as do many of this body, it would abandon its rush toward one-worldism and the welfare state and return to the principles that made this Nation great. These principles are a private enterprise economy, a frugal approach to Government spending, and a truly nationalistic foreign policy in every respect.

Mr. Speaker, these are the lessons I have learned by doing my homework and reading my newspapers. Many others could profit in the same way.

SENATE

MONDAY, MAY 21, 1962

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

Dr. Henry J. Sullivan, of the Church of St. Mary of the Nativity, Scituate, Mass., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

We pray Thee, O God of might, wisdom, and justice, through whom authority is administered rightly, laws are enacted, and judgment decreed, assist with Thy Holy Spirit of counsel and fortitude the President and Vice President of these United States, that their administration may be conducted in righteousness, and be eminently useful to Thy people, over whom they preside, by encouraging due respect for virtue and religion, by a faithful execution of the laws in justice and mercy, and by restraining vice and immorality. Let the light of Thy divine wisdom direct the deliberations of Congress, and shine forth in all the proceedings and laws framed for our rule and government, so that they may tend to the preservation of peace, the promotion of national happiness, the increase of industry, sobriety, and useful knowledge, and may perpetuate to us the blessings of equal liberty, through the same Jesus Christ, our Lord and Saviour. Amen.

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 17, 1962, was dispensed with.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of May 17, 1962, the Vice President, on May 18, 1962, signed the enrolled bill (H.R. 10643) for the relief of Gail Hohlweg Atabay and her daughter, which had previously been signed by the Speaker of the House of Representatives.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States 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. Bartlett, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 68) to print additional copies of hearings on the Revenue Act of 1962, with an amendment, in which it requested the concurrence of the Senate.

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

H.R. 10594. An act to amend section 372 of the Agricultural Adjustment Act of 1938, as amended, with respect to privately owned nonprofit agricultural research and experiment stations or foundations; and

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Agriculture and Forestry:

H.R. 10594. An act to amend section 372 of the Agricultural Adjustment Act of 1938, as amended, with respect to privately owned nonprofit agricultural research and experiment stations or foundations; and

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity.

CALL OF THE CALENDAR DISPENSED WITH

On request of Mr. HUMPHREY, and by unanimous consent, the call of the legislative calendar was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. HUMPHREY, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HUMPHREY, and by unanimous consent, the Foreign Relations Committee and the Permanent Subcommittee on Investigations, of the Government Operations Committee, were authorized to meet during the session of the Senate today.

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business.

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

WITHDRAWAL OF A TREATY—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Senate of the United States:

Among the treaties now pending in the Senate is the Cultural Convention between the United States of America and the United States of Brazil, signed at Washington on October 17, 1950 (S. Exec. X, 81st Cong., 2d sess.).

Considering the mutual desire of the Government of the United States and the Government of Brazil for ever increasing cultural exchange between the two countries, and in view of the intention of the two Governments to consider the formulation of a new agreement on this subject, it appears to be desirable that the above-mentioned convention be withdrawn from the United States Senate. The Government of Brazil has expressed its concurrence with the view that this course of action is desirable and also that, pending the conclusion of a new agreement, the cultural activities of each of the two countries in relation to the other should continue on their present basis.

I desire, therefore, to withdraw from the Senate the above-mentioned Cultural Convention of October 17, 1950.

JOHN F. KENNEDY.

THE WHITE HOUSE, *May 21, 1962.*

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. JOHNSTON, from the Committee on Post Office and Civil Service:

One hundred and seventy postmaster nominations.

By Mr. MAGNUSON, from the Committee on Commerce:

Vice Adm. Edwin J. Roland, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard with the rank of admiral.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

AMBASSADOR

The Chief Clerk read the nomination of William P. Mahoney, Jr., of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

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

LEGISLATIVE SESSION

Mr. HUMPHREY. 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.

Mr. HUMPHREY. Mr. President, are we now proceeding in the morning hour?

The VICE PRESIDENT. That is correct; morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

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

RECOMMENDATION ADOPTED BY INTERNATIONAL LABOR ORGANIZATION

A letter from the Assistant Secretary of State, transmitting, pursuant to law, a recommendation adopted by the International Labor Conference at Geneva, on June 28, 1961 (with accompanying papers); to the Committee on Banking and Currency.

AMENDMENT OF SECTION 14 OF NATURAL GAS ACT

A letter from the Chairman, Federal Power Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 14 of the Natural Gas Act (with accompanying papers); to the Committee on Commerce.

REPORT OF SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury, transmitting, pursuant to law, his report on the state of the finances, for the fiscal year ended June 30, 1961 (with an accompanying report); to the Committee on Finance.

REPORT ON REVIEW OF INTERSERVICE SUPPLY MANAGEMENT AND UTILIZATION OF SELECTED AIRCRAFT ENGINES WITHIN DEPARTMENT OF DEFENSE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of interservice supply management and utilization of selected aircraft engines within the Department of Defense, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF DEVELOPMENT AND MANAGEMENT OF SELECTED AIRCRAFT CRASH FIRE TRUCKS IN DEPARTMENT OF DEFENSE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of development and management of selected aircraft crash fire trucks in the Department of Defense, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF CERTAIN ASPECTS OF OPERATIONS OF THE FEDERAL EMPLOYEES' GROUP LIFE INSURANCE PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of certain aspects of operations of the Federal employees' group life insurance program, U.S. Civil Service Commission, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

REPORTS ON RECEIPT OF PROJECT PROPOSALS UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the receipt of a project proposal under the Small Reclamation Projects Act of 1956 from the Georgetown Divide Public Utility District of El Dorado County, Calif.; to the Committee on Interior and Insular Affairs.

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the receipt of a project proposal under the Small Reclamation Projects Act of 1956 from the Roosevelt Irrigation District of Buckeye, Ariz.; to the Committee on Interior and Insular Affairs.

EMPLOYMENT OF ALIENS IN A SCIENTIFIC OR TECHNICAL CAPACITY

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to employ aliens in a scientific or technical capacity (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO NATURALIZATION OF CERTAIN PERSONS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act of June 27, 1952, regarding the naturalization of persons residing in American Samoa or Swain's Island who served in the armed services (with accompanying papers); to the Committee on the Judiciary.

VERNON J. WIERSMA

A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation for the relief of Vernon J. Wiersma (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTION 131, TITLE 13, UNITED STATES CODE, RELATING TO EARLIER TAKING OF ECONOMIC CENSUSES

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 131 of title 13, United States Code, so as to provide for earlier taking of the economic censuses (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2208. A bill for the relief of Su-Fen Chen (Rept. No. 1492);

S. 2694. A bill for the relief of Mrs. Jum Ak Marek (Rept. No. 1493);

S. 2729. A bill for the relief of Hom Wah Yook (also known as Hom Bok Heung) (Rept. No. 1494);

S. 2751. A bill for the relief of Susan Gudera, Heinz Hugo Gudera, and Catherine Gudera (Rept. No. 1495);

S. 2766. A bill for the relief of Mrs. Tom Pon Shee (also known as Tom Pon Ma Cheung) (Rept. No. 1496);

S. 2777. A bill for the relief of Arild Ericksen Sandli (Rept. No. 1497);

S. 2803. A bill for the relief of Juliano Barboza Amado and Manuel Socorro Barboza Amado (Rept. No. 1498);

S. 2804. A bill for the relief of Sheu Chwan Shaiou (Rept. No. 1499);

H.R. 1395. An act for the relief of Sydney Gruson (Rept. No. 1500);

H.R. 1404. An act for the relief of Mrs. Francis Mangiaracina (Rept. No. 1501);

H.R. 1712. An act for the relief of Elizabeth Rose DiCarlo (Rept. No. 1502);

H.R. 2103. An act for the relief of Antonio C. Ysrael (Rept. No. 1503);

H.R. 2187. An act for the relief of Augustin Ramirez-Trejo (Rept. No. 1504);

H.R. 2198. An act for the relief of Carlos Sepulveda Abarca (Rept. No. 1505);

H.R. 2672. An act for the relief of Sonia Maria Smith (Rept. No. 1506);

H.R. 2839. An act for the relief of Mildred Love Hayley (Rept. No. 1507);

H.R. 8368. An act for the relief of A. Eugene Congress (Rept. No. 1508); and

H.R. 9466. An act for the relief of S1c Jesse O. Smith (Rept. No. 1509).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1264. A bill for the relief of Capt. Dale Frazier (Rept. No. 1510);

S. 2661. A bill for the relief of John Joseph (also known as Hanna Georges Youssef) (Rept. No. 1511);

S. 2667. A bill for the relief of Sebastiana Santoro (Rept. No. 1512);

S. 2722. A bill for the relief of Miss Livia Sernini (Cucciatti) (Rept. No. 1513);

S. 2760. A bill for the relief of Yuk-Kan Cheuck (Rept. No. 1514);

S. 2865. A bill for the relief of Ferdinand A. Hermens (Rept. No. 1515); and

H.R. 1653. An act for the relief of William Falby (Rept. No. 1516).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1849. A bill for the relief of Stephen S. Chang and Grace Hsin Lee Zia Chang (Rept. No. 1517); and

S. 2668. A bill for the relief of Francelina Jorge Querido, Jose Jorge Querido, Juis Jorge Querido, Elizia Jorge Querido, and Izabel Jorge Querido (Rept. No. 1518).

BILLS INTRODUCED

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

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

S. 3326. A bill to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education; to the Committee on Labor and Public Welfare.

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

By Mr. SPARKMAN:

S. 3327. A bill to make certain federally impacted areas eligible for assistance under the public facility loan program; to the Committee on Banking and Currency.

By Mr. BUSH:

S. 3328. A bill for the relief of Miss Angela Rosario; to the Committee on the Judiciary.

By Mr. FULBRIGHT:

S. 3329. A bill to authorize payment to the Government of the Philippines; to the Committee on Foreign Relations.

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

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

S. 3330. A bill to amend the National Defense Education Act of 1958 in order to authorize for teachers in private nonprofit schools certain benefits under the provisions of titles V and VI of such act provided for teachers in public schools; to the Committee on Labor and Public Welfare.

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

By Mr. HICKEY (by request):

S. 3331. A bill to amend the act of August 27, 1958 (72 Stat. 935) relative to minerals on the Wind River Indian Reservation, Wyo.; to the Committee on Interior and Insular Affairs.

By Mr. HICKEY:

S. 3332. A bill for the relief of Donald E. Wilbert; to the Committee on the Judiciary.

By Mr. CLARK:

S. 3333. A bill to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources; to the Committee on Interior and Insular Affairs.

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

RESOLUTION

PRINTING OF ADDITIONAL COPIES OF SENATE DOCUMENT NO. 5, 87TH CONGRESS, FOR USE OF COMMITTEE ON APPROPRIATIONS

Mr. MANSFIELD submitted the following resolution (S. Res. 344); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on Appropriations fifty thousand additional copies of Senate Document 5 of the Eighty-seventh Congress, first session, entitled "The Proposed 23d Amendment to the Constitution To Repeal the 16th Amendment to the Constitution, Which Provides That Congress Shall Have Power To Collect Taxes on Incomes."

EXTENSION OF CERTAIN PROVISIONS OF NATIONAL DEFENSE EDUCATION ACT TO CERTAIN PERSONS

Mr. PROUTY. Mr. President, on behalf of the distinguished junior Senator from New York [Mr. KEATING] and myself, I introduce a bill, and ask that it be referred to the appropriate committee.

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

The bill (S. 3326) to amend the National Defense Education Act of 1958 in order to extend the provisions of title II relating to cancellation of loans under such title to teachers in private nonprofit elementary and secondary schools and in institutions of higher education, introduced by Mr. PROUTY (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. PROUTY. Mr. President, this proposal seeks to amend the national defense student loan program by extending the loan "forgiveness" clause beyond its present limits.

While retaining the provision for up to 50 percent cancellation for borrowers who teach in public elementary and secondary schools, this bill would extend coverage to borrowers who enter teaching in private nonprofit schools, or in institutions of higher learning.

My reasons for supporting this proposed amendment are based on the following considerations:

That this extension is in keeping with the philosophy of the National Defense Education Act and promotes the national welfare.

That the present limitation to public school teachers below college level is a serious injustice and serves to undermine a nationwide effort for more and better teachers at all levels of education, public and private.

That this extension has the support of highly respected organizations in the field of education.

That it introduces no conflict in the area of constitutionality.

And, finally, that it would not reduce the present quality of borrowers, but rather would further the traditional goal of excellence in the teaching profession.

I have referred to the "philosophy" of the National Defense Education Act of 1958. My colleagues are well aware of the popularity and success of this total program in encouraging the further development of trained manpower of the quality and quantity necessary to the national defense. Under the student loan program alone, already over 238,000 students have borrowed some $130 million. The Secretary of Health, Education, and Welfare also has predicted that another 190,000 students will enter the program during the current academic year. Priority is given under the loan title both on the basis of need and ability, as well as with special consideration to such critical fields as science, mathematics, modern foreign languages, and teaching. The purpose of this priority system is obviously to encourage students to enter certain critical fields. Within the framework of this philosophy, however, the selection of recipients is made without discrimination against an individual's right to select his or her own occupation after graduation. It seems inconsistent, then, that the law shows preference to a certain category of teachers when the overall shortage has grown into a recognized national problem. As a Senate report points out:

> The National Defense Education Act was enacted as a coordinated program for strengthening the national defense through an inter-related set of proposals designed to assist State, local, and private efforts to develop America's brainpower for defense, by stimulating students, teachers, parents, and school authorities to seek the highest possible attainment in learning.
>
> The continuing shortage of teachers extends to private nonprofit as well as to public schools and to all levels of our educational system, and this amendment would encourage college students to consider careers in college and university teaching in all types of schools and at all levels.

Mr. President, the educational system of this Nation is both unique and diverse. We are committed to that freedom of choice which allows parents and students to decide whether they shall attend public or nonpublic elementary and secondary schools. So long as we intend to uphold this right, the Federal Government's policy must not discourage or impede its free exercise. If the American people are actively concerned with the development of the intellectual resources of all the Nation's youth, we must not legislate against those qualified student borrowers who choose teaching positions in the nonpublic schools. These schools currently enroll some 6 million American children, and this fact alone testifies to the magnitude of the public service they perform.

A similar form of injustice exists for those loan recipients who later enter college and university teaching. In view of a reported college teacher shortage and in line with the philosophy of the NDEA itself, it is difficult to believe that Congress will overlook this situation any longer. In referring to its proposed broadening of the loan forgiveness feature to nonpublic and college teachers, the House Committee on Education and Labor also reported last year:

> The committee felt that such a shortage (of teachers) militates against the fullest development of the skills and resources of our Nation's children. (H. Rept. 674, July 6, 1961.)

