Republican Members, I have a high regard for the competence of the Secretary of State. This stems in part from the opportunity I had to serve with Mr. Dean Rusk for a time during World War II. Lately, a justified concern has arisen about the State Department's control over the conduct of American foreign policy in the Kennedy administration. This concern is highlighted by the following Doris Fleeson article from the Washington Star of August 9. Representative LINDSAY's letter deserves a prompt and complete reply:

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

When a Member of Congress does not receive a reply to a letter he has written a member of the President's Cabinet it is news, for Congress controls the purse strings.

It is especially noteworthy when this occurs in the Kennedy administration, which is justly renowned for its personal courtesy to Senators and Representatives. The noteworthiness increases when the letter is written by a liberal internationalist who is also a Republican.

Few Democrats receive from their President and his aids the tender loving care accorded such Republicans, who are all too few for Kennedy purposes in this session of Congress. They are particularly treasured in the House where the Kennedy "Waterloos" most frequently take place.

Still it is possible that Representative JOHN V. LINDSAY, of New York City's silk stocking district, was not too surprised when Secretary of State Rusk failed to answer his letter of July 27 last, though a reply was requested before the Secretary left the country.

The letter follows:

"DEAR MR. SECRETARY: First I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of quiet diplomacy.

"Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

"If the report is correct, I am deeply disturbed about this turn of events.

"First, it bypasses your office and your Department, and in so doing runs great risks.

"Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reined ad hoc

manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

"Third, it makes it difficult for those of us who have a responsibility to our constituents and to the country to make sound evaluations which should lead to bipartisan support on foreign policy.

"I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

"Respectfully yours,

"JOHN V. LINDSAY,
"Member of Congress."

The Attorney General is, of course, the President's brother, Robert.

Family Fallout Shelters

EXTENSION OF REMARKS

OF

HON. HASTINGS KEITH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. KEITH. Mr. Speaker, the House today has approved the expenditure of $200 million primarily for planning purposes, for civil defense. The fact is, Mr. Speaker, that the only practical insurance we can have against the wholesale death that would result from a thermonuclear attack is the simple, inexpensive family fallout shelter—self-constructed and self-financed.

Official estimates place the possible casualty toll as high as 70 million Americans in a full-scale attack. A group shelter program, currently stressed by the administration, is designed to save from 10 million to 15 million lives. The cost would exceed $200 million.

But, mass shelter would be of little value to the suburban or rural family. In less than 24 hours from the hour of attack they would be just as subject to the lethal rays of nuclear fallout as any city dweller—no matter how remote their homes from actual target areas.

President Kennedy proposes to spend $93 million for survey purposes alone in his group shelter program. From this we can assume the total cost of the completed program would run into the billions, if it is intended to protect a major segment of the population.

We face a dangerous enemy; an enemy armed with the destructive force of the atomic age. It would be suicidal to ignore this threat or to fail to recognize that Berlin or some future world crisis might provoke a nuclear exchange.

By law and tradition the Federal Government bears the burden of providing for the national defense. But, with the mounting costs of maintaining military supremacy, the race for space, expanded foreign aid programs and other expenditures directly tied to our security and survival, the Government cannot afford to assume the additional cost of a truly adequate nationwide shelter program.

The individual, whenever possible, should be given the opportunity to share the cost and responsibility of providing for his own protection and the protection of his family.

With this view in mind, today I filed a bill which I hope will prove the needed spur to such an individual effort. It would allow taxpayers a deduction from gross income for one-half the expenses incurred in the construction of a fallout shelter of approved design. The allowance would be granted for the taxable year in which the shelter was completed, but would also include expenses incurred during the preceding year. Private corporations which lease property for residential purposes as well as individual taxpayers would be eligible for the deduction.

I hope the day never comes when American families are forced to retreat to such shelters, but I feel they are sufficiently important to our national defense to provide the public with whatever incentive is necessary. The possible loss of tax revenue would be insignificant compared to the number of lives such shelters could save, or when compared to the cost of a federally financed shelter project that could offer equivalent protection.

The gentleman from Massachusetts, Congressman MORSE, filed a similar bill last week. He urged then, as I do now, that the distinguished members of the Committee on Ways and Means give this legislation their prompt attention and consideration.

Lindsay Awaits Rusk's Reply

EXTENSION OF REMARKS

OF

HON. F. BRADFORD MORSE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. MORSE. Mr. Speaker, our distinguished and hard-working colleague, the gentleman from New York, Congressman LINDSAY, has identified, in a recent letter to the Secretary of State, a most remarkable development in the conduct of the foreign affairs of our Nation—a development which, I am sure, has caused Secretary Rusk as much concern as it has caused Congressman LINDSAY and other thoughtful Members of Congress.

Although I can readily appreciate the difficulties which the Secretary is experiencing in framing a responsive reply to Congressman LINDSAY's letter, the situation is one of grave import which demands an explanation.

Doris Fleeson in her column which appeared in the Washington Star of August 9, 1961, points up the matter in her usual crisp fashion:

LINDSAY AWAITS RUSK'S REPLY—DELAY IS CITED IN ANSWERING CRITICISM OF ROBERT KENNEDY-MENSHIKOV MEETING

(By Doris Fleeson)

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"Respectfully yours,

"JOHN V. LINDSAY,
"Member of Congress."