The favorable reports of the Senate and House on the forgiveness extension are based on strong supporting evidence from representatives of major national organizations who appeared at hearings or who otherwise indicated favorable views. For example, the following leading associations are among those who have shown support for broadening coverage to both nonprofit elementary and secondary school teachers and to those who accept teaching positions in accredited colleges: American Council on Education; American Assembly; AFL–CIO; Technical Institute Division, American Society for Engineering Education; National Council of Technical Schools; U.S. National Student Association; American Council of Learned Societies; and the Commission on Legislation of the American Association of Junior Colleges. Moreover, both the National Council of Independent Schools and the National Catholic Educational Association have offered further reasons why nonpublic teachers should not be neglected in this respect.

Among those groups which have spoken out particularly in favor of the college-level extension are: State Universities Association and the American Association of Land-Grant Colleges and State Universities, National Society of Professional Engineers, National Conference on Higher Education, and the Association for Higher Education. It would be difficult to find a more impressive list of supporting organizations.

Furthermore, the administration favors extending coverage to college teachers. A question might be raised as to whether the administration makes a fair distinction opposing coverage to nonprofit private-school teachers while, at the same time, supporting an extension to those who enter college teaching in either public or private institutions. No doubt, the President is thereby questioning the constitutionality in the case of those in the field of private elementary and secondary education. Yet the administration's own memorandum of

last year—"The Impact of the First Amendment to the Constitution Upon Federal Aid to Education"—clearly explains that:

> The Supreme Court has ruled that the first amendment to the Constitution forbids the use of public funds to "support religious institutions" or "finance religious groups." Legislation which renders support to church schools is unconstitutional in some circumstances. But laws designed to further the education and welfare of youth may not be unconstitutional if they afford only incidental benefits to church schools.

In the light of this statement, I do not see the logic or consistency of the President's stand on the loan forgiveness extension.

Finally, I wish to reaffirm my position that the amendment under discussion would in no way undermine the caliber of the loan program or its recipients. My bill would not alter the present system of priorities for those of superior ability with real financial need and with special consideration to fields recognized as critical to the national defense. The student loan title of the NDEA has built-in safeguards to insure that conscientious students will be encouraged to participate.

For example, in referring specifically to the extension for private-school teachers, Dr. Logan Wilson, former chancellor of the University of Texas and president of the American Council on Education, emphasized at the hearings last year:

> We believe that * * * extension of the teacher forgiveness feature to students who will teach in private nonprofit schools as well as public schools would be an important encouragement to teaching excellence.

Dr. Wilson further remarked:

> In view of the current teacher shortages at all levels, all reasonable encouragement of individuals to become well-prepared teachers in the schools and colleges is not only justified, but also imperative (House hearings, pt. I, June 1961, p. 221).

The weight of this opinion is, I believe, overwhelmingly convincing. I do not think that the Congress can afford to neglect the present inequity any longer. The goals of the National Defense Education Act are based on needs directly related to the national defense and welfare. Certainly, the philosophy which the act reflects must represent a clear commitment to the principle of freedom of choice in education as well as to the practical solution of emerging manpower shortages.

PAYMENT TO THE GOVERNMENT OF THE PHILIPPINES

Mr. FULBRIGHT. Mr. President, I send to the desk a bill to authorize the payment of $73 million to the Government of the Philippines in full satisfaction and final settlement of all awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of 1946.

The bill, which I introduce for appropriate reference, is substantially the same as a bill which I introduced on March 21, 1960, at the request of the administration. The language in that bill differs in one major respect from the bill recently rejected by the House of Representatives (H.R. 8617), from the substitute bill recently reported by the House Foreign Affairs Committee (H.R. 11721), and from the bill introduced last summer in the Senate by the senior Senator from Minnesota [Mr. HUMPHREY], S. 2380.

Each of those bills provides that the Foreign Claims Settlement Commission is to participate in dividing among various claimants the $73 million authorized. Thus, those bills have the defect, in my opinion, of keeping the United States involved in the settlement of individual claims.

What I should like to do, and what the administration has always proposed in the past, is that the United States make a final payment to the Government of the Philippines of $73 million in full settlement of the Philippine claims. If we are to get rid of one prolific source of friction between our two Governments we had better get out of the business of handling individual claims airising out of activities which took place in the Philippines nearly two decades ago.

This, I may say, was also the position of the executive branch in the past and, so far as I know, it may still be the position of the Executive.

At the time I introduced the Philippine war damage bill in 1960, the Acting Secretary of State wrote the Vice President that, and I quote:

> It is not considered practical for the U.S. Government to assume any responsibility for the payment of the balance of approved individual property claims. It is proposed, therefore, that settlement be made directly with the Philippine Government, whereupon the U.S. Government would consider itself divested of any responsibility for payment to private claimants.

It seems to me that this is the prudent course for the United States to take. I hope soon after we have completed work on the pending foreign aid bill, the Committee on Foreign Relations will be able to take up the Philippine war damage bill.

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

The bill (S. 3329) to authorize payment to the Government of the Philippines, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF NATIONAL DEFENSE EDUCATION ACT TO PROVIDE STIPENDS FOR PRIVATE SCHOOL PERSONNEL

Mr. KEATING. Mr. President, on behalf of Senator PROUTY and myself, I introduce for appropriate reference a bill designed to insure that private and public school personnel receive equal treatment in attending summer counseling and guidance institutes and language institutes.

Public school teachers now are eligible to receive a stipend at the rate of $75 a week and an additional stipend at $15 a week for each dependent for the period of attendance at such institutes. Private school personnel have not been entitled to this stipend. This present one-sided and basically inequitable provision contradicted the fundamental purpose of the National Defense Education Act which, in the words of Commissioner of Education McMurrin, "is based on the firm belief that it is essential to the national interest that every young person should have opportunity to develop his gifts to the fullest extent." By restricting the opportunities of private school personnel to improve their skills through the institutes' programs, we have neglected over 5½ million elementary and secondary schoolchildren enrolled in private schools.

Mr. President, my amendment would provide equal treatment for all eligible institute enrollees, public and private. The need for this extended provision is clear from pertinent facts and figures from the U.S. Office of Education. Since the inception of the program, the total enrollment through the academic year 1961–62 in summer and academic-year sessions of the counseling and guidance institutes is an estimated 8,957 of which 8,760 represent public school enrollees and 197 private school enrollees. Such evidence points to the obvious handicap which private school personnel have been under without the assistance which is available to the public school teacher.

The language institutes' program follows a similar pattern. The total number of participants through June 1963 in the summer and academic-year sessions of the language institutes is estimated at 10,772—9,761 from public institutions and 1,011 from private schools.

Foreign language training and student guidance play an important part in today's educational needs. Those who teach these subjects can and should benefit from refresher courses and summer institutes regardless of whether they teach in public or private schools.

The present inconsistency in the National Defense Education Act has been recognized and condemned by several national educational organizations. The Association of American Colleges has passed two resolutions in annual conventions recommending equal treatment for public and private schools. The American Council on Education's Council on Relationships of Higher Education to the Federal Government has approved proposals to provide equal treatment for all enrollees. Also Association for Higher Education and the National Education Association, as well as HEW and U.S. Commissioner of Education, on areas related to the National Defense Education Act of 1958, urged that titles V and VI be extended on an equal basis to all eligible institute enrollees.

This amendment would eliminate the second class treatment of some of our Nation's teachers and the resulting educational disadvantages of some of our Nation's children.

Mr. President, I am also very happy to join with Senator PROUTY in cosponsoring legislation to provide equal benefits for all those who are eligible for National Defense Education Act loans and who enter the teaching profession. The purpose of this NDEA provision is to encourage more of our young

people to become teachers, and to insure that we have enough adequately prepared teachers to meet the nationwide demand in all areas of education. Under the law as presently in force, 50 percent of a NDEA loan can be forgiven if a student teaches for 5 years in a public elementary school. No forgiveness is allowed those who teach in private schools or institutions of higher learning. This is a discriminatory provision that is wholly unnecessary and at variance with the national need for better trained teachers at every level of our educational system.

Action should be taken promptly on both of these measures to eliminate the handicaps and disadvantages that some of our Nation's teachers now must undergo.

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

The bill (S. 3330) to amend the National Defense Education Act of 1958 in order to authorize for teachers in private nonprofit schools certain benefits under the provisions of titles V and VI of such act provided for teachers in public schools, introduced by Mr. KEATING (for himself and Mr. PROUTY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONSERVATION OF ANTHRACITE COAL RESOURCES

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to amend the act of July 15, 1955 (30 U.S.C. 572) relating to the conservation of anthracite coal resources.

The original law established a congressional policy of providing for the control and drainage of water in anthracite mines in order to conserve this priceless natural resource, promote the national security, prevent injuries and loss of life, and preserve public and private property.

The Anthracite Mine Water Control Act—as it is sometimes called—has proved to be a measure of great significance in preventing the further debilitation of anthracite mining in the Pennsylvania anthracite region. However, the full potential of this act has not yet been realized because it has become clear that more than pumping and surface control water is needed.

In fact, under present procedures, we are actually losing ground, both figuratively and literally. In 1944, it was necessary to remove 14 tons of water for every ton of coal mined, but this situation has worsened to the point where, in 1960, it was necessary to remove 50 tons of water for every ton of coal.

The problem reaches disastrous proportions at times, as it did in 1959 when the Susquehanna River flooded several mines and drowned a dozen miners. Pumping the mines has proved less than effective and established congressional policy is thwarted because of inability under the present law to undertake additional measures needed. These measures, which are authorized in my proposal, are intended to seal abandoned coal mines, fill underground voids, and fill in surface pits. In short, we will not only continue pumping surface water which gets underground and carry through other water control measures, but we will attack the problem by filling abandoned mines and pits.

I emphasize that the proposed amendment does not really constitute a new program, but merely makes an existing program effective, as Congress intended it to be in the first place.

I emphasize also that no new appropriations are involved. There remains some $5 million in the $8.5 million fund authorized in 1955 and appropriated in 1956, and a similar amount remains in the accounts of the Commonwealth of Pennsylvania since this is a joint Federal-Commonwealth program of matching funds. If, as is conceivable, the existing fund were to become exhausted, the question of further authorizations and appropriations would be considered through normal congressional channels. All the money needed is available and adequate controls are in effect concerning its expenditure.

This matter is an urgent one which requires prompt action before we lose forever our priceless deposits of anthracite coal.

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

The bill (S. 3333) to amend the act of July 15, 1955, relating to the conservation of anthracite coal resources, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FOOD AND AGRICULTURE ACT OF 1962—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MUNDT submitted an amendment, intended to be proposed by him, to Senate bill 3225, supra, which was ordered to lie on the table and to be printed.

Mr. YOUNG of North Dakota submitted amendments, intended to be proposed by him, to Senate bill 3225, supra, which were ordered to lie on the table and to be printed.

Mr. ELLENDER submitted amendments, intended to be proposed by him, to Senate bill 3225, supra, which were ordered to lie on the table and to be printed.

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to Senate bill 3225, supra, which was ordered to lie on the table and to be

Mr. PROXMIRE (for himself and Mr. HUMPHREY) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3225, supra, which was ordered to lie on the table and to be printed.

FEDERAL EQUAL EMPLOYMENT OPPORTUNITY ACT OF 1962—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 2981) to establish a Commission on Equal Employment Opportunity to encourage and enforce a policy of equal employment opportunity in Federal employment, in employment under Government contracts, and in employment in programs supported or in facilities constructed by Federal grants-in-aid; to prohibit discrimination by labor organizations because of race, color, religion, or national origin; and for other purposes, the name of the Senator from Rhode Island [Mr. PELL] may be added as a cosponsor.

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

UTILIZATION OF MANPOWER RESOURCES OF THE NATION—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. CLARK. Mr. President, I ask unanimous consent that at the next printing of the resolution (S. Res. 312) authorizing a study of the question of utilizing the full manpower resources of the Nation, the name of the Senator from Rhode Island [Mr. PELL] be added as a cosponsor.

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

AMENDMENT OF LAWS RELATING TO FEDERAL PARTICIPATION IN SHORE PROTECTION—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of May 16, 1962, the name of Mr. WILLIAMS of New Jersey was added as an additional cosponsor of the bill (S. 3310) to amend the laws with respect to Federal participation in shore protection, introduced by Mr. CASE of New Jersey on May 16, 1962.

AMENDMENT AND EXTENSION OF PROVISIONS OF THE SUGAR ACT OF 1948, AS AMENDED—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. TALMADGE. Mr. President, on last Wednesday, May 16, I submitted an amendment intended to be proposed to the bill (S. 3290) to amend and extend the provisions of the Sugar Act of 1948, as amended. I ask unanimous consent that the name of the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] may be listed as a cosponsor of that amendment.

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

NOTICE OF RECEIPT OF CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nominations of Adm. Alan G. Kirk, U.S. Navy, retired, of New York, to be Ambassador to China; and Mrs. Eugenie Anderson, of Minnesota, to be Ambassador to Bulgaria.

In accordance with the committee rule, these nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. HART. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Luke C. Moore, of the District of Columbia, to be U.S. marshall for the District of Columbia, for the term of 4 years, vice James J. P. McShane.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, May 28, 1962, any representations or objections there may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON S. 3130, REDEVELOPMENT AREA INDUSTRIAL MORTGAGE PURCHASING ACT

Mr. DOUGLAS. Mr. President, as chairman of the Subcommittee on Production and Stabilization of the Banking and Currency Committee, I wish to announce that a hearing will be held on May 29, 1962, on the bill, S. 3130, to authorize the Secretary of Commerce to purchase industrial and commercial evidences of indebtedness to promote certain industrial and commercial loans in redevelopment areas by lending institutions in order to help such areas plan and finance their economic redevelopment, and for other purposes.

The hearing will begin at 10 a.m., in room 5302, New Senate Office Building.

All persons who wish to appear and testify on this bill are requested to notify Mr. Jonathan Lindley, Senate Committee on Banking and Currency, room 5300 New Senate Office Building, telephone Capitol 4-3121, extension 3921.

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. WILEY:

Statement by him relating to consumption and utilization of milk and milk products.

PROPOSAL FOR A NATIONAL SCHOOL LUNCH WEEK

Mr. HUMPHREY. Mr. President, today, as we deliberate the policies of this country both at home and abroad and attempt to build a better world in which our children and grandchildren may live, it would seem fitting that we pay tribute to a program which already has had a tremendous influence on the lives of our younger generation. For that reason, I have sent to President Kennedy a letter in which I request that he proclaim a National School Lunch Week in honor of the program which already has done so much to contribute to the health and welfare of our children, and which has had such a tremendous impact on our agricultural economy.

Amidst the pressures and concerns of our current world situation, we might be inclined to forget why the program was established in 1946, more than 15 years ago—15 years during which the program has grown to be one of the Nation's largest institutional food-service programs.

The school lunch program, as we know it today, came into being as a result of the passage by Congress of the National School Lunch Act in 1946. Since coming to the Congress in January of 1949, this Senator has been a strong supporter and an ardent spokesman for the school lunch program. Perhaps a few Senators remember the first words of the 1946 act:

> It is hereby declared to be the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children.

These words are even more important today than they were at the time when the act was passed by Congress. Our awareness of the problem of the physical incapacity of our Nation's youth has been brought about through the experiences of selective service—the draft—in World War II. At that time, General Hershey reported to Congress that one-third of the men rejected for physical unfitness were turned down because of difficulties traceable either directly or indirectly to nutritional deficiencies. All told, our Nation suffered 155,000 casualties during World War II as a result of malnutrition—155,000 casualities before our potential service men and women ever were put into uniform. This shocking fact brought home to all of us the realization of the critical need of America's youth for proper nutrition and proper nutrition education. Congress passed the National School Lunch Act; and, since that time, the program has earned support from both sides of the aisle, and has grown and developed with both remarkable speed and a tremendous impact on the food habits of our children. Each day more than 14 million children throughout the Nation take part in the school lunch program. We have seen children who have been listless and uncooperative develop into good students because, perhaps for the first time in their lives, they were receiving at least one adequate meal a day. It is impossible to teach a hungry child anything; and the national school lunch program has played a vital part in bringing a new sense of well-being to these children.

It has gone even further. At this moment, in a small West Virginia rural schoolroom, children who, because of economic conditions beyond their control, and indeed beyond their comprehension, are for the first time in recent years assured of a nutritionally sound meal as a result of the school lunch program. I ask Senators to imagine a school lunch in a two-room school, heated by a hand-fed coal stove. For the children, this may be a major meal, and perhaps their only meal of the day.

Regardless of the law of supply and demand, it is these children who must pay the price of localized economic stagnation and must build for the future. It is through such programs as the current U.S. Department of Agriculture special commodity assistance-school lunch program that these pawns of our time will nourish their bodies and their minds to make a better world for their children.

In this wealthiest of all nations, in this land of plenty, it has been and is a shocking fact that many of our younger generation are undernourished. In many cases, such as those in depressed areas, the fault lies with socioeconomic factors. In other areas, however, where plenty of food is available and where there is more than enough money to buy that food, the malnutrition results directly from the fact that the children do not know what to eat. The school lunch program already has been a vital factor in changing the food habits of these children; and as it continues, we can look forward to improved nutrition and a better balance of foods. Through nutrition education, the program is teaching them that a well-balanced diet can make a tremendous difference in their development during the formative years and can actually add years of good health and well-being to their life span. Tremendous strides have been taken, and each day more and more children demand and get nutritionally sound lunches. Twenty-five cents for lunch can be spent on a well-balanced meal at the school lunchroom. One of the reasons for the School Lunch Act was to bring about a change in children's diets. Nutrition education is a means by which children can grow and develop and perhaps even truly appreciate the abundance of our beloved land. Today, it is true that our school lunchrooms have become lunch schoolrooms, where education and good food are combined.

But the school lunch program has had another major impact on our Nation: Each year we see millions of pounds of food distributed to schools, for consumption by our children. It is a wonderful thing to see our abundance going to the children of our Nation. The school lunch program is the largest single consumer of our so-called surplus foods; and, through this dynamic program, foods already prepared are put to an extremely beneficial and sensible use. We must remember, however, that far from being a total Government project, the individual and the community make their own significant contributions to the school lunch, with the result that school

food services are major purchasers of both food and equipment in their own communities. A billion dollars annually is expended with local merchants for food and equipment.

The school lunch program is important to agriculture, important to the business community, important to programs of education, important to parents and teachers, but, above all, it is important and vital to the health and welfare of our children.

As I am sure many of my colleagues know, each time foreign educators visit this country, they express great interest in our school lunch program. They see the program as a living demonstration of our desire and ability to improve our American way of life. We are concerned, of course, at the moment with such programs as food for peace and with distribution of our surplus foods to hungry peoples throughout the world. These are important factors in our battle for the minds and hearts of men in a free world. But do not underestimate the importance of our agricultural abundance and our God-given natural resources in contributing to the health and welfare of our greatest national resource—our children.

Here are a few facts which I urge Senators to consider:

First, the school lunch program is not a free lunch program. According to the U.S. Department of Agriculture, the average lunch costs 47 cents to produce, and, on the average, the Government provides 6 cents per lunch in foodstuffs and 4 cents per lunch in Federal reimbursement funds. So, you see, Mr. President, the local community and the child must contribute 37 cents to the cost of the lunch, and this 37-cent figure does not include the cost of lunchroom facilities and equipment provided by local communities.

Secondly, although the special commodity assistance program provides near-free lunches in several depressed areas, the national school lunch program is not a welfare program. Ninety percent of the meals are paid for by the child and the parent. Only 10 percent are free or at reduced prices, and, as I have said, these are primarily in depressed areas.

Third, the school lunch program is not an extracurricular activity. It is and should be an integral part of the educational process in our schools. It is an educational experience in its own right, and it increases mental alertness and receptivity.

The school lunch is a program in which we can all take pride. I would like to congratulate the 29,000 members of the American School Food Service Association on the magnificent job they do in carrying on this vital effort.

As we consider action and legislation for arms and for development programs throughout the world, it would seem appropriate that we reflect on the contribution of our domestic programs. Here is one in which Members of Congress can take great pride.

There is, however, room for improvement in the present program. The distinguished Senator from Hawaii [Mr. LONG] has introduced legislation to change the formula by which the Federal Government reimburses the States under the National School Lunch Act. At present, reimbursement is made on the basis of school-age population. This new legislation, which I strongly support and which I urge my colleagues to support, would call for reimbursement on the basis of participation in the program. The President, in his budget message to the Congress, stated that, if this important change is made, sufficient additional funds will be requested to make the program operate without working a hardship on any State.

It is my sincere belief that the worth of the national school lunch program merits not only national cooperation but a special tribute which will call the attention of the great American public to its worth and contribution to our future. It is for this reason that I have requested that the President of the United States designate a National School Lunch Week. It is by such a designation as this that we can call attention as never before to this outstanding activity. Now, I also urge my fellow Members of Congress to join me in supporting this vital activity. If we are to keep faith with our future and keep faith with our children, we must do all we can to see that they grow to be the kind of American citizens who will make a contribution to family, community, Nation, and the world. Again, I ask that Senators join me in support of this effort. National School Lunch Week can and will be a source of national interest and national pride, for it is a manifestation of our desire and ability to benefit our children. It is an investment in tomorrow.

Mr. President, I note that the distinguished Senator from Louisiana [Mr. ELLENDER], who has just come into the Chamber, is the author of this act. His record of service to American agriculture is well known. Likewise, his record of service to the schoolchildren, under the school lunch program, is a high tribute and a monument to him.

Mr. President, I ask unanimous consent that my letter to President Kennedy, requesting that he designate a National School Lunch Week, be 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 GOVERNMENT OPERATIONS,
May 15, 1962.

HON. JOHN F. KENNEDY,
President of the United States, the White House, Washington, D.C.

DEAR MR. PRESIDENT: Your personal interest, and that of this administration, in the national school lunch program is well known. The entire development of this activity, which so richly benefits the youth of our Nation, represents one of the brightest aspects of our bountiful agricultural production in this country.

Under the provision of the National School Lunch Act, more than 14 million children per day have been fed in our schools. There are many benefits to this program:

1. The assurance of at least one good, nutritionally sound meal a day makes a strong, positive contribution to the health of our children. This, in turn, materially enhances both their physical and their mental capabilities.

2. The school lunch program is the largest consumer there is of our agricultural abundance. Foods already purchased under price support programs are put to extremely beneficial and sensible use in this way.

3. Far from being totally a Government project, the individual and the community make their own significant contributions with the result that school food services are major purchasers of both food and equipment in their own communities, expending $1 billion annually with local merchants.

With a desire to apprise the public of the invaluable contribution made by the school lunch program to the health and education of our youth and to the agricultural and business economies of our Nation, the Governors of a number of States have proclaimed official School Lunch Weeks. Such observances have been held in Delaware, Florida, Georgia, Kentucky, Maine, Massachusetts, Michigan and Utah.

Newspapers, radio and television stations, displays in department store windows and every other conceivable means of communication is to be used to alert the public to the real worth—educationally, economically and physically—of the school lunch program.

It is my sincere belief that the worth of the national school lunch program merits our national attention and the designation by you of a National School Lunch Week. By means of such designation, we could call attention, as never before, to this outstanding activity. I respectfully request your consideration of this proposal.

Best wishes.

Sincerely,

HUBERT H. HUMPHREY.

THE TAX BILL

Mr. MANSFIELD. Mr. President, in the past few weeks, great numbers of people from all over the United States have written letters to their Senators inquiring about the proposed Revenue Act of 1962. These people come from all walks of life; many of them are elderly and are worried that the savings for which they worked a lifetime are now to be taken from them, or partially so, by the so-called new tax legislation.

Mr. President, I can well understand the concern of these people for the safety of their hard-earned savings. In this age, where the burden of defending the free peoples of the world falls on the shoulders of each American individually, any threat of a new and heavier burden is bound to be unwelcome. But in this case I believe most of these worries are unfounded. The 1962 act will not impose any new taxes on most Americans. True, mutual investment and insurance institutions, which have until now escaped much of the taxation imposed on their competitors, will be required to pay their fair share by this act. And it is also true that many foreign investments made by U.S. citizens will no longer receive the preferred treatment that inequities in the law have allowed until this time. But closing these loopholes will not increase the tax burden of most Americans; indeed, it will have the opposite effect, for when privileged people and institutions do not pay their share, the rest of us must pay it for them. It is this purpose, more than any other—to lighten the burden on all taxpayers—which led to the withholding provision of the 1962 act.

This provision imposes no new tax. Americans have been required by law to

pay tax on the income—I repeat, Mr. President, "income"—derived from interest and dividends, for many years. Several of the letters my colleagues and I have received suggest that some people were unaware that a tax was owed on these amounts, and has been owed all these years. It is this very problem that has moved the Congress to consider withholding a part of the tax due on these items.

Experts estimate that each year $800 million of taxes which should have been paid on dividends and interest have not been paid. Eight hundred million dollars is a great deal of money, Mr. President, especially when that default has to be made good by those Americans who pay taxes on their wages and other income. The withholding provision of the 1962 act provides a way to insure that these taxes on dividends and interest are paid. It is by no means a new tax on those who have been paying their taxes as they should. It merely withholds a portion of the tax they would otherwise be obligated to pay later, in the same manner that taxes due on wages are withheld. Far from being a burden, it is likely to prove a convenience to the taxpayer, much as the withholding of taxes on wages has proved convenient to many who otherwise might find themselves hard pressed come April 15.

Mr. President, the withholding provision will indeed insure the payment of taxes which have not been collected from those who have ignored or neglected to pay their share of the heavy cost of democracy. It is not a new tax, Mr. President; it is a tax which has existed for approximately 20 years and which citizens have paid for 20 years. The only difference is that it will be deducted automatically instead of having to be paid by the taxpayer on or before April 15.

Mr. President, although this withholding feature is not a new tax, it does propose to collect the tax in a new way. It, therefore, requires careful examination and explanation—for if the new procedure would cause harm or undue hardship to any taxpayer, I for one would want that procedure changed. But it is my opinion, Mr. President, that the withholding feature of the act will not cause undue hardship. On the contrary, it will ease the problem of the taxpayer by having the bookkeeping done by those better equipped to do it.

Let us look at several questions typical of those contained in the many letters my colleagues and I have received. It is encouraging to me when many people write in their questions or opinions on legislation, for the continued interest of the people in their laws and in their government is the very foundation of democracy. These people raise points that must be considered. One woman writes:

> I am a widow 83 years old. I live on a pension and have a few dollars in the bank. It is my understanding you have plans for attaching a portion of this savings account under a new tax. Please tell me that this is not so.

It definitely is not so. The withholding will subject to tax only the interest on the savings account, and not the savings themselves, and that interest is already subject to tax under present law. For example, if a person had $100 in a savings account which paid $4 interest a year, the $4 is the income subject to tax under present law. And it is on this $4, not on $100 that the 20-percent withholding would apply. In other words, 80 cents would be withheld, not $20. And I repeat, Mr. President, that the $4 interest has been subject to income tax for many years.

But, Mr. President, the income of some people is so small that they would not under present law have to pay even this 80 cents on their $100 savings account. What about them? Why withhold it if they do not have to pay it. The answer for them is that the 80 cents does not have to be withheld. Here is a case in point. A retired gentleman writes:

> Dividends are almost our entire source of income, little as it is, and the proposed withholding by the Government would be financially embarrassing to us. It would mean that we would have to borrow money to tide us over until the Government got around to making a refund.

In answer to this, I should first say that were no exemptions or refunds allowed, against withholding, hardship could indeed result. Fortunately, the authors of the bill recognized the need of many people in the position of this family and, accordingly, included a wide range of exemptions and refunds that will cover most situations. For example, exemptions are allowed those who expect no tax liability for the year, and for individuals under 18, whether they expect tax liability or not. Married couples with less than $10,000 of income and single persons with less than $5,000 income may file a claim that they expect to have less tax liability for the year than the amount withheld, and in such cases a refund will be paid every 3 months. These features should alleviate problems of elderly people with small income derived largely from dividends and interest.

Many taxpayers ask:

> Would this withholding be similar to wage withholding?

The principle is exactly the same, Mr. President, except the flat 20-percent rate would be used in order to simplify the administration of the program as much as possible. In many ways the interest and dividends withholding is even easier for the taxpayer than wage withholding since refunds can be obtained quarterly, whereas under wage withholding a refund can only be obtained once a year. I believe most taxpayers would agree that wage and salary withholding is a convenient method of paying taxes. It is likely that after the initial period taxpayers will find interest and dividend withholding a convenience as well.

Another citizen inquires:

> Is it not true that the administrative cost to the Government may exceed the net additional receipts?

Mr. President, the Treasury estimates it will collect an additional $650 million under present law that it is now unable to collect. The cost of obtaining this additional revenue is estimated to be approximately $19 million. The withholding procedure should therefore increase the Government's revenues a net amount of about $631 million.

It is true that banks and corporations that do the actual withholding will have more paperwork, but much of the cost of this work should be recovered by allowing these institutions to retain the funds withheld for a period of up to 4 months.

In this connection, I would refer the Senate to the remarks of the distinguished Senator from Rhode Island [Mr. PELL] which appear in the RECORD of May 14, 1962. He has shown, with mathematical precision, that the banks and institutions stand to gain from the proposal. As he notes:

> A very good argument can be made that the financial institutions will have a minor windfall; since they will have had the use of the money for that period of time. Specifically, from assuming that the average interest rate is 4 percent and the financial institutions retained it until the last possible day, it can be seen that on an averaging out basis, they will have benefited by 2 percent of the amount withheld. Subtracting the 0.3 percent that it would cost to withhold, we can see that the banks and financial institutions would have made a profit of 1.7 percent on all money withheld.

Many taxpayers have asked whether the new automatic data processing equipment might not serve the purposes of this withholding. No matter how effective the new equipment is, it will not collect the full amount of the tax not being currently paid. Withholding collects the tax conveniently and pays it to the Treasury, leaving the more complicated evasion problems to the machines.

Both of these mechanisms will make important contributions to an effective tax collection system.