The Attorney General is, of course, the President's brother, Robert.

Statement in Opposition to H.R. 6747, Which Would Abolish the Juvenile Court in the District of Columbia

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement which I submitted to the Judiciary Subcommittee of the Senate District of Columbia Committee. Unfortunately I was not able to

appear in person to present my statement and the subcommittee chairman, the gentleman from Indiana, Senator HARTKE, has graciously agreed to make my remarks a part of the permanent record.

The statement follows:

STATEMENT OF HON. ABRAHAM J. MULTER, OF NEW YORK, BEFORE THE SUBCOMMITTEE ON THE JUDICIARY OF THE SENATE DISTRICT OF COLUMBIA COMMITTEE ON THE JUVENILE COURT IN THE DISTRICT OF COLUMBIA, AUGUST 10, 1961

Mr. Chairman, I want to thank you for affording me this opportunity to submit a statement on proposals to amend the Juvenile Court Act of the District of Columbia.

You are considering here today two bills which are of great importance to the District of Columbia: H.R. 6747, which would destroy the years of good work and nullify all of the experience already gained by the juvenile court of the District of Columbia, and S. 486, introduced by your distinguished chairman, Senator ALAN BIBLE of Nevada, and cosponsored by you, Mr. Chairman. The future of the juvenile court in the District of Columbia depends upon which of these two bills the Congress enacts.

H.R. 6747 would abolish the juvenile court, transfer its jurisdiction to the criminal court, and reduce the age limit from 18 to 16 so as to preclude those over 16 years of age being treated as juveniles and requiring that they be treated as criminals as a matter of law.

At the present time the juvenile court is swamped with cases and the sole juvenile court judge cannot possibly handle the situation, although his efforts have been heroic. Funds and facilities for handling the juvenile delinquency problem in the District of Columbia are woefully inadequate.

This situation, however, does not offer itself as evidence that the court should be abolished—on the contrary, we should strengthen it and provide it with necessary funds so that it will become a model for all juvenile courts throughout the country.

The present judge—the one person who is most familiar with this situation—has often stated his support of additional judges and facilities. Many, many of the civic organizations in the District of Columbia have spoken out in opposition to H.R. 6747. The National Council on Crime and Delinquency adopted a resolution in opposition to this bill on May 10, 1961.

Recognizing the need for a renewed and vigorous attack on the problem of juvenile delinquency, President Kennedy, on May 11, established by Executive order, the President's Committee on Juvenile Delinquency and Youth Crime.

This committee will study all of the aspects of the juvenile delinquency problem in this country and report its findings to the President. This, Mr. Chairman, is the first time that the Federal Government has ever coordinated its efforts in this field.

Heretofore several agencies of the executive have handled these problems as best they could. In the Senate of the United States you have had for some years now a subcommittee of the Senate Judiciary Committee which has been charged with the responsibility of investigating the juvenile delinquency problem.

Without adequate funds to handle the enormous problems presented by juvenile delinquency in the United States, this subcommittee has long done excellent work within the limited scope permitted it by its investigative mandate.

Similiarly, I applaud your efforts, Mr. Chairman, in opening this investigation into juvenile crime and delinquency in the District of Columbia.

H.R. 6747 would—to a large extent—negate all of these splendid beginnings and put us back where we started.

It is respectfully suggested that the proper procedure for us to follow is not one which would destroy the present system but rather one which would strengthen it.

With that purpose in mind I have proposed that the Congress consider and pass a bill which would provide for the appointment of two additional judges for the juvenile court of the District of Columbia, on a temporary basis, to serve until such time as the President's Committee on Juvenile Delinquency and Youth Crime shall submit its recommendations. Bills which would, in part, do this have been introduced in both the House and the Senate. The distinguished chairman of the Senate District Committee has introduced S. 486; the Honorable JAMES MORRISON of Louisiana, the Honorable EDITH GREEN of Oregon, and I have introduced similar measures in the House (H.R. 5988, H.R. 7012, and H.R. 7020).

Mr. Chairman, the 1960 report of the Fulton County, Ga., juvenile court, should prove of great interest to this committee. This court, which is located in Atlanta, is one of the finest examples of how a juvenile court should be operated. Under the able leadership and guidance of Judge William W. Woolfolk, Fulton County is making great strides in its treatment of the juvenile delinquency problem.

At this moment Fulton County is fast completing the modern child treatment center you see illustrated on the cover of the 1960 report.

Fulton County has recognized the problem and sought to solve it. There has been no backsliding in Fulton County.

I submit that we cannot afford to destroy the juvenile court of the District of Columbia—the court which should become the model for all other juvenile courts in the United States. The additional provision of H.R. 6747 which would reduce the age limit to 16 is without question a step in the wrong direction. To permit this is to deny all of the evidence which years of experience has taught us is the proper procedure with regard to juvenile crime.

Thank you.

Foreign-Made Consumer Goods

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. DENT. Mr. Speaker, the opposition to the Subcommittee on the Impact of Imports and Exports on American Employment—of which I am chairman—is beginning to show its poisonous fangs in the form of unwarranted, unproved charges of bias and discrimination against importer groups. This is an old story in government: when you cannot fight opposition with the facts, destroy the opposition with untruths or half-truths.

No person, no group has been denied the witness chair; and while all have been invited, most of the witnesses have been Americans injured by imports. It is no fault of the committee that the free trade advocates have not accepted invitations to appear. If any group refuses to come before the committee and still criticizes its procedures, it must have something to hide.

The largest and most powerful group of lobbyists in and out of official Government is at work to counteract the effects of the study on imports. There are at least three official studies being made by the administration spending hundreds of thousands of dollars. The list of registered foreign lobbyists will fill a catalog. Some of the largest law firms in the country are representatives of foreign governments, importer groups, and exporters with their fees running into huge sums of money.

The story of imports can never be fully told, because the man who loses his job to a foreign worker has absolutely no voice on the American scene. How can the unemployed glassworker in Arnold, Pa., or Charleston, W. Va., pit himself against the foreign trade representative whose foot presses open almost any door on Capitol Hill?

How can an American worker who fought valiantly for years under the banner of "Buy union-made goods," "Shop at union served stores," "Build with union craftsmen," understand the new philosophy which makes it almost treasonable to suggest that American-made goods create better working conditions for American workers than goods imported from low standard countries.

If this Nation continues the trend to foreign-made consumer goods, the American producer will be forced to step up his program of automation, more workers will be thrown out of work, and within 5 years the country will be in the worst economic mess of its entire industrial life.

This Nation has no monopoly on brains, skill or production processes. There is nothing to stop every nation from overproducing its requirements and to let any nation build its economy on an expectation of flooding the American market with its surplus is unfair to both the American as well as the foreign nations' economies.

I recognize the lift that will come to our industrial picture with the additional defense spending and the position of Secretary of the Treasury Dillon who wrote me just last week defending foreign aid spending because it makes jobs for Americans.

However, I also recognize the simple economic facts of life. You can't buy from yourself with money you receive from selling to yourself without running out of one or the other, either money or customers. When I am told that unless we buy from other countries, they couldn't buy from us, I have to admit it doesn't impress me. Why? Simply because every nation on earth protects its employment by tariff, embargos, money convertibility, or quotas on foreign goods coming into their country in competition with domestic industries.

The simple answer—but, of course, simple answers are not desirable—is for the world to be cut into hemispheres or continental trade areas. The only protection against the trade and economic groupings being set up in Europe and South America is for this Nation to create a North American trade area with Canada, Mexico, Central America, and Caribbean Islands. Each trade group

must have its own money exchange, its own external protections.

It is plain horsesense to recognize the need for protection within the trade group of countries. What good will it do a nation producing goods for trade with its member nations if an outside nation has the free entry into the trade group with a competitive product produced under conditions of lower wages, lower taxes and, in most cases, subsidized by the producer nation.

The member nation can produce and sell in competition with other member nations because they will and must be competing in a production climate of basic equality in exchange values, wages, taxes and a common military as well as economic front.

This does not bar outside trade but it will force all nations into trade groups that will become self-sufficient in both consumption as well as production. If a trade group lacks certain products it will certainly remove all restrictions against the importation of the things the member countries need and in turn other trade groups will do the same.

Does it not seem silly for any nation with the means, the men, the money and the market, to idle the means and the men and give the money to another nation along with its market, exposing its economy to the creeping paralysis of depression, recession and oblivion.

The theory of world free trade is idealistic and a worthy goal for mankind. However the proponents of theoretical utopia must recognize the realistic and practical results that must follow the attainment of the goal. It means that no nation can live better than another economically. It means that free enterprise as we have known it will be wiped from the face of the earth. It means that all trade, all production, all consumption, all profits, wages, and transportation will be directed, dictated, and regulated by government—not for the betterment of the individual but for the stability and security of the governments.

I am not one who shouts against communism or socialism as an answer to every question I cannot answer. I cannot help but observe in passing, however, that the end result of an equalized world economy may well be the end of personal freedom, personal ambition and personal fortunes. This may be what we are seeking and if it is, the people ought to know.

When you stop to think about the number of laws and regulations passed by the Congress and State legislatures to keep competition in the United States within limits and then say that it is fair to force American industry and workmen to compete with competitive industry and workmen not bound by the same rules, you are either plain stupid or intentionally dishonest.

I prefer to believe the first, but I am getting mighty suspicious of the influence of the second reason.

The same freetraders and Government officials who promote the idea of GATT and OCED sit idly by while Florida puts a one-eighth-cent-a-pound—tariff—fee on imported chickens from Georgia, and Georgia retaliates with a 5-cent-a-box—tariff—in the form of sales tax or inspection fee against the importer of goods from another State.

For instance, if you live in one State with a sales tax and buy a set of furniture in another State, you have to pay 4 percent of your cost to the State residence before you can import the furniture.

Another prime example is whisky. Whisky produces more national and State revenue per ounce than any other volume product in America and yet it cannot be moved across most State lines without violating a protective State tariff law—State tax.