Mr. President, there are many in the Senate whose knowledge and experience in these financial matters far exceed my own. We have heard several Senators speak on this subject within the past few weeks, and it is my hope that we will hear from them, and others, again—for this is a matter that concerns every American and has a deep effect on each of us. I believe this withholding is a good tax feature as I believe the 1962 act is a good tax act, a fair act, and a necessary act.

Taxation is never a popular subject, Mr. President, and I realize that any new legislation on the matter is bound to raise considerable controversy, at least until it has been thoroughly examined and is well understood.

Withholding is not a new procedure. It is only its extension to the collection of taxes due on interest and dividends that is new. With the many provisions for exemptions and refunds, it is hard to believe that the withholding of taxes on dividends and interest is unfair or unjust. Those who oppose this extension must do so because of some objection to the principle of withholding itself, since they obviously do not approve of evasion. If this is true, then to be consistent, they must also favor a repeal of the withholding provision on

wages. I have been informed, Mr. President, that in the House of Representatives a Member has proposed such a bill, and I must say that those who oppose application of the withholding to interest and dividends must logically find themselves in accord with that Congressman's proposition.

Mr. President, this is a complicated bill and an important bill, but its provisions are necessary and fair. I feel that, when its features have been widely studied and understood, this act will receive the support of the great majority of American people.

I ask unanimous consent to have printed in the RECORD with my remarks a letter, dated May 11, 1962, which I received from the Secretary of the Treasury, Mr. Douglas Dillon, relative to the proposal, and also a memorandum which accompanied that communication.

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

THE SECRETARY OF THE TREASURY,
Washington, May 11, 1962.

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

DEAR MIKE: Several Senators have written to me requesting information on our proposal to collect income taxes due on dividends and interest income by means of withholding at 20 percent. As you know, this is one provision of H.R. 10650 now under consideration by the Senate.

It seems that this withholding provision is widely misunderstood. I have been informed by the Senators who have written me that there are five principal areas of confusion:

1. It is mistakenly pictured as a new tax, which it is not.

2. It is mistakenly believed that withholding will impose burdens on elderly people who receive dividends and interest, which it will not.

3. It is mistakenly pictured as a tax on savings (as distinct from interest and dividends), which it is not.

4. It is mistakenly believed that a person who owes no tax will still have a portion of his bank and savings bond interest and dividends withheld.

5. It is mistakenly believed that in cases resulting in overwithholding the taxpayer must wait until the end of the year for his refund. Refunds will be available quarterly.

To answer these queries and many others, I have prepared a short memorandum which is enclosed. I hope that it will prove helpful in presenting the facts.

With best wishes.

Sincerely,

DOUGLAS DILLON.

WITHHOLDING ON DIVIDENDS AND INTEREST—A NECESSARY AND FAIR PROPOSAL

TREASURY DEPARTMENT,
Washington, D.C.

Most taxpayers pay their income taxes but millions do not. Withholding of taxes on interest and dividend payments is essential as a matter of simple fairness and necessary to put a stop to this widespread tax evasion.

Far from hurting the average taxpayer, withholding will help him by insuring that the Government collects most of the $800 million in taxes on interest and dividends which are now being evaded each year—lost taxes which have to be made up by heavier taxes on honest and conscientious people.

There is no reason why those who receive all or part of their income from interest and dividends should not have their taxes withheld—as wage and salary earners have been for 20 years.

The withholding proposal has been grossly misrepresented and distorted by those who have their own selfish reasons for wishing to see it defeated. They have fostered widespread misunderstanding of the plan and aroused baseless fears.

These misconceptions deserve to be cleared up.

This is not a new tax. Withholding is merely a method of collecting taxes which are owed the Government but—because of ignorance or intentional deceit—are not now being paid. Dividends and interest are income and, as such, have always been subject to income tax.

Withholding will impose no hardship and little inconvenience on taxpayers. People who have such low incomes that they do not owe any taxes can easily prevent withholding by signing a simple form certifying that fact. Those under 18 can be exempted from withholding whether or not they owe any tax.

Elderly couples, widows and others who may owe a little tax but less than the amount withheld, can get quarterly refunds by filling out a simple refund slip which will be available at banks, post offices, and other places. These refund slips can be filed at any time during a quarter after withholding has taken place. It is not necessary to wait until the end of the quarter. Internal Revenue will mail out quarterly reminders to refund claimants. The refunds will, in most cases, be received within a month—as they are now by the 37 million taxpayers who are overwithheld each year on their wages and salaries. Those who don't wish to bother with quarterly refunds will get them annually by filing their regular tax returns.

Withholding has been erroneously represented as imposing a hardship on indigent elderly couples. Under present law, which gives people over 65 a double exemption and also a tax credit on retirement income, an elderly couple could have as much as $5,377 in income each year from social security and interest and be liable to no tax—and no withholding—at all. If part of their income is from dividends, the total income could be even higher. To have this income, completely free of taxes or withholding, the couple would be receiving the maximum social security benefit of $2,178 and interest income of $3,199. This couple, which would avoid withholding entirely, would need about $80,000 in savings deposits, earning 4 percent, to receive $3,199 in interest.

An elderly couple with full social security benefits and $1,000 more than this in interest income—$4,199 a year—would, however, fall into the much-discussed overwithheld category. Their savings deposits would have to total about $105,000. The withholding each quarter would be $210—$160 more than necessary. Under the quarterly refund procedure, the couple would never be out of pocket more than $160, which is the first quarter's overwithholding. The quarterly refund from the first quarter would offset the overwithholding in the second quarter, and so on, indefinitely. This $160 would earn only about $6 for an entire year if left in their savings account at 4 percent.

How can anyone say this is hardship? Such a couple is well to do by almost anyone's standards—and there are very few such couples. Most elderly people would not be subject to withholding at all.

The amounts overwithheld generally will not be large. For more than half the people entitled to refunds, the amount overwithheld will be less than $10 per year. The average refund of overwithheld wages and salaries, in contrast, is $143—and wage and salary earners can collect their refunds only at the end of the year.

Withholding is necessary. A total of nearly $4 billion in dividends and interest—nearly 20 percent of the total—goes unreported on tax returns each year. Publicity campaigns aimed at increasing voluntary reporting have simply not worked. Internal Revenue has no way of checking many evasions, especially on interest payments, because only the large ones—$600 or more—have to be reported by the payors to the Government.

Withholding will pay for itself many times over. The estimated administrative cost of the withholding system is $19 million per year but $650 million in presently evaded taxes will be collected. Use of withholding to eliminate the many small and frequently unintentional evasions will free Internal Revenue agents to pursue the upper income bracket evasions which account for the difference between the $800 million in tax receipts now being lost and the $650 million withholding will bring in. These well-to-do evaders will, of course, be withheld 20 percent like everyone else—but they owe more than that.

Use of ADP, the suggested alternative to withholding, would cost more to do one-third of the job. Automatic data processing does not collect one penny in taxes. All it does is identify suspected tax evaders, who then have to be located and audited. Following up and auditing all evaders turned up by ADP would be literally impossible—there are 6 million taxpayers who have interest and dividend income and don't report any of it. At least an equal number—maybe more—report some, but not all, of their dividend and interest income. Just following up the biggest evaders, to recover $200 million in taxes, would cost the Government $29 million—half again the price of a withholding system that would collect more than three times that amount. The maximum additional tax that the Internal Revenue Service could collect effectively with ADP and a reasonable enforcement effort is $200 million. And even to accomplish only the $200 million increase in tax receipts would require an increase of over 3,000 in Internal Revenue's enforcement staff—a 55 percent jump in the number of office auditors presently employed and a 10 percent rise in the number of agents. In addition, use of ADP and enforcement personnel followups would require that business organizations make much more detailed and numerous reports to Internal Revenue than they do now—or would have to do under withholding. In addition, there is no ADP system fully in operation as of now—and won't be until 1966.

The system will be simple and convenient for payors of interest and dividends. They will make their payments of withheld taxes to the Government in one lump sum quarterly. They will not be required to keep detailed records of individuals to whom they make dividend and interest payments. In addition, they will be permitted to retain use of the withheld taxes for certain specified periods before they are turned over to the Government—a provision which will help offset the cost of withholding.

Withholding may involve some inconveniences, it is true. But the alternative is clear—continued lawless evasion of $800 million worth of taxes each year on nearly $4 billion of unreported interest and dividend income.

Honest taxpayers will support this proposal in justice to themselves and all others who now pay their full share of taxes.

RESOLUTION OF DES MOINES (IOWA) JAYCEES ON RESUMPTION OF NUCLEAR TESTING

Mr. MILLER. Mr. President, I ask unanimous consent that a resolution from the Des Moines Jaycees relative to resumption of nuclear testing be printed in the RECORD.

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

DES MOINES (IOWA) JAYCEES RESOLUTION

Whereas the United States of America is presently locked in a power struggle with the Union of Soviet Socialist Republics not alone of weapons and arms but also of ideals and philosophy; and

Whereas the United States of America cannot afford to fall behind in technological developments both for peaceful uses and for national security; and

Whereas the open society philosophy of the United States of America stands ready and willing to make concessions and compromises in the interests of a peaceful world situation but such attempts at securing this peaceful situation have been frustrated by the uncompromising attitude of the Union of Soviet Socialist Republics being a closed border society which has caused to heighten world tension; and

Whereas the United States of America has taken a strong position with the Union of Soviet Socialist Republics and must continue to do so in the future in order that a situation of building a wall between free and common people shall never be allowed to take place in this world in the future: Therefore be it

Resolved by the Des Moines Junior Chamber of Commerce, That the U.S. Senate be informed that the Des Moines Junior Chamber of Commerce is wholeheartedly in favor of a sound program of nuclear testing for the purposes of expanding technological experiments for peaceful uses of atomic energy and in the interests of preserving national security for a free society and further that we support a strong policy in regard to negotiations with other world powers in the interests of securing unto ourselves and all of the free people of the world a society which cannot be intimidated into untenable positions.

VIRGIL MAXWELL,
President.
RODNEY J. RYAN,
Vice President.

RESOLUTION OF MASON CITY (IOWA) CHAMBER OF COMMERCE TO FARM BILL, H.R. 10010

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution from the Mason City (Iowa) Chamber of Commerce in opposition to House bill 10010, the companion bill of which is now before the Senate, namely, S. 3225.

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

RESOLUTION OPPOSING ADOPTION OF H.R. 10010 BY FEDERAL CONGRESS

Whereas Mason City is located in one of the prime agricultural areas of the United States and of the world and its economy is intimately affected by legislation which would adversely affect agriculture and the processing of agricultural products; and

Whereas the subcommittee of the Legislative Committee of the Mason City Chamber of Commerce on Federal Controls of Business and Agriculture, composed, in part, of persons who have for many years been engaged either in farming or processing of agricultural products, or allied businesses, has, in writing, recommended to the legislative committee adoption of certain general recommendations with respect to Federal farm programs, and said legislative committee has recommended approval thereof by the Mason City Chamber of Commerce and forwarding of such recommendations to the Iowa Senators and Representatives in Congress; and

Whereas a copy of said written recommendations is attached hereto: Now, therefore, be it

Resolved by the Board of Directors of the Mason City Chamber of Commerce, That it hereby adopts and approves the recommendations of the legislative committee of the Mason City Chamber of Commerce and does hereby record its opposition to H.R. 10010 of the 2d session of the 87th Congress, all as set forth in the recommendations and report attached hereto and by this reference made a part hereof, it is further

Resolved, That the secretary of the Mason City Chamber of Commerce should be and hereby is authorized and directed to forward to H. R. GROSS and to Senators BOURKE B. HICKENLOOPER and JACK MILLER true and exact copies of this resolution.

Proposed and adopted this 20th day of April 1962.

MASON CITY CHAMBER OF COMMERCE,
JACK MACNIDER, *President.*

RECOMMENDATIONS OF AGRICULTURE COMMITTEE

We realize that agricultural production has been expanded; that the difficulties of the commercial farmers are due in substantial measure to faulty public policy adopted in the past. It is only a matter of justice that public policy should help farmers find workable solutions.

For many supported commodities it will be necessary to cut production below present output, so that forces of supply and demand will create prices that will allow efficient farmers to share equitably in growth and prosperity of the country.

AGRICULTURAL SUPPLY CONTROL PROGRAM

The agricultural supply program for agriculture submitted in House bill 10010 in the 2d session of the 87th Congress changes the program from a voluntary program to a program with compulsory participation, marketing quotas, and controls. If passed it would place the commercial farmers in the United States under rigid controls with penalties and policing of crops and production of milk, poultry, and vegetables.

We believe that the program would be restrictive and that it would decrease the efficiency of agriculture and jeopardize the development of the major efficient producing areas.

We recommend that the agricultural adjustment should be attained through amendments to the 1961 act by extending the voluntary land retirement, if necessary increase the retirement of entire farms. The amendment should provide for cross compliance in all programs and eliminations of special exemptions.

FOOD AID PROGRAMS

The major cost of food distribution aid, such as (1) school lunch programs (2) food stamp plans (3) U.S. welfare programs (4) food for foreign aid have been paid through agricultural appropriation and charged to agricultural projects. This gives a distorted perspective of the agricultural appropriations and is misleading. Funds used for food should be included in the budgets and charged to the agencies distributing and using the food in their respective programs and projects.

BELLAMY AWARD TO WEST HIGH SCHOOL OF WATERLOO, IOWA

Mr. MILLER. Mr. President, last Friday, May 18, was the birthday anniversary of Francis Bellamy, who wrote the Pledge of Allegiance to the American Flag. The pledge was written to commemorate the 400th anniversary of Columbus' Discovery of America. The nationwide observance commenced on October 13, 1892.

During his lifetime, Mr. Bellamy urged the spirit of patriotism upon our schoolchildren. As a result of his interest, the Francis Bellamy Flag Award was instituted in 1942—an annual distinction granted to a high school which has made an outstanding contribution to good citizenship.

I am both pleased and proud to be able to state officially that the 1962 Francis Bellamy Flag Award has been made to West High School of Waterloo, Iowa. This is the first Iowa school to receive this honor, and, inasmuch as the award is rotated among the States, it will be 50 years before an Iowa school can receive the award again.

Upon announcement of this designation, Mr. William W. Gibson, principal, pointed out that the standards, the traditions, and the honor of this high school are a result of the active support given it by the citizens of Waterloo, Iowa, by the loyal alumni, by the enthusiastic student body, and by an outstanding faculty.

I am informed that the deciding factors which brought this distinction to West High School are the following: First, the West High School Code: Duty, Honor, Service; second, the proficiency of performance of the principal and his staff; third, the accomplishments by the alumni in varied fields of endeaver, particularly in education and journalism; fourth, the daily flag-raising ceremony; fifth, the decided emphasis on good citizenship in the school and the community; sixth, the thorough, all-inclusive guidance program; seventh, the clear evidence of high academic standards, the high percentage of student accomplishments in science, homemaking, forensics, and the arts; eighth, the true "show must go on" spirit, in the face of a serious flood disaster threat in 1961; ninth, the cooperative attitude of both students and staff working with student teachers; and tenth, the special education program.