The proponents of free trade in our Government told a glassmaker that the copying of his exclusive design by a foreign glassmaker, who was flooding the American market at a price about one-third his cost of production, was allowable because it gave the American consumer a bargain and it added to the purchasing power of the housewife's dollar.

Why then does not the same administrative body force the governments of the various States to relinquish their taxing powers when such powers are used to protect their merchants and State revenues by prohibiting the personal purchases by citizens who move across State lines unless they pay equalizing taxes—tariffs—as they reenter their respective home States?

Why does one State put up protective barriers against milk from another State?

In plain words, Mr. Gullible—the average American—is told that it is all right for the Nation to close its plants, cut its revenue and add to its unemployed in order to give the American housewife a cheaper, foreign-made product, but that it is wrong for that same housewife to buy a cheaper product in one State if she lives in another.

A Canadian may sell gas to American buyers without paying one cent to the American Government but an American cannot buy one cubic foot of gas from an American gas distributor or producer without paying a tax or tariff.

You can go on for days and never run out of examples of the double standard practiced by the very Government departments and officials that demand a practical administration of economic laws nationally while completely ignoring the economic application of international laws.

For instance, the Government sets a quota on the importation of foreign oils—crude and residual—and yet sits idly by while importers practice a type of smuggling that brings into the United States millions of barrels above the set quotas.

This well-known, but somehow not seen, operation is known as the "Brownsville loop" operation. Ships come into Brownsville, Tex., stop but do not unload for a limited time period. Then they move the oil on to their point of destination not as foreign oil but as part of the domestic oil supply.

The coal miner who loses his job because of this illegal operation is ridiculed as a selfish man without regard for his lesser endowed neighbor in Venezuela and the coal mine operator who claims "foul" is told that he is more interested in his profits than in the goodwill we are buying with his taxes. Funny thing, in most instances, I have found that the only reason oil is shipped here is because there is profit in it.

Goodwill is a wonderful thing, but try and make a profit out of a bankrupt coal mine with a lot of goodwill on the books.

Another great fooler that is fed to Mr. Gullible is that the exportation of goods creates jobs for Americans while the importation of goods does not take jobs from Americans.

For instance, the auto workers are told that it is all right for Volkswagens to come into America at a price less than the auto worker can make the American car for because they buy the steel from America and it makes jobs for the steelworkers. The steelworker is told that it is all right for foreign steel to come into America because the foreign country is buying cotton and giving the cotton workers a job. The shirt maker is told it is all right for the 11 cents an hour Hong Kong shirt to be sold in America because Hong Kong buys its coal from the United States.

The one thing that everybody seems to forget is that if Volkswagens did not come into the United States, the American auto worker would make that many more cars and would use the steel that is sold to Germany. The same is true of cotton. If Japan did not ship in millions of yards of textiles, the American textile workers would buy the cotton here in America. If Hong Kong was not shipping shirts, more shirt plants would open here and buy the coal now purchased by Hong Kong. This could go on and on. You say, how can you justify or prove your case? My answer is simple and true. Read American history. In spite of arguments to the contrary, very few advocates of free trade that I know personally are not paid in one form or another for advocating free trade.

I am compiling a list of law firms, individuals and organizations, that represent or front for foreign-made goods, foreign nations, and foreign trade organizations for the information of the House of Representatives.

State Department Official Tips Hand Over Borrowing Authority in Foreign Aid Bill

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. PELLY. Mr. Speaker, in the August 9 issue of the New York Times, Mr. Theodore Tannenwald, special assistant to the Secretary of State with intimate responsibilities in the foreign aid program, took the able and respected Arthur Krock to task for his recent column on the administration's demand that Congress give it authority to commit the Treasury to $8,800 million for foreign nations development loans over the next 5 years. He accused Mr. Krock of indulging in the omission of pertinent facts

and inaccurate statements of facts. Some of Mr. Tannenwald's statements had the familiar ring of extravagance so characteristic of the executive branch in its insistence that it be given this carte blanche authority. So I discussed it with my colleague, the gentleman from Michigan, Hon. GERALD FORD, a ranking member of the Committee on Appropriations and one who has heard the testimony on foreign aid budgets for several years past, and again this year. He was appalled that such a high ranking official, although conforming to the bureaucratic pattern, would indulge in the very thing he deplored—omission of pertinent facts and inaccurate statements.

Congressman FORD felt compelled to try to correct the record of misinformation and inaccuracies spread by this high official here on the eve of floor debate in the House. His refutation is in the mail today and I asked him for a copy of it. Using the administration's own testimony, Congressman FORD conclusively and, to me unassailably, proves that all the reassurances offered about Congress having full control of the use of the $8.8 billion is an unvarnished red herring.

Dissemination of the truth about the matter is so vital to orderly and responsible disposition of the question that I take the liberty of inserting Congressman FORD's letter at this point:

AUGUST 10, 1961.

To the EDITOR OF THE NEW YORK TIMES:

I do not recall an important issue before the Congress in recent years on which there has been more confusion, so much uncertainty, and so many conflicting statements from responsible sources as currently pervades the Halls of Congress on the administration's urgent request for authority to borrow $8.8 billion from the Treasury over the next 5 years for foreign aid development loans. The letter of Mr. Tannenwald, Special Assistant to the Secretary of State, in your August 9 issue epitomizes the situation. It is appalling, but not exactly surprising, that a high official of the administration—he is closely identified with the foreign aid program—would make some of the statements he does in a letter denouncing Arthur Krock's August 4 column as "omitting a number of pertinent facts and not stating accurately other facts." Pertinency is often a matter of opinion; on occasion, so is accuracy. For my part, Mr. Tannenwald is in some respects guilty of what he deplores, and the average reader, not intimately acquainted with the hard and practical legislative facts of life, the technicalities of legislative procedures, or the machinations of bureaucracy, might be moved to wonder why Mr. Tannenwald apparently was not fully conscious of the impact of all he said. As I shall submit, he even went so far as to put himself in direct opposition to testimony of his superiors. And as others have done, he hangs on legalisms and indulges in technicalities.

I will say this: Near the end, he voluntarily tipped his hand. He revealed that the administration proposal is an all-out effort to secure, right now, $8.8 billion without the Congress—short of most extreme circumstances—interfering with its use by the executive branch over the next 5 years.

1. Mr. Tannenwald correctly notes that, as now written, the legislation requires the President to annually submit a budget to Congress under the Corporation Control Act showing how the funds are to be used, etc. Then he says:

"The President will not be able to obligate or spend these funds until Congress has enacted an authorization in an appropriation bill for the use of the funds."

There are many Members of Congress who regard this as opposite to what no less an authority than Treasury Secretary Dillon told the Senate Committee on Foreign Relations in the following exchange taken from the printed record:

"Senator WILLIAMS. As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money, if we approve this bill as it is written; is that correct?

"Secretary DILLON. That is correct."

I fail to see how both can be right.

2. As others have done, Mr. Tannenwald indulges the obvious when he asserts that Congress would have full legal power to limit the use of these funds. Of course, it would. It is a rare occasion when the Congress is without raw legal power—note the word "legal"—to change its mind and amend a law in practically any way it deems appropriate. But hanging on legalisms here substantially begs the question—certainly where delicate and far-reaching arrangements with sovereign foreign nations are involved. Listen to what his superior, Secretary Rusk, told the House Committee on Appropriations on this question of annual congressional control over these funds:

"Secretary RUSK. As a matter of the law and the Constitution, it [Congress] would have the same control. However, I would be less than candid if I did not say that the exercise of that control by the Congress on an annual basis would be a more serious step in terms of our commitments and relations with other governments than would be true under the present arrangement."

3. This very question of control by Congress is so crucial to the understanding and consideration of the proposition that I again quote from Secretary Dillon. He was asked what would be the situation if Congress decided to cut a part of the $8.8 billion but in the meantime under long-range programing, commitments had been made with foreign countries. Could Congress then limit expenditures below what had been committed? Would these commitments not be obligations of this country with each nation with which we had made them? Listen to the reply:

"Secretary DILLON. I would like to be perfectly clear on that, Senator. Congress does have the authority to limit it, and could limit it, but it would have the effect of the United States not living up to its commitments. So I believe there would be very strong pressure on Congress not to have the United States default on a commitment which it had legally made."

In the face of that statement, Mr. Tannenwald says Mr. Krock was "incorrect" when he suggested that if Congress were to limit or terminate the previously granted borrowing authority the United States would be in default in its foreign aid commitments. Then hanging on technicalities, he concludes that "there could be no question of a default."

Well, Secretaries Rusk and Dillon say otherwise.

4. Then Mr. Tannenwald takes Mr. Krock to task for suggesting that the alternative proposal for a 5-year authorization for appropriation, to be followed by annual appropriations as at present, would "commit Congress morally" to supply the actual appropriation. Well, I readily concede it is a proper question to consider and that there should be a clear understanding at the outset, but I would recall that in this current session, when the $500 million special aid for Latin America was up under essentially identical circumstances, much was made of the moral commitment to supply the funds which the Congress had authorized to be appropriated last year. And every dollar was supplied.

But there seems to be no doubt in the executive branch about the moral commitment question if this 5-year, $8.8 billion direct Treasury borrowing proposition is adopted. Secretary Dillon again:

"I think there is a strong moral obligation to put that money up, and I do not think we should try here to say anything else than that at all."

5. Yet Mr. Tannenwald persists. He says: "This is not so" to this statement:

"Since technically the Executive could commit in 1 fiscal year the entire $8.8 billion Congress had given it for 5 years, there conceivably could be no money left for Congress to recapture."

He suggests ignorance of the difference between the commitment and the legal obligation of funds. Well, once again, let's call on the Secretaries. They are the two highest officials of the administration actively supporting the proposition before the Congress and they have been up and down every side and facet of the matter. I have already offered several quotes that bear rather realistically on this point—so realistically in fact that they satisfy me that here again the criticism hangs largely on legalisms and technicalities. But here is another from the printed committee hearings:

"Mr. PASSMAN. In effect, the executive branch could if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?

"Secretary DILLON. They could commit $1,187 million firmly, and they could commit the rest of it conditionally.

"Mr. PASSMAN. It could be committed, nevertheless?

"Secretary DILLON. Conditionally, it could be."