Mr. President, the warm blood of patriotism which flows through the veins of young people such as the students of West Waterloo High School, who have brought this honor upon themselves, their school, their city, and their State, makes meaningful the Pledge of Allegiance to the United States and to the Republic for which our flag stands. These are the citizens of tomorrow, in whose hands will be placed the future of our Nation, as the leader of the free world. The students of West Waterloo High School have demonstrated that these will be capable hands. We are proud of them.

THE INFLUENCE OF CONGRESS IN THE FORMATION OF DISARMAMENT POLICY—ADDRESS BY SENATOR CLARK

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD an address by the senior Senator from Pennsylvania [Mr. CLARK] entitled "The Influence of Congress in the Formation of Disarmament Policy." This excellent address was delivered last month in Philadelphia before the 66th annual

meeting of the American Academy of Political Science.

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

THE INFLUENCE OF CONGRESS IN THE FORMATION OF DISARMAMENT POLICY

(Address by Senator CLARK at 66th annual meeting of the American Academy of Political Science, Philadelphia, Pa.)

Introduction

The first month of the 17-nation Disarmament Conference at Geneva has produced little progress. Over the immediate future of the Conference hang the mushroom clouds of a new round of nuclear tests—expected daily. Conflicts with communism in Latin America, southeast Asia, and Berlin continue to plague the Western World. The time is inopportune, many will say, to discuss disarmament policy.

Yet I welcome the timing of this talk. We need a sound disarmament policy in bad times as well as in good. And the Congress has a part to play in formulating such a policy.

It is later than many prominent Americans seem to think. Just a few days ago, Secretary of State Dean Rusk estimated that "the upward spiral of destructive capability * * * if unchecked, could by 1966 be double what it is today." And if the upward spiral is not checked and checked soon, disaster may well overtake civilization.

Two of the great powers have recognized in words that the key to practical disarmament cannot await the solution of political problems. "Efforts should continue without interruption until agreement upon the total (disarmament) program has been achieved," read the United States-U.S.S.R. joint statement of September 1961. But their deeds do not match their words. In neither country is there the sense of urgency which is a prerequisite to ending that "delicate balance of terror" in which we live. Even so wise a commentator as Walter Lippmann thinks a permanent solution to Berlin and the German question must precede an effective disarmament treaty.

In Congress and throughout the country, we have failed to readjust our thinking about disarmament to make it comport with the basic new fact of international life: Two great powers have the present capability of destroying civilization. And either of them might do it through accident as easily as by design.

Today I deal with only one facet of that problem: The influence of Congress in the formulation of disarmament policy. For Congress does have an influence on all foreign policy, disarmament included. It is not the most important influence—the President is, of course. But the historic and present role of Congress, and particularly the Senate, has been and still is significant.

Three times in the recent past Congress has played an important role in disarmament: First, the Senate's rejection of the League of Nations Covenant in 1920; second, the ratification of the Washington Naval Disarmament Treaty in 1922; and finally, at the 1945 San Francisco Conference which created the United Nations.

No one who is concerned with disarmament and the Senate's part in it can read the history of Senate action on the Versailles Treaty without a feeling of alarm at the potential for mischief of the greatest deliberative body in the world. In a sense, the Covenant of the League of Nations was the first treaty to come before the Senate dealing with disarmament. Article 8 of the covenant called for far-reaching "reduction of national armaments" and curbs on "the manufacture * * * of munitions and implements of war."

The rejection of the covenant was warning for the future of the Senate's power to reject treaties, which most Americans believed were in the national interest. Few today would agree that the Senate was right.

It was almost as if the Senate were verifying Richard Olney's comment back in 1897 (shortly after he retired as Secretary of State):

"The treaty," he said, "in getting itself made by the sole act of the Executive without leave of the Senate * * * committed the unpardonable sin. It must be either altogether defeated or so altered as to bear an unmistakable Senate stamp—and thus be the means both of humiliating the Executive and of showing the world the greatness of the Senate."

It was a silly comment then. It is equally foolish today. But it represents then and now the facts of American political life. Woodrow Wilson in 1920, preoccupied with making the world safe for democracy, apparently forgot the comment in his visiting lectures on "Constitutional Government" at Columbia University in 1908:

"It is not only the privilege of the President, it is also his best policy and his plain duty to treat the Senate as an executive council. The President may himself act in the true spirit of the Constitution and establish intimate relations of confidence with the Senate on his own initiative, not carrying his plans to completion and then laying them in final form before the Senate to be accepted or rejected in order that there may be veritable counsel and a real accommodation of views instead of a final challenge and contest."

Wilson went to Versailles unaccompanied by Members of the Senate. The result was failure. On March 19, 1920, the resolution to advise and consent to the Versailles Treaty with 15 reservations obtained a large majority, 49 to 35 but it lacked 7 crucial votes of the constitutional requirement of two-thirds necessary for ratification.

Perhaps the painful lesson was learned. Just 2 years later, the Senate ratified 74 to 1 the five-power Washington Naval Disarmament Treaty with Great Britain, Japan, France, and Italy, calling for sharp cutbacks in our naval force to agreed limits and the actual destruction of major units of our fleet. Would anyone suggest that the treaty vote was unrelated to President Harding's appointment, at the suggestion of Secretary of State Charles Evans Hughes, of Senator Lodge, majority leader and chairman of the Foreign Relations Committee, Senator Underwood, minority leader and ranking minority member of the committee, and former Senator and Secretary of State Elihu Root as members of the U.S. delegation at the Washington conference?

Likewise, no one familiar with the history of the Senate's ratification of the Charter of the United Nations would underestimate the value of the presence on the U.S. delegation at San Francisco in 1945, of Senators Connally and Vandenburg and Representatives Bloom and Eaton, chairman and ranking minority members of the Senate Foreign Relations and House Foreign Affairs Committees. In addition, powerful Members of Congress were present as fiscal advisers and consultants to assist the delegation during the drafting of the charter.

I

What, then, is the role of Congress in the formulation of disarmament policy? What is our disarmament policy today? What part has Congress played, in its formulation? Specifically what influence did Congress have in the enunciation of U.S. disarmament policy by President Kennedy at the U.N. last September and in the creation of the new Arms Control and Disarmament Agency?

Present U.S. disarmament policy can be stated simply. The McCloy-Zorin agreement of last September calls for general and complete disarmament under strict international controls and "arrangements * * * to insure that the United Nations can effectively deter or suppress any threat or use of arms in violation of the purposes and principles of the United Nations."

Of course, when we leave policy for plans and procedures, we differ widely from the Russians. We insist on inspection and control of both armaments and the disarming process. They agree with the latter but will have no part of the former.

The U.S. plan, as stated by the President at the U.N. and elaborated by the Secretary of State at Geneva, calls for achievement of the agreed policy in three stages.

In stage one, to take 3 years, we have proposed measures subject to strict supervision by an International Disarmament Organization which would provide for (1) 30 percent cut in nuclear delivery vehicles and major conventional armaments; (2) reduction of armed force levels to 2.1 million men; (3) transfer to nonweapons purposes of 50 metric tons of uranium 235 worth more than $500 million and capable, when combined with other ingredients, of producing warheads with tens of thousands of megatons of explosive power; (4) observation and notification procedures to reduce the dangers of war by accident and surprise attack; and (5) a controlled, comprehensive ban on nuclear weapons tests of any sort in any place.

In stage two, we have called for the establishment of a permanent peace force within the U.N.; development of methods for the peaceful settlement of disputes; the dismantling of certain military bases and facilities; and further substantial reductions in armed forces and armaments, including nuclear weapons and delivery systems.

In stage three, we have proposed that the final steps to general disarmament under world law be taken: e.g., the reduction of forces to agreed internal police levels; elimination or transfer to international uses of all weapons stockpiles; and the development of the U.N. peace force and the U.N.'s peacekeeping capabilities so that aggression and rearmament can be prevented.

In the evolution of the U.S. plan, Members of the Congress have had an indirect but definite hand, little known outside Washington.

The present Soviet general disarmament proposal was first made by Khrushchev in a speech at the United Nations in September 1959.

It wasn't until the following March of 1960, that the United States made a counter offer for general and complete disarmament at the 10-power East-West meeting in Geneva. Our disarmament preparation had been woefully scant. The plan we then put forward was improved somewhat in a proposal tabled in June of 1960—after the Soviets had walked out of the conference. But that plan too was still quite vague.

When President Eisenhower left office few people knew that we had a plan for general disarmament, much less its strong points and weaknesses. Congressional backing and encouragement was almost nonexistent. It consisted of Senator HUMPHREY who heads the Senate Disarmament Subcommittee, and a small handful of people, including, if I may say so, me.

It was only after John McCloy was appointed Chief Disarmament Adviser by President Kennedy and went to work, that wider congressional attention was attracted. This was in the later spring of 1961. Some of Mr. McCloy's assistants were ex-congressional aides which facilitated the interchange of ideas and helped to keep interested Members of Congress current on developments. Parenthetically, significant and constructive staff level liaison between Congress and the Executive is relatively recent and has attracted little public notice to date.

In June two disarmament proposals were launched.

First, the President, fulfilling a pledge made in the spring of 1960 recommended to Congress the creation by statute of a U.S. Disarmament Agency for World Peace and Security to staff a major U.S. disarmament effort.

Senator HUMPHREY with a bipartisan group of 15 cosponsors, of whom I was one, introduced the Agency bill on June 29. At the same time, Congressman KASTENMEIER and 76 Congressmen introduced like bills in the House. There the matter stood for about a month while both Houses were occupied with other legislative matters.

At one of his regular Tuesday morning breakfasts with the legislative leaders of his party, the President inquired about the chances of passage in 1961 of the Disarmament Agency bill.

All save Senator HUMPHREY stated the chances as almost nil. Subsequently Senator HUMPHREY and I met with Mr. McCloy and other executive disarmament advisers. We determined to urge the President to press for immediate passage of the bill.

This was done. The President, who may or may not have needed persuasion, placed the Agency bill on his list for "must" passage in 1961. John McCloy, certainly one of the most skillful and effective advocates ever sent to the Hill, started to rally support in private talks and public appearances. Senator FULBRIGHT and Congressman MORGAN, chairmen of the Foreign Relations and Foreign Affairs Committees, went to work. The aid of ranking officials in the Eisenhower administration was sought and obtained. A bill which had been virtually written off sailed through Congress and was signed by the President on September 24. Only the closest coordination between a few Members of Congress and officials of the executive branch made creation of the Agency possible.

The negative role of Congress was sharply reasserted a few short days later. Just before adjournment the Senate and House Appropriations Committees cut the appropriation of the new Agency in half thus crippling its usefulness. Six months later it is just beginning to recover from this blow. As a result we were not as well prepared at Geneva as we should have been.

The background to the President's magnificent speech at the U.N. on September 25 is also revealing of Congress role in formulating disarmament policy. The suggestion that the President go to the U.N. and urge total and permanent disarmament was made by a few persons in and out of the Congress early last summer. Senator HUMPHREY and I advocated this course of action in Senate speeches in July and August and urged our views on the President personally at that time. Other Senators gave to the President other advice.

Happily, however, the result was a U.N. speech which challenged the Soviet bloc to a peace race, pledged U.S. support to a U.N. decade of development and urged that we join in dismantling the national capacity to wage war. In the President's words: "The weapons of war must be abolished before they abolish us." He proposed that disarmament negotiations resume promptly and continue without interruption until an entire program for general and complete disarmament has not only been agreed but has been actually achieved.

Yet the Senate, even today, is badly informed on the President's disarmament policy. An incident during last week's debate on the U.N. bond issue illustrates the point. A press story indicated that our delegation in Geneva would submit a plan that called for the elimination of national armies within 9 years. The statement differed little from those of the President I have just quoted. Yet a Senator drew attention to this article in obvious surprise and alarm. Another Senator, a noted supporter of the President, said that he had never heard anybody on the floor of the Senate, or, for that matter, in this country, make a declaration going that far, which would seek to abandon our own national forces. Regretfully—as a reading of the CONGRESSIONAL RECORD of April 5 will show—this unfamiliarity is not the sole property of these two men.

To my mind, there are a number of reasons for this. First, disarmament matters are extremely complex and are diffused among a number of already overburdened committees. The Senate Committees on Foreign Relations, Appropriations, Aeronautical and Space Sciences, and Armed Services all have jurisdiction as does the Joint Committee on Atomic Energy. Disarmament to each of these is a different, and sometimes secondary, problem. Committees occupied with determining how large our arsenal should be—whose daily currency is testimony from members of the military-industrial complex of which President Eisenhower warned—are not apt to regard highly their function as disarmament policy advisers.

May we not be heading for another Versailles? Is the Congress being prepared to advise and consent to a meaningful disarmament treaty? I fear not, and, more important, perhaps, does the country understand what the administration is up to? Again I fear the answer must be negative. Is not the conclusion that if disarmament should become diplomatically possible it would nonetheless fail for want of congressional approval? As of today, I fear the answer is "Yes."

Certain conclusions on the "Influence of Congress in the Formulation of Disarmament Policy," past and future, suggest themselves from the foregoing:

1. Congressional influence, for good and bad, has and will be great. Such influence is centered more in the Senate because of its veto power over treaties, but it is not limited to the Senate or to the Senate Foreign Relations Committee. For the House must appropriate the funds to make a treaty effective. And other committees of the Senate carry great weight. House and Senate Appropriations Committees, the Joint Atomic Energy Committee and House and Senate Armed Services Committees all have legitimate jurisdictional concern with disarmament policy. Members of Congress not on any of these committees have also exerted influence on policy.

2. Commonsense and the history of the Senate role in treaty deliberations strongly indicate Senate Members should be named at least as advisers to the delegation at Geneva.

3. Congress at best gets a gentleman's C on its knowledge of the U.S. position on disarmament. In part this is a staffing deficiency. The separate staff of the Senate Disarmament Subcommittee has been disbanded for lack of funds. Its functions have been inadequately absorbed by the general staff of the Foreign Relations Committee.

4. There are weaknesses in the U.S. position at Geneva due to inadequate preparations, notably in the development of international peace-keeping institutions and the problem of participation of other potential nuclear powers such as China. But few in Congress know or care about these matters.

5. The Disarmament Agency is still short-staffed, due in part to appropriation cuts and in part to lengthy security checks required by statute. It does not have all the answers to the tough, complex questions remaining to be solved before disarmament can get underway. Constructive intelligent criticism by Congress on and off the record can and must be increased. "Advice and consent" is needed—if only to help the Agency avoid political pitfalls in its relations with Congress.

In the end, much depends on the American people themselves. The incentive for Congress to be constructive rather than destructive must come from the grassroots of public opinion. Of course, the main burden in disarmament policy will continue to rest with the President and his advisers in the executive branch. Yet every informed citizen can help to create that climate of opinion without which disarmament policy cannot be successfully formulated, and, time and good fortune permitting, be successfully carried out.

Mr. HUMPHREY. Mr. President, I commend the Senator from Pennsylvania [Mr. CLARK] for this thoughtful and reasoned address on a topic which is of vital importance to all of us.

We are fortunate indeed to have in public life a person such as Senator CLARK who is a keen and serious student of foreign policy. I know of no Member of the Senate who has done more than has the senior Senator from Pennsylvania to support our President in his efforts to arrive at a meaningful, safeguarded, and workable disarmament agreement.

I shall never forget nor fail to appreciate all that the Senator from Pennsylvania [Mr. CLARK] did this past year to help win the passage of the Arms Control and Disarmament Agency bill, which it was my privilege to introduce in the Senate and which was passed by the Congress and enacted into law.

COMPARISON OF UNITED STATES AND U.S.S.R. DISARMAMENT PROPOSALS

Mr. HUMPHREY. Mr. President, both the United States and the Soviet Union have submitted draft proposals to the conference of the 18-nation Committee on Disarmament, which is now in session in Geneva.

These proposals have many similarities but they also have very important differences.

The Government of Canada prepared, in parallel columns, an outline comparison of the United States and U.S.S.R. proposals, and submitted this to the 18-nation conference in Document ENDC/36, on May 4, 1962.

Because I know this will be useful to the Members of the Senate and to the many students of disarmament problems who depend upon the CONGRESSIONAL RECORD, I ask unanimous consent to have it printed as a part of my remarks.

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

AN OUTLINE COMPARISON ON UNITED STATES AND U.S.S.R. DISARMAMENT PROPOSALS

(NOTE.—The present outline comparison has been prepared to take into account the "Outline of Basic Provisions of a Treaty on General and Complete Disarmament in a Peaceful World," tabled by the U.S. delegation on April 18, 1962. It will be observed that the various topics have been identified and listed under each stage, in accordance with the method of approach for which the plenary committee has shown a preference so far. Discussion on individual topics covered in each stage would be based on the actual language used in the indicated articles and paragraphs of the U.S.S.R. draft treaty and the U.S. outline of basic provisions of a treaty.)

STAGE I

U.S.A.	U.S.S.R.
Three years beginning upon entry into force of treaty. (Stage I, p. 4.)	Fifteen months beginning six months after entry into force of treaty. (Art. 19, p. 13.)
A. Armaments	
1. Reduction of Armaments	
Thirty percent reduction by specified parties to the treaty of nuclear delivery vehicles and major conventional armaments in inventories existing on an agreed date. The reduction would apply to each type of armament (e.g. B-52 bombers, Atlas missiles, M-60 main battle tanks). The 30 percent reduction in each type might be altered somewhat by the limited production allowance but this would not affect the overall 30 percent in numbers in each category or, in the case of strategic nuclear delivery vehicles, in destructive capability. Illustrations of categories of armaments and types within categories are given in treaty outline. (Art. A, par. 1, pp. 4-5.)	One hundred percent reduction in those weapons systems (rockets, military aircraft, surface ships, submarines and artillery) capable of delivering nuclear weapons. (Art. 5, 6, 7, 8, pp. 5-7.) Conventional armaments released as a result of decrease in force levels to be destroyed or converted to peaceful use. All such armament intended for use in reserve forces to be destroyed. In conventional armaments no requirement with respect to destruction of types. (Art. 11, par. 3, p. 10.)
2. Method of Reduction	
One-third of the stage I reduction, i.e., 10 percent of the total declared inventories, would be carried out in each one-year step. Each step would be divided into two phases: (a) transfer of armaments to be eliminated to depots under control of the International Disarmament Organization; (b) their destruction or conversion to peaceful uses. The IDO would provide verification of the armaments destroyed and verify that declarations were accurate and that armaments retained did not exceed the agreed levels as described in G. below. (Art. A, par. 2, pp. 5-6; art. 6, par. 3, subpar c, pp. 13-14.)	International Disarmament Organization to exercise control over destruction of weapons systems capable of delivering nuclear weapons (par. 3 of art. 5, 6, 7, 8, pp. 5-7) and over places where troops disbanded and released conventional armaments and military equipment destroyed, and to verify conversion to peaceful uses of means of transportation and other noncombat equipment. No provision for verification of retained levels. (Art. 11, par. 4, p. 10.)
3. Limitation on Production	
Production in broad categories of armaments (e.g. strategic nuclear delivery vehicles, tanks, ships) to be limited to agreed production allowance during beginning of stage I and halted by the beginning of stage II except for production, within agreed limits, of posts for maintenance of agreed retained arms. A party which elected to reduce its production within a category at a more rapid rate than provided by the treaty would be entitled, in lieu of this production, to retain existing arms within the category. In the event of production (or retention in lieu of production) of specific types of arms within the category, this would be offset by the destruction of additional armaments both in numbers and, where applicable, total destructive capability so that the 30 percent net reduction in the category would be maintained. (Art. A, par. 3, pp. 6-7.) Agreed annual quotas on flight testing of missiles (Art. A, par. 3, subpar. d, p. 7).	Production of weapons systems capable of delivering nuclear weapons halted, and all proving grounds demolished (par. 2 of art. 5, 6, 7, 8, pp. 5-7). Production of conventional armaments to be reduced proportionately to the reduction of armed forces. Reduction to be primarily through elimination of enterprises engaged exclusively in armaments production. IDO to verify dismantling. (Art. 12, p. 10.)
4. Additional Measures	
Agreement to examine and conclude arrangements to be implemented in stages II and III to reduce and eliminate production and stockpiles of chemical and biological weapons. (Art. A, par. 4, p. 7.)	Subject not dealt with until stage II.
B. Armed Forces	
1. Reduction of Armed Forces	
Force levels to be limited to 2.1 million each for the United States and the U.S.S.R. All other parties to the treaty would, with agreed exceptions, reduce force levels to 100,000 or 1 percent of their population. In no case would levels of such other parties exceed levels in existence upon entry into force of the treaty. (Art. B, par. 1, p. 7.)	Force levels to be limited to 1.7 million each for the U.S.S.R. and the United States. Levels for other states parties to the treaty to be agreed. (Art. 11, par. 1, pp. 9-10.)
2. Armed Forces Subject to Reduction	
Regular members of armed forces, conscripts serving full-time active duty, militarily organized security forces, and other forces or organizations equipped and organized to perform a military mission. (Art. B, par. 2, p. 7.)	Enlisted men, officers, and civilian employees. (Art. 11, par. 1, pp. 9-10.)
3. Method of Reduction	
Parties initially declare levels to IDO. One-third of stage I reduction to be carried out in each 1-year step. IDO to verify retained levels as described in G below. (Art. B, par. 3, pp. 7-8.)	Reduction to be carried out primarily through demobilization of personnel released as a result of elimination of the means of delivering nuclear weapons, dismantling foreign bases and withdrawal of troops from foreign territory. IDO to verify disbanding. (Art. II, pars. 2, 4, p. 10.)
4. Additional Measures	
Parties to make arrangements to insure that civilian employment by armed forces is in accordance with objectives of agreement on force levels. (Art. B, par. 4, p. 8.)	Civilian employees included in definition of force level. (Art. II, par. 1, pp. 9-10.)
C. Nuclear Weapons	
1. Production of Weapons Materials	
Production of fissionable materials for use in weapons to be stopped. Production of fissionable materials for purposes other than use in nuclear weapons to be limited to agreed levels. (Art. C, par. 1, p. 8.)	No comparable proposal in stage I.
2. Transfer to Peaceful Uses	
Upon the cessation of production an agreed quantity of weapons grade U-235 from past production to be transferred to peaceful uses by the United States and the U.S.S.R. (United States has proposed a transfer of 50,000 kilograms of U-235). (Art. C, par. 2, p. 9.)	No comparable proposal.
3. Transfer Between States for Peaceful Uses	
Transfers between countries of fissionable materials for purposes other than use in nuclear weapons to be subject to appropriate safeguards developed in agreement with the IAEA. (Art. C, par. 3, p. 9.)	No comparable proposal.
4. Nontransfer of Nuclear Weapons	
States who have manufactured nuclear weapons to be precluded from transferring control of such weapons to any nation not owning them nor to assist any such state in their manufacture. Parties to the treaty which have not manufactured nuclear weapons to be precluded from acquiring control over any nuclear weapons nor to manufacture or attempt to manufacture them. (Art. C, par. 4, p. 9.)	States possessing nuclear weapons to refrain from transferring control or transmitting information necessary for their production to states not possessing them. Parties to the treaty which do not possess nuclear weapons to undertake to refrain from producing or obtaining them and not to admit nuclear weapons on their territory. (Art. 16, p. 12.)
5. Nuclear Weapons Test Explosions	
Nuclear weapons tests to be prohibited under effective international control. (Art. C, par. 5, p. 10.)	The conducting of nuclear tests of any kind shall be prohibited. (Art. 17, p. 12.)
6. Additional Measures	
Parties to examine the feasibility and means of reducing and eventually eliminating stockpiles.	Subject not dealt with until stage II.
D. Outer Space	
1. Prohibition of Weapons of Mass Destruction in Orbit	
Parties not to place in orbit weapons capable of producing mass destruction. (Art. D, par. 1, p. 10.)	Placing into orbit or stationing in outer space of any special device capable of delivering weapons of mass destruction to be prohibited until final destruction of all means of delivering nuclear weapons. (Art. 14, par. 1, p. 11.)

STAGE I—continued

D. Outer Space—Continued

U.S.A.	U.S.S.R.
2. Peaceful Cooperation in Space	
Parties agree to support increased cooperation in peaceful uses of outer space. (Art. D, par. 2, p. 10.)	Launching of space devices to be for peaceful purposes only. (Art. 15, par. 1, p. 12.)
3. Notification and Prelaunch Inspection	
Advance notification to be given by parties to the treaty to the IDO of launching of space vehicles and missiles, together with the track of the vehicle. Prelaunch inspection to be conducted by the IDO to establish and operate any arrangements necessary for detecting unreported launchings. (Art. D, par. 3, pp. 10–11.)	Advance notification to be given by states to the IDO about all launchings of rockets for peaceful purposes. (Art. 15, par. 2, p. 12.)
4. Boosters	
The production, stockpiling, and testing of boosters for space vehicles to be subject to agreed limitations. (Art. D, par. 4, p. 11.)	No comparable proposal.
E. Military Expenditures	
1. Report on Expenditures	
Reports on military expenditures, including an itemization, to be filed with the IDO at the end of each step of each stage. (Art. E, par. 1, p. 11.)	IDO to have full access to records of central financial offices of states in connection with budgetary allocations to activities which subject to disarmament measures. (Art. 13, par. 2, p. 11.)
2. Verifiable Reduction of Expenditures	
Examination to be made by the parties to the treaty of questions related to the verifiable reduction of military expenditures. (Art. E, par. 2, p. 12.)	Military expenditures to be reduced in proportion to first-stage reduction in arms and armed forces. An agreed portion of the funds released to go to economic and technical assistance to underdeveloped countries. (Art. 13, par. 1, p. 11.)
F. Reduction of the Risk of War	
1. Advance Notice of Military Movements	
Advance notification to be given by specified parties of major military movements and maneuvers to other parties to the treaty and the IDO. (Art. F, par. 1, p. 11.)	Warships to be prohibited from leaving territorial waters and aircraft capable of carrying weapons of mass destruction to be prohibited from leaving national airspace. (Art. 14, par. 1, p. 11.)
2. Observation Posts	
Observation posts to be established by specified parties at major ports, railway centers, motor highways, river crossings, and air bases to report on concentrations and movements of military forces. (Art. F, par. 2, pp. 11–12.)	No comparable proposal in general disarmament plan, but contained in Foreign Minister Gromyko's September 26, 1961, memorandum.
3. Additional Observation Arrangements	
Such additional observation arrangements as might be agreed. (Art. F, par. 3. p.12.)	No comparable proposal.
4. Exchange of Military Missions	
Exchange of military missions between states or groups of states to be undertaken by specified parties to improve communication and understanding between them. (Art. F, par. 4, p. 12.)	No comparable proposal.
5. Communication Between Heads of Government	
Rapid and reliable communications to be established by specified parties among their heads of Government and the Secretary General of the United Nations. (Art. F, par. 5, p. 12.)	No comparable proposal.
6. International Commission	
Establishment of an International Commission on Reduction of the Risk of War to recommend further measures to reduce the risk of war by accident, miscalculation, failure of communication or surprise attack. (Art. F, par. 6, p. 12.)	No comparable proposal.
G. The International Disarmament Organization	
1. Establishment of IDO	
IDO to be established within the framework of the U.N. upon entry into force of the agreement. (Art. G, par. 1, p. 12.)	IDO to be established within the framework of the U.N. to begin operating as soon as disarmament measures are initiated. (Art. 2, par. 3, p. 3.)
2. Functions of IDO	
The general function of the IDO to be to insure compliance with the obligations undertaken by verifying the execution of measures agreed upon and assisting the states in developing the details of agreed further verification and disarmament measures. Nature of inspection by IDO depends upon nature of obligation being verified. (a) Where obligation deals only with reduction of arms, verification need only relate to reduction process. (b) Where obligation is to halt or limit production, IDO must have access to all production facilities, wherever located. Start with declared facilities, however, relying on verification measures in c below to discover any clandestine activities. (c) Where measure is one not to exceed agreed levels of armaments or armed forces or not to engage in clandestine production activities, IDO must have authority to make inspections necessary for verification, but the extent of inspection during any step or stage must be related to the amount of disarmament being undertaken and degree of risk from possible violations. Progressive zonal inspection suggested as an *example of one* way in which this principle might be given effect. (Art. G, par. 3, pp. 13, 14.)	The general function of the IDO to be to exercise control over the compliance by states with their obligations to reduce or eliminate armaments and their production and to reduce or disband their armed forces. (Art. 2, par. 3, p. 2, e.g. par. 3 of arts. 5, 6, 7, 8, pp. 5–9; art. 11, par. 4, p. 10, art. 12, par. 2, p. 10.)
3. Composition of IDO	
The IDO would be composed of: (a) A general conference of all parties to the treaty. (b) A Control Council consisting of representatives of all the major signatory powers as permanent members and other states on a rotating basis. (c) An Administrator, subject to the direction of the Control Council, with authority, staff and finances to insure effective and impartial functions of IDO. (Art. G, 1 par. 4, pp. 14–15.)	The IDO would be composed of: (a) A conference of all states parties to the treaty. (b) A Control Council consisting of the five states which are permanent members of the Security Council and an unspecified number of other states elected by the Conference for a 2-year period. The Council to represent the three principal groups of states existing in the world. (c) A staff, reporting to the Control Council, recruited by the Council on an international basis, so as to insure that the three principal groups of states existing in the world are adequately represented. (Arts. 40, 41, 42, pp. 25–27.)
4. Voting	
No proposal at this time.	Each party to the treaty to have one vote. Procedural decisions to be taken by simple majority, all others by two-thirds majority. (Art. 41, par. 2, p. 25; art. 42, par. 3, p. 27.)
H. Measures To Strengthen Arrangements for Keeping the Peace	
1. Obligations Concerning Force	
Parties to undertake to refrain from the threat or use of force contrary to the principles of the U.N. Charter. (Art. H, par. 1, p. 17.)	Parties agree to base relations on friendly coexistence, to refrain from the use of force. (Art. 3, par. 1, subpar. (a)(b), p. 4.)