Unquestionably, the several quotes from the two Secretaries are ample basis for the conjecture that there conceivably could be no funds left to recapture.

In conclusion, this long-term financing proposition, and some others similar to it and now rather commonly known as back-door financing, raises questions vital to the orderly processes of representative government. The Congress, as the directly elected representatives of the people, has but one certain and continuing way to effectively control the Government. That is the power of the purse. No other certain way exists. So when such a proposition as the pending $8.8 billion, 5-year borrowing authority is submitted, above all things we must know its full dimensions and characteristics before we vote. Do what we will—but know what we are doing. The legislative committees have submitted it to the two Houses of Congress in essentially the form advocated by the executive branch and without substantial alteration of the intents which accompanied it. It comes to the floor for debate heavily clouded by confusion, by uncertainty, and by conflicting statements—assurances on the one hand that Congress will retain control and warnings on the other that if it does exercise its powers to limit the funds, it will be accused of defaulting on commitments. Mr. Tannenwald's letter in substantial measure follows the pattern.

I am honestly convinced that the administration on the one hand when making commitments to foreign governments maximizes the difference between its new backdoor method of financing a substantial part of the foreign aid program and the traditional congressional method of funding where true legislative control exists. On the other hand the executive branch minimizes the difference between the alternative methods of funding or downgrades the uniqueness or lack of congressional control of its proposal when submitting the proposition to the Congress. The executive branch seems to want it both ways.

Sincerely,

GERALD R. FORD, JR.,
Member of Congress.

Youth and Government

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of an address which I delivered at a luncheon today at the Mayflower Hotel given in honor of 135 Civil Air Patrol cadets who are visiting this country in connection with the annual international air cadet exchange. The luncheon was sponsored by Mr. Sam Pryor, Jr., of Pan American World Airways. The address was as follows:

YOUTH AND GOVERNMENT

(Address by Congressman VICTOR L. ANFUSO, Democrat, New York, at luncheon for Civil Air Patrol cadets, August 10, 1961, Mayflower Hotel, Washington, D.C.)

First of all, I wish to take this opportunity of congratulating Mr. Sam Pryor, who has sponsored this luncheon, for his great interest in matters of public benefit. This is not the first time that Mr. Pryor has been in the forefront where the U.S. Government and the American people have been involved. He has successfully contributed toward keeping America's prestige high throughout the world by his invaluable suggestions, his sound advice, and his patriotic deeds.

And you, Mr. Toastmaster, should come in for your share of the bows because of your long devotion to the problems facing this great city of Washington, as well as our Nation. You have indeed, in my estimation, earned the title of "Mr. Washington, D.C." I want to commend you also for your many years of work with the Civil Air Patrol, particularly in furthering these exchange tours which have become an important program in our efforts to strengthen the friendship and understanding between the people of America and the nations participating in this problem.

Whenever I get involved in anything related to airplanes, I am reminded of a rather unusual airfield, connected with the CBI theater of operations in World War II. This field was located smack in the middle of the Indian jungle, with wildlife surrounding its perimeter and one lone Air Force sergeant in charge.

The sergeant got so lonely he adopted a lion cub, and brought it up as a domestic animal, which is no mean trick in itself. But the lion respected the sergeant and did what he was told. And one of the cardinal rules he learned in cubhood was to keep off the landing strip at all times.

Well, one day, just as a plane was approaching, the sergeant saw the lion stretched full length on the strip. Shouting and waving his arms, the sergeant charged the lion, but the lion wouldn't move. So the sergeant kicked him and cuffed him, but the lion only growled a little and still wouldn't move. Flabbergasted by the crisis, the sergeant seized the lion by the tail, dragged him forcibly from the strip and kicked him into the underbrush, then raced to the control tower just in time to make contact with the incoming plane. When he got to his office at the top of the tower, there, in one corner, lay his lion, fast asleep. Which goes to prove what can happen when you provide the proper training in youth.

Well, the subject at hand today is youth and government, on the one hand, airplanes on the other. Personally, I have always been a strong advocate of the entrance of youth into government here in the United States, in the interest of world progress.

It is therefore no surprise to me that the youth of the world is vitally interested today in the development of the airplane as the chief beast of burden in the present century.

This of course was the cornerstone of the movement that grew into being as the Civil Air Patrol, to which you all belong. Born in the critical period immediately prior to World War II, the Civil Air Patrol performed many functions and services contributing both directly and indirectly to the ultimate victory of the Allied cause.

One of the most important services in this respect was the patrolling of the Atlantic coast, in search of submarines. The coastal patrol was carried on for 18 months before Regular units of the armed services were in a position to take over. During this period CAP pilots flew more than 86,000 missions, reported 173 submarine sightings, destroyed two submarines with bombs and depth charges, and reported information to Regular Army and Navy bombers that led to the destruction of many more. So important were the services of the CAP in the eyes of the Federal authorities that the 80th Congress passed Public Law 557, establishing the organization as a permanent civilian auxiliary of the U.S. Air Force.

Now, that is what I would call a prime example of success in the field of volunteer endeavor; a glowing example of what can be done by civilian volunteers with the interest of the Nation at heart.