STAGE I—continued

H. Measures To Strengthen Arrangements for Keeping the Peace—Continued

U.S.A.	*U.S.S.R.*
2. Rules of International Conduct	
Agreement to be undertaken to support a study by a subsidiary body of the IDO of the codification and progressive development of rules of international conduct related to disarmament. Parties agree to refrain from indirect aggression and subversion. (Art. H, par. 2, p. 17.)	No comparable proposal.
3. Peaceful Settlement of Disputes	
Utilization to be made of all appropriate processes for the peaceful settlement of disputes. Disputes concerning the interpretation or application of the treaty, not settled by negotiation or the IDO to be referred to the International Court of Justice. Parties support study for more effective use of procedures for settling international disputes and institution of new procedures and arrangements when needed. (Art. H, par. 3, pp. 17–18.)	Parties agree to strengthen U.N. (art. 3, par. 1, subpar. c, p. 4).
4. Maintenance of International Peace and Security	
Parties to agree to support measures strengthening the structure, authority and operation of the United Nations. (Art. H, par. 4, p. 18.)	
5. United Nations Peace Force	
Parties conclude arrangements for the establishment, in Stage II, of a United Nations Peace Force. (Art. H, par. 5, p. 18.)	To insure that the U.N. is capable of effectively protecting states against threats to or breaches of the peace, agreements to be concluded with the Security Council to make available to it armed forces, assistance and facilities as provided in Article 43 of the U.N. Charter. Peace Force to be made up of national armed forces which shall be stationed within their own territories and shall be placed at the disposal of the Security Council under the command of national military authorities. (Art. 18, p. 13.)
6. Peace Observation Group	
A peace observation group to be established staffed with a standing cadre of obervers to be dispatched to investigate any situation which might constitute a threat or a breach of the peace. (Art. H, par. 6, p. 19.)	
(Foreign Military Bases and Troops in Foreign Territories)	
1. Foreign Military Bases	
No comparable proposal in stage I. Proposal in stage II deals with reduction in bases wherever located.	All foreign military bases and depots to be dismantled. (Art. 9, pp. 7–8.)
2. Withdrawal of Troops from Foreign Territory	
	Simultaneously with the elimination of means of delivering nuclear weapons, all military personnel in foreign territories to be withdrawn. (Art. 10, pp. 8–9.)
I. Transition	
Transition from stage I to stage II dependent upon: (*a*) All stage I undertakings carried out; (*b*) All preparations for stage II completed; (*c*) All militarily significant states parties to treaty. During the last 3 months of stage I Control Council reviews circumstances, any permanent member of Control Council declaring foregoing circumstances do not exist should refer matter to Security Council. (Art. 1, p. 19.)	No specific requirement of a finding merely review by IDO during last 3 months of stage I of the results of the implementation of the first-stage measures with a view to reporting on them to the states parties to the Treaty as well as the Security Council and the General Assembly. (Art. 20, p. 13.)
STAGE II	
Stage II would begin upon the transition from stage I and would be completed within 3 years from that date. (Stage II, p. 20.)	The duration of the second stage shall be 15 months. (Art. 28, p. 18.)
A. Armaments	
1. Reduction of armaments	
Levels of armaments to be further reduced by 50 percent of the inventory existing at the end of stage I. Armaments of parties to the treaty which had not been subject to the reduction of armaments in stage I, during stage II to be reduced by 65 percent to accomplish s me total percentage of reduction by the end of stage II as parties which had reduced their armaments in stage I. (Art. A, par. 1, p. 20.)	All armaments capable of delivering nuclear delivery vehicles were to be eliminated in stage I. Levels of conventional armaments to be reduced proportionately to the reduction of armed forces. (Art. 24, par. 2, pp. 16–17.)
2. Additional Armaments Reduced	
Types of armaments subject to reduction expanded to include many of the smaller armaments not included in stage I. Fifty percent cut in each type of armaments. (Art. A, par. 2, pp. 20–21.)	No comparable proposa'.
3. Method of Reduction	
Same method as proposed for stage I.	Same method as proposed for stage I.
4. Limitation on Production and Related Activities	
Production to be halted except for production within agreed limits of parts for maintenance of the agreed levels. Production of ammunition reduced to levels consistent with agreed levels of armaments and forces. Development and testing of new types of armament would be halted. (Art. A, par. 4, p. 21.)	Production to be reduced in proportion to the reduction of armed forces. (Art. 25, p, 17.)
5. Additional Measures	
In light of the study undertaken during stage I, stockpiles of chemical and bacteriological weapons of mass destruction to be reduced to levels 50 percent below levels existing at beginning stage II and production halted IDO to check residual levels. (Art. A, par. 5, p. 22.)	CBR weapons to be eliminated and destroyed and instruments and facilities for combat use, and devices and facilities for storage and conservation to be destroyed, and production halted. IDO to verify destruction. (Art. 23, pp. 15–16.)
B. Armed Forces	
1. Reduction of Armed Forces	
Force levels for the United States of America, U.S.S.R. to be reduced to levels 50 percent below the levels agreed for the end of stage I (i.e. 1.05 million) and levels for all other parties to be further reduced on the basis of an agreed percentage. (Art. B, par. 1, pp. 22–23.)	Force levels to be reduced to one million each for the U.S.S.R. and the United States of America. Force levels for other states to be agreed. (Art. 24, par. 1, p. 16.)
2. Method of Reduction	
Same method of procedure as proposed for stage I.	Same method of procedure as proposed for stage I.
3. Additional Measures	
Agreed limitation on compulsory military training and refresher training for reserves. (Art. B, par. 3, p. 23.)	No comparable proposal in stage II.

STAGE II—continued

C. Nuclear Weapons

U.S.A.	U.S.S.R.
1. Reduction of Nuclear Weapons	
In light of examination in stage I, stocks of nuclear weapons to be reduced to minimum levels on the basis of agreed percentage. Reduction to be accomplished by transfer of nuclear materials from weapons use to peaceful uses. Nonnuclear components and assemblies of nuclear weapons from which fissionable materials had been removed to be destroyed. Production or refabrication of nuclear weapons from any remaining fissionable material to be subject to agreed limitations. (Art. C, par. 1, pp. 23–24.)	Production of nuclear weapons to be discontinued. All nuclear weapons shall be destroyed and all nuclear components as well as all stockpiles of nuclear materials for use in weapons shall be processed to render them unfit for use in weapons and be transferred to a special fund for peaceful uses belonging to the states which previously owned the weapons. (Art. 22, par. 1, p. 14.)
(Production of fissionable material for weapons)	
Proposed to be halted in stage I.	Production of fissionable material for weapons purposes to be discontinued. (Art. 22, par. 2, subpar. (a), p. 15.)
2. Registration of Nuclear Weapons	
All nuclear weapons remaining in last 6 months of stage II to be registered to facilitate verification during stage III that no nuclear weapons remained at disposal of state. (Art. C, par. 2, p. 24.)	Verification of measures by IDO which shall have the right to inspect all enterprises which extract nuclear raw materials for atomic production or which uses or produces fissionable materials or atomic energy. (Art. 22, par. 2, subpar. b, p. 15.)
3. Criminal Punishment	
No provision limited to nuclear weapons but see G. 5 of this stage II.	Parties to enact criminal legislation with respect to nuclear weapons. (Art. 22, par. 3, p. 15.)
D. Military Bases and Facilities	
Agreed military bases, wherever located, to be dismantled or converted to peaceful uses. (Art. D, pp. 24–45.)	Bases dealt with in stage I and limited to foreign bases.
E. Reduction of the Risk of War	
Extend measures undertaken during stage I. (Art. E, p. 25.)	No comparable proposal.
(Further reduction of military expenditures)	
No comparable proposal.	Reduce further their military budgets in view of further reduction in arms. An agreed portion of the funds released to go to economic and technical assistance to underdeveloped countries. (Art. 26, par. 1, pp. 17–18.)
F. The International Disarmament Organization	
IDO to be strengthened to ensure its capacity to verify stage II measures. (Art. F, p. 25.)	No comparable proposal.
G. Measures for Keeping the Peace	
1. Peaceful Settlement of Disputes	
In light of study of peaceful settlement of disputes during stage I, parties agree to additional steps to assure just and peaceful settlement of disputes. Parties accept compulsory jurisdiction of ICJ. (Art. G, par. 1, p. 25.)	No comparable proposal.
2. Rules of International Conduct	
Continue the stage I study of rules of international conduct with respect to disarmament. Rules recommended by study and approved by Control Council could be binding unless a majority disapproved or unless a party formally notified others it did not intend to be bound. (Art. G, par. 2, pp. 25–26.)	No comparable proposal.
3. United Nations Peace Force	
A U.N. Peace Force to be established and to come into being within the first year of stage II and be progressively strengthened during stage II. (Art. G, par. 3, p. 26.)	Armed forces to be continued to be placed at the disposal of the Security Council for use under article 42 of the U.N. Charter. (Art. 27, p. 18.)
4. United Nations Peace Observation Corps	
Arrangements to be concluded for the expansion of the activities of the U.N. Peace Observation Group. (Art. G, par. 4, p. 26.)	
5. National Legislation	
In accordance with their constitutional processes, national legislation to be enacted by parties to the treaty in support of the treaty imposing legal obligations on individuals and organizations under their jurisdiction. (Art. G, par. 4, p. 26.)	
H. Transition	
Same as proposed from stage I to stage II. (Art. H, pp. 26–27.)	Same as proposed from stage I to stage II. (Art. 29, p. 19.)
STAGE III	
Stage III would begin upon transition from stagel I and would be completed within an agreed period of time. (Stage III, p. 28.)	Stage III shall be completed over a period of 1 year. (Art. 39, p. 24.)
A. Armaments	
1. Reduction of Armaments	
Subject to agreed requirements for nonnuclear armaments of agreed types for national forces required to maintain internal order and protect the personal security of citizens, all armaments to be reduced during stage III. (Art. A, par. 1, p. 28.)	The states party to the treaty shall destroy or convert to peaceful uses all armaments, military equipment, and munitions, whether held by the troops or in depots. (Art. 31, par. 2, p. 20.)
2. Method of Reduction	
Same method as proposed for stage I. (Art. A, par. 2, p. 28.)	Same method as proposed for stage I. (Art. 31, par. 3, p. 20.)
3. Cessation of Production	
Subject to limitations stated in 1 above, and subject to agreed arrangement in support of the U.N. Peace Force, all production, applied resources, development or testing of armaments to be halted.	Military production to be discontinued with exception of production of agreed types and quantities of light firearms for maintaining internal order, including safeguarding frontiers and personal security of citizens, and to insure compliance under obligations to maintain international peace and security under U.N. Charter.
B. Armed Forces	
1. Reduction of Armed Forces	
All armed forces disbanded except those agreed to maintain internal order and protect personal security of citizens, and to be capable of providing agreed manpower for U.N. Peace Force—all others, including reserve forces and all organizational arrangements comprising or supporting national military establishments to be disbanded. (Art. B, par. 1, p. 29.)	The entire personnel of the armed forces shall be disbanded. Systems of military reserves shall be abolished. As part of the abolition of the military establishment, parties should— (a) Demobilize general staff. (b) Abrogate legislative acts dealing with military establishment. (c) Destroy all weapons. Parties entitled to retain agreed contingents of militia, armed with light firearms, to maintain internal order, including safeguarding frontiers and personal security of citizens, and to comply with organizations to maintain international peace and security under U.N. charter. (Art. 31, p. 20; art. 33, p. 21; art. 36, p. 23.)

STAGE III—continued

B. Armed Forces—Continued

U.S.A.	U.S.S.R.
2. Method of Reduction	
IDO to verify demobilization and that only permitted forces remained. (Art. B, par. 2, p. 29.)	IDO to verify demobilization with access to all documents pertaining to dismantling of armed forces. IDO to have access to any point in territory of parties to prevent re-establishment of armed forces. (Art. 38, par. 2, p. 24.)
3. Other Limitations	
All military conscription halted along with other inconsistent legislation. (Art. C, par. 3, p. 29.)	States to adopt legislation prohibiting military trainees, abolishing conscription and discontinuing courses for reservists. Prohibition of appropriations for military purposes, certain portion of the funds released going to economic and technical aid to underdeveloped countries. (Art. 39, p. 22; art. 35, p. 22.)
C. Nuclear Weapons	
1. Elimination of Nuclear Weapons	
In light of steps taken in stages I and II, parties to eliminate all nuclear weapons remaining at their disposal. (Art. C, par. 1, pp. 29–30.)	Proposal involves elimination all nuclear weapons in stage II.
2. Method of Reduction	
Elimination of nuclear weapons to be carried out under IDO control which would provide assurance no nuclear weapons, materials or production facilities left outside of control. (Art. C, par. 2, p. 30.)	
D. Military Bases	
Bases dismantled except as permitted or required under B:1 of stage III. (Art. D, p. 30.)	No specific proposal but implicit in proposal concerning forces which involved the conversion of all "premises" to peaceful use. (Art. 31, par. 3, p. 30.)
E. Research and Development of Military Significance	
Parties to report to IDO any basic scientific discovery or technological invention having potential military significance. Control Council of IDO to study discoveries and recommend measures for their control. Parties to support full international cooperation in all fields of scientific research and development. (Art. E, pp. 30–31.)	No comparable proposal.
F. Reduction of the Risk of War	
Extend measures applied during stages I and II and apply them to national forces required to maintain order and protect personal security of citizens. (Art. F, p. 31.)	No comparable proposal.
G. International Disarmament Organization	
IDO to be strengthened and maintained on a continuing basis. (Art. G, p. 31.)	IDO to have access at any time to any point within the territory of any party in order to prevent the re-establishment of armed forces and armaments. (Art. 38. p, 24.)
H. Measures for Keeping the Peace	
1. Peaceful Change and Rules of Conduct	
The steps taken under stages I and II to provide a basis for peaceful change in a disarmed world would be continued as would steps looking toward peaceful settlement of disputes and development of rules of international conduct relating to disarmament. (Art. H, par. 1, 2, p. 32.)	No comparable proposal.
2. United Nations Peace Force	
The United Nations Peace Force would be progressively strengthened until it had sufficient armed forces and armaments so that no state could challenge it. (Art. H, par. 3, p. 32.)	Parties to make available to Security Council under article 43, units from militia retained by it, and to provide assistance and facilities, including rights of passage. The size of these units will be specified by agreement and the command of the units shall be made up of representatives of the three principal groups of states existing in the world. (Art. 37, pp. 23, 24.)
I. Completion of Stage III	
To be determined by Control Council, if any permanent member objected, to be put before Security Council. (Art. I, p. 32.)	At end of period, IDO shall review the results with a view to reporting to states parties to treaty, Security Council and General Assembly of U.N. (Art. 31, p. 24.)
General Provisions	
1. Amendments	
Parties to agree to procedure for amendment, including a conference. (General Provisions, par. 1, pp. 32–33.)	Two-thirds majority at a conference can amend. (Art. 47, p. 29.)
2. Interim Agreement	
Interim agreement to involve establishment of a preparatory commission. (General Provisions, par. 2, p. 33.)	Preparatory Commission established immediately after signing. (Art. 45, p. 28.)
3. Parties and Entry Into Force	
United States, U.S.S.R., and agreed numbers of specified states. (General Provisions, par. 3, p. 33.)	All permanent members of the Security Council, as well as those that are their allies in bilateral and multilateral military alliances, and by an agreed number of nonaligned states. (Art. 46, p. 29.)
4. Finance	
Budget approved by General Conference and paid in accordance with a scale of apportionment fixed by General Conference. General Conference to have financial power. (General Provisions, par. 4, p. 34.)	Budget drawn up by Council and approved by Conference. Scale of apportionment fixed in treaty. (Art. 44, p. 28.)