And as one to whom our Government is of prime concern, I can only wish that American youth would enter into politics and government with the same idealistic zeal as that demonstrated by the young members of the CAP back in the 1940's.

The need for youth in government today is greater, perhaps, than ever before and I am glad that the recent presidential election emphasized this point. Both the presidential aspirants presented a far more youthful element than is generally the case in our presidential contests.

When John F. Kennedy became President of the United States, I was delighted that one of the first programs to be introduced by the new administration was the Youth or Peace Corps program. Never before in American history has the Government sought to employ the youth of the Nation in a more constructive purpose. And to my way of thinking, the move could well have been inaugurated a long time ago.

It is a sad but true observation that over the past 40 years the Soviet Union has given high priority to youth programs, injecting its propaganda stream into virtually every country on the globe, while we, with immense publication and distribution services at our command, have failed to match their output or even come close to matching it.

Consequently, the view of the United States among the underdeveloped countries of the world is one based largely upon the works of writers unfriendly to our cause.

In a recent visit to Japan an American official was engaged in a discussion with a group of college students, who constantly made reference to the great American historian, Foster. Puzzled, the official inquired as to whom Foster was, since he knew of no such great American historian. As it turned out, Foster was none other than William Z. Foster, chairman of the American Communist Party, whose books on American history had been translated into Japanese. With so-called histories of this nature filling the bookshelves of foreign libraries, no wonder there are some strange ideas afloat as to the goals and principles of this great Nation.

In conceiving the Youth Corps idea, the Kennedy administration has decided to fight Communist falsehood with the vigor and fire of youthful enthusiasm, employing the resources of the country to its best advantage at a time when nothing but the best will do. In every country where the Youth Corps sends its representatives, Communist falsehoods will topple in the face of truth. For, as every American knows, the so-called "Ugly American," despised on foreign shores, has virtually nothing to do with Americans in reality. Indeed, the "Ugly American" is largely the figment of anti-American propaganda, palmed off on persons who have seen very few flesh and blood Americans, if any at all. The impression created by the real thing, as represented by the Peace Corps, should go far in destroying the myths fostered upon the people of Europe, Africa, and Asia by those who would defame us at every opportunity.

With the passage of time it has grown clear that the youthful people are not quite so foolish and the older generation not quite so wise as once was generally believed. In the days when there were relatively few executive jobs available in the fields of industry and commerce, the old men seized them and held on for dear life, establishing an artificial framework to sustain themselves in office to prevent the young men from challenging their authority. But with the advent of mass production, mass buying, and a greatly accelerated economic pace, executive jobs multiplied in the economic field to a point where young men were at last allowed to demonstrate their mental capacity along that line. And, lo and behold, they turned out to be the equals of their elders in many instances and their superiors in others.

So clear was this result in commerce and industry, as measured in terms of dollars and cents, that the old barriers suddenly collapsed and youth moved in to assume a place of consequence.

In government, however, there was no such measuring stick, and there the young men and women were shunted aside in the traditional manner, to such an extent that they came to feel unwanted. This is not so today, however, with the advent of the Kennedy administration.

And President Kennedy has been proven absolutely right in encouraging youth. The American Government needs the fire of youth to spur it forward to meet the tasks ahead. It is, therefore, significant that the Peace Corps idea evolved under the administration of a youthful President, whose interest in the talents of youth has been clearly in evidence from the moment he assumed office.

I can only hope, with the pressure of the times bearing down upon us in the years ahead, that the accent on youth is to be stepped up here and in the other free nations of the West. For strength and clarity are what will be needed in these times, and youth has demonstrated, beyond the shadow of a doubt, its readiness in both respects.

H.R. 4580: A Bill To Aid Rehabilitation of the Blind

EXTENSION OF REMARKS

OF

HON. WILLIAM J. GREEN, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. GREEN of Pennsylvania. Mr. Speaker, for many years my State of Pennsylvania and the State of Missouri have maintained aid to the blind programs financed entirely from State funds. These programs were established, not merely to provide subsistence to needy blind persons, they were established and have been maintained as rehabilitatively

oriented public assistance programs—directed toward assisting needy blind persons to work their way from dependence upon blind aid to the achievement of economically independent lives.

But, for the past 10 years the Federal authorities have threatened these State blind aid programs with extinction, and they have only been saved from extinction by congressional action. However, these congressional actions have served but to save these programs for the time being. The bill I have introduced today is designed to permanently grant to the States of Pennsylvania and Missouri the right to continue to operate their State financial blind aid programs, free from further Federal interference. My bill also would allow other States to establish programs with the distinctive features of the Pennsylvania-Missouri plans.

How do the solely State supported aid to the blind programs in Pennsylvania and Missouri differ from blind aid programs financed in part by Federal participating funds?

The entirely State financed blind aid programs in these States are more liberal in their eligibility requirements than those pertaining under Federal law and regulations; these same States also maintain federally supported blind aid programs and these jointly operated programs are run in compliance with the rigid eligibility standards required by Federal law and regulations.

For more than 10 years Pennsylvania and Missouri have been threatened by the loss of Federal funds employed in their Federal-State blind aid programs unless they would adopt the Federal eligibility standards for their completely State financed blind aid programs.

For more than 10 years Pennsylvania and Missouri have persisted in their determination to retain the more liberal eligibility standards in the programs which were paid for by their own funds. They have continued to refuse to accept Federal standards in programs which did not use Federal money.

The bill I have introduced today would recognize the right of these two States to operate their State blind aid programs in accordance with their own determinations; it would settle the perennial Pennsylvania-Missouri aid to the blind problem permanently, and it would permit other States to establish programs with the unique features of the Pennsylvania-Missouri programs.

Adoption of my bill would settle the following issues which have been raised in title X, the blind aid title of the Social Security Act:

First. It would recognize and protect the right of States to use their own money in the establishment and operation of improved and enlightened social welfare programs for their blind citizens.

Second. It would recognize the right of Pennsylvania and Missouri to continue permanently their rehabilitatively oriented, entirely State financed aid the blind programs free from further Federal interference; and it would recognize the right of any other State to establish similar programs with the distinctive features of the Pennsylvania-Missouri State blind aid plans.

Third. The amount of each State's Federal grant for its federally supported aid to the blind programs would continue to be determined by the prevailing Federal standards and on like terms to all States. The means test established by Federal law and regulations would apply to all States for the purpose of determining the part of any State's expenditures that would be covered by the Federal grant.

Fourth. No limitation or requirement on the allowance exceptions from the means test in the direction of greater liberality would be imposed upon any State plan in order to retain a title X Federal grant for federally eligible cases.

In order to prevent the States from circumventing the minimum standards of the Federal program by transferring blind aid recipients to a drastically less adequate State program, the States would be permitted to increase, but not decrease the extent to which the recipients' earnings, income, or resources might be excepted from the means test.

Fifth. Not only would the enactment of my bill protect and preserve the solely State supported blind aid programs in Pennsylvania and Missouri, but it would serve to encourage other States to develop their plans of aid to the blind in the direction of rehabilitation, and away from the lesser goal of providing marginal subsistence to their clients.

The constructive character and the rehabilitative orientation of the State plans of aid to the blind in Pennsylvania and Missouri are in full accord with the repeatedly expressed intention of Congress that the federally supported aid to the blind programs in the States should be constructive in character and rehabilitative in orientation—that they should be a help to blind persons to the attainment of self-support.

In the 1950 amendments to the Social Security Act, Congress incorporated the exemption of earned income principle in the aid-to-the-blind title as an encouragement to blind persons and a help to them to work their way off the public assistance rolls.

In the 1960 Social Security Act amendments the exemption of the earned income of blind aid recipients concept was again endorsed as a rehabilitative measure when the exemption of a fixed amount of monthly earnings was abandoned in favor of a sliding-scale formula which would permit a gradual transition from dependence upon blind aid to economic independence.

In the 1956 Social Security Act Amendments "self-care" and "self-support" were added to the purpose clauses of the public assistance titles and declared to be among the objectives to be served by these Federal-State programs.

Why should the blind aid programs in Pennsylvania and Missouri, which are paid for entirely from State funds, which have as their purpose the assisting of blind persons toward the congressionally approved goals of "self-care" and "self-support" be threatened by Federal authorities and be in danger of extinction simply because these completely State-financed programs have more liberal eligibility requirements?

Instead of being threatened with extinction these programs deserve the commendation of the Federal authorities because of their high purposes, because of their congressionally endorsed purposes; and other States should be encouraged by the Federal authorities to establish programs for their needy blind citizens similar to those in Pennsylvania and Missouri—and they should be helped by the Federal authorities to establish such programs.

Sixth. The bill I have introduced today would restore to the States their right to establish public assistance programs for their blind citizens with standards more liberal than those permitted under Federal law and regulations.

My bill would restore to the States their right to spend their own funds as they choose in such programs.

All this can be done without any cost to the Federal Government since my bill provides that Federal participating money may only be used for cases which would qualify under the Federal definition of need.

I believe that, because the State blind aid programs in Pennsylvania and Missouri have been geared toward rehabilitation, they have been responsible for the successful restoration of many blind persons to useful, productive lives.

It is my hope that Congress will approve my bill, thus assuring the blind people of Pennsylvania and Missouri the continuance on a permanent basis of the programs of aid in their States which have had such a beneficial effect upon their lives.

It is my hope that Congress will adopt my bill so that blind men and women in other States may benefit by the establishment of public assistance programs similar to the Pennsylvania-Missouri plans—plans operated at State expense—plans oriented and operated to assist blind people to realize their fullest potential as participating, contributing, responsible citizens, freed from dependence upon programs of public assistance, living normal lives, working and living to the full in all activities in our society.

The Lotteries of Switzerland

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 10, 1961

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the lotteries of Switzerland. There is no national lottery in Switzerland, but a number of the cantons have grouped together to run several regional lotteries.

Gross receipts in 1960 came to about $5 million. Profits amounted to some $1.2 million. Some of the cantons use their share of the income for private charity cases, while others use it for public charities or cultural organizations.

The Swiss are widely and rightfully famed for their interest in charitable causes. In addition, they have recognized that lotteries can be helpful devices to assist their endeavors in this direction. When will America wake up to the worth of State and national lotteries?