PRESIDENT KENNEDY URGES PASSAGE OF KING-ANDERSON MEDICAL CARE BILL AT GARDEN RALLY

Mr. HUMPHREY. Mr. President, yesterday President John Kennedy spoke to an overflow crowd at Madison Square Garden in New York, and urged the passage this year of the King-Anderson bill which would provide hospital and health care for elder citizens under the social security system.

There can be no doubt that the King-Anderson bill has the overwhelming support of the people of this country. Yesterday, not only was Madison Square Garden filled to overflowing but also similar rallies in 32 other cities were jampacked, with a total of over 150,000 people attending them. The people of this country are demanding that this Congress pass the King-Anderson bill, and I am confident that before we adjourn this year we will see this measure passed and signed into law by our President.

The President in his address yesterday in New York City made a moving appeal for the passage of this proposed legislation. He spoke as a President who is vitally concerned with the well-being of our senior citizens. He spoke as a great humanitarian. And his message was warmly accepted by those attending the rallies and the millions of others at home who watched his address on television or listened to it on radio.

Health, hospital, and nursing home care for the aged is the number one domestic issue in 1962, and I would suggest to those in the Congress who stand opposed to the King-Anderson bill that they reexamine their position in light of the overwhelming support on behalf of our citizens for this measure and in light of the obvious necessity for a passage of a measure of this type to help solve the growing problem of medical expenses for our elder citizens. We cannot stand still in this area any longer. The American people expect the Congress to act in this area and they will be following closely what we do in this regard.

In conclusion, Mr. President, I ask unanimous consent that there be printed in the RECORD two articles and an editorial from today's New York Times on the medical care rally at Madison Square Garden, as well as the text of President Kennedy's address.

There being no objection, the articles, editorial, and address were ordered to be printed in the RECORD, as follows:

OLDER PEOPLE FILL GARDEN FOR RALLY—MOST ARE IN 60'S OR 70'S—2,500 IN OVERFLOW FIND SEATS ON 49TH STREET

(By Peter Kihss)

When elected officials have something to tell citizens, they should come out to meet them, President Kennedy affirmed yesterday. Admirers who had gathered on sun-drenched 49th Street, as well as inside the more comfortable Madison Square Garden, agreed with him.

Most of the 17,500 in the Garden and the 2,500 outside in the 90-degree heat were in their 60's, 70's or 80's. And they weren't just passive listeners to the gospel of medical care for the elderly through social security.

One hundred and eleven musicians 65 years old and up filled out a top-notch orchestra. Paul Taubman, their 51-year-old guest conductor, said they had the enthusiasm and willingness he found often in 14-year-old beginners but too often not in middle-aged musicians.

They were ready for other challenges, too. A 75-year-old and a 72-year-old got into a fist fight over a seat. In the Madison Square Garden first aid office one defied the other: "I'll take my glasses off—you take your teeth out—and we'll finish it."

On blocked-off 49th Street, 1,000 wooden folding chairs set up in front of a stage by the Department of Public Works were filled rapidly despite the intense sun. Stoops and fire escapes of tenements across the street provided still other vantage points for the outdoor audience, which heard the Garden proceedings over loudspeakers.

President Kennedy appeared highly pleased when he emerged from the Garden rally at 4:35 p.m. Introduced by Barry Gray, the radio commentator, he spoke over a portable microphone to the outdoor audience. He said:

"I want to express my thanks that when you all could have been seated in Coney Island or some other pleasant place, you came here. I hope you feel, as I do, that there is nothing better for those elected than to meet the citizens when they want to tell you something.

"IT'S TIME TO MOVE

"I hope we have a message that will go far across this country. I hope we got that message over today, affecting all of us from the youngest to the oldest, and that is: It's time to move.

"It's nice to be in New York. I may come back here all the time. It's very nice of you to come."

Inside, the crowd had not quite filled the 18,300 available seats although the Garden doors were closed at 1:24 p.m. The heat had probably staved off a greater influx, with rally organizers admitting that 40,000 invitations had gone out.

Twenty thousand tickets had been exchanged for $1 contributions. Twenty thousands free invitations were reported to have been sent to retired members of the International Ladies' Garment Workers Union and the Amalgamated Clothing Workers Union along with their last monthly pension checks.

Of the proceeds, $12,000 went for rental of the Garden, $3,500 to pay guards and ushers, and the rest to the Golden Ring Council of Senior Citizens here, cosponsor with the National Council of Senior Citizens.

MANY TAKE LUNCH

Many of the senior citizens foresightedly took lunch in paper bags; some took field glasses and there was an occasional transistor radio.

The first rush when the doors opened at 10:45 a.m. forced Samuel Meckler, 70, of 386 East 51st Street, against a wooden barricade; he was sent to St. Clare's Hospital with a lacerated ear. Eight others—including the two battlers—were treated in the first aid room for minor injuries.

Max Berger, 80, came from 26-25 Jackson Avenue, Long Island City. Why? "To see some good friends." It was explained that he was somewhat hard of hearing. "To see something good for old people," he amended.

Ben Cooper, 80, of 1151 Elder Avenue, the Bronx, came with the Golden Age Club of the Bronx River Young Men's and Young Women's Hebrew Association. He said he needed the medical-care program because "every day I'm getting a little older."

Isidore Rosenberg, 76, of 60 Avenue D., Brooklyn, a retired poultry worker, was the life of the party from the Lillian Wald Recreation Center. "I'm willing to be adopted," he announced. "I've got my own teeth."

LEFT GOP RANKS

A gentle, stately, cane-carrying man with a big Kennedy campaign button, Broaddus Andrew Jackson, of 791 Hicks Street, Brooklyn, said he was a retired merchant marine commander and 108 years old—born February 25, 1854. He said he had been a Republican until the 1960 national convention wouldn't let him nominate Governor Rockefeller for President and then he had helped to elect President Kennedy.

Mr. Jackson was introduced to Abraham A. Ribicoff, Secretary of Health, Education, and Welfare, among others. Bill Hutton, information director of the National Council for Senior Citizens, said Mr. Jackson had made 30 speeches for the medical-care program in such cities as Philadelphia, Chicago, and San Francisco. Mr. Hutton said the Social Security Administration had certified his age at 104.

In 1953, a Navy report put Mr. Jackson's birth date as February 29, 1888, which would make him now only 74. His sister Laura at that time said, "Broaddus is a dreamer, always was."

Bert Parks, the master of ceremonies, told the rally about the man who had been complimented with the remark: "Isn't it wonderful—90 and still chasing girls." The answer: "Yes, but I wish I could remember why."

COMEDIAN ENTERTAINS

When four delayed busloads with 280 senior citizens started filling the seats in the street, Jerry Shayne, night-club comedian, went out to talk. "You're interested in living," he declared. "That's the most important thing."

Mr. Shayne said he had asked two bricklayers what they were making. "I'm making a lousy $52.60 a week," one said. "I'm building a beautiful church with a spire," said the second, and Mr. Shayne said this man had the right idea, except "unfortunately he was fired—they were building a garage."

KENNEDY EXHORTS PUBLIC TO SUPPORT MEDICAL CARE BILL—TELLS 20,000 AT RALLY HERE PROGRAM FOR ELDERLY IS AS INEVITABLE AS TIDE—DOCTOR'S BACKING CITED—WAGNER, MEANY, AND RIBICOFF JOIN PLEA FOR ADVANCE IN BASIC SOCIAL GAINS

(By Clayton Knowles)

President Kennedy took the case for medical care for the aged under social security directly to the people yesterday.

He told them their support was essential if this, or any other piece of progressive legislation, is going to be passed. And he expressed confidence that the King-Anderson bill would be passed this year or, as inevitably as the tide comes in, next year.

The President spoke to an overflow crowd of 20,000—mostly elderly persons—at Madison Square Garden. His image and words, carried nationally by all three major television networks, went to 32 other rallies and into millions of homes from coast to coast.

Mr. Kennedy and other speakers addressing the enthusiastic Garden rally likened the campaign for medical care under social security to the drive waged in the mid-thirties by President Franklin D. Roosevelt to get the original Social Security Act passed.

FURTHER PROGRESS URGED

"All the great revolutionary movements of the Franklin Roosevelt administration in the thirties," the President said, "we now take for granted. But I refuse to see us live on the accomplishments of another generation. I refuse to see this country and all of us shrink from these struggles which are our responsibility in our time."

The political implications of the President's talk were thus clearly drawn. With a pivotal congressional election coming up this fall, it was patent the Democrats hoped to claim a major achievement if the bill passed, or a campaign issue with real bite if it failed.

The President's speech, delivered extemporaneously, was simple and direct.

"This is not a campaign against doctors, because doctors have joined with us," he said. "This is a campaign to help people meet their responsibilities."

He emphasized that an insurance payment of $12 or $13 under social security (he said a month but meant a year) would enable a citizen at age 65 to qualify for medical care that might otherwise exhaust his life savings and weigh heavily upon his family.

Others on the program, notably George Meany, president of the American Federation of Labor-Congress of Industrial Organizations, and Mayor Wagner, lashed out strongly at the Republicans for obstructionism and "a clear case of legislative blackmail."

The mayor attacked the position of Governor Rockefeller and Senator JACOB K. JAVITS, both of whom must stand for reelection this year.

Accusing them of trying to dodge and hedge on this issue, he declared:

"They have been fast with the amendments and quick with the alternatives. They have sprinkled their statements on this subject with 'buts' and 'howevers.' But on this issue, there is no longer any place to hide.

"Both Governor Rockefeller and Senator JAVITS must now come out into the open and support or oppose the King-Anderson bill."

RIBICOFF ALSO SPEAKS

The big Madison Square Garden rally, which also heard Secretary Abraham A. Ribicoff of the Department of Health, Education, and Welfare, was sponsored by the National

Council of Senior Citizens of Washington and the Golden Ring Council of Senior Citizens here.

The Garden itself, all but 750 of its 18,300 seats occupied by ticketholders who paid $1 each, was still gaily decked with red, white, and blue bunting, cellophane streamers and balloons that had been used the night before at the New York birthday salute to the President.

The doors were opened at noon, and by 1 p.m., when a program of entertainment started with Bert Parks as master of ceremonies, nearly every seat in all sections but the top balcony was taken. Outside, in 90° heat on the 49th Street side of the Garden, 2,500 persons who did not have tickets listened to the program over loudspeakers.

AMERICAN MEDICAL ASSOCIATION REPLIES TONIGHT

More than 150,000, it was reported, attended the 33 rallies in all. Seven other rallies had been held Saturday, and five more are being held today. There was also extensive radio coverage.

The American Medical Association, which had charged a "propaganda blitz," and will respond to the talks by the President and key members of his administration in a half-hour TV program tonight over the National Broadcasting Co. network. Its cost has been estimated at up to $75,000.

At the outset of his talk, President Kennedy noted sadly that Adolph Held, president of the Golden Ring Council had been felled by a heart attack as he worked on rally plans.

He then outlined a typical case of a retired wage earner who "always wanted to pay his own way" but who, hit by illness, found his life savings of $2,500 to $3,000 quickly spent for hospital care. Such a person, the President said, must then look for financial help to his children, themselves "heavily burdened because they're paying for their house * * * for their sickness * * * to educate their children."

Ultimately, Mr. Kennedy went on, the retired sick citizen is forced to "sign a petition saying he's broke and needs assistance."

The President thus highlighted the "rally of three generations" theme of the Garden demonstration. Then, detailing how social security payments under the King-Anderson bill would avoid such personal tragedy and indignity, the President said:

"This bill serves the public interest. It involves the Government because it involves the public welfare. The Constitution of the United States did not make the President or the Congress powerless. It gave them definite responsibilities to advance the general welfare, and that is what we are attempting to do."

MISINFORMATION ATTACKED

He charged that the American Medical Association and other opponents of the bill were directing a mail campaign to defeat it and that half of the letters he and Congressmen received were misinformed.

He stressed that "they do not comprehend what we're trying to do."

"I hope that one by one the doctors of the United States will take the extraordinary step of not merely reading the journals and the publications of the AMA, because I do not recognize the bill when I hear those descriptions," the President said.

He urged them to write to him, to Senator CLINTON P. ANDERSON or Representative CECIL KING, sponsors of the bill, to "get a concise explanation and the bill itself and read it."

Mr. Kennedy noted that critics of the King-Anderson bill demanded to know why the Government did not "mind its own business," why it sought to "sap individual self-balance," or to "take care of all the millionaires who don't need it."

"All these arguments were made against social security at the time of Franklin Roosevelt," he said. "They're made today. The mail pours in, and at least half of the mail, which I receive at the White House—on this issue and others—is thoroughly misinformed."

Mr. Meany in his speech charged that Senator JAVITS, in commenting on the King-Anderson bill "virtually put a price tag on the Republican votes for the President's program." Mr. Meany said the price was "inclusion of commercial insurance companies" in the bill.

MUSIC PROVIDED

Entertainers who helped keep the crowd happy until the speaking program began at 2:30 p.m. included Lucia Hawkins, LaVern Hutcherson and Avon Long, who did a medley from "Porgy and Bess"; Robert Morrill, tenor of the Metropolitan, and Mitch Miller and his sing-along group. Music was provided by a 111-piece Senior Musicians Symphony under the direction of Paul Taubman.

Only the President's address was carried nationally on the extensive television hookup. The American Broadcasting Co. carried the program live from 4 to 4:30 p.m., as did the Columbia Broadcasting System for member stations. CBS affiliates and the National Broadcasting Co. carried the program at 5:30 p.m.

This staggered TV coverage was worked out to enable rallies in the western reaches of the Nation to pick up the broadcasts in their cities and pipe it by telephone line to projectors that flashed it on big screens.

POLITICS AND MEDICAL CARE

The battle over medical care for the aged has become hotter than the weather. President Kennedy is putting all his personal popularity and the vast powers of his office into the fight for congressional approval of his program to meet the health bills of elderly persons through the insurance principles of social security.

The administration's campaign reached the saturation stage this weekend with the rallies it helped organize in New York and 41 other cities. The American Medical Association and those who share its fear that the White House program means Government domination of medical affairs are at a manifest disadvantage in the competition for mass support. But they are marshaling all their professional and political influence to try to keep the administration's King-Anderson bill from becoming law.

Inevitably, the program's envelopment in politics obscures objective evaluation of its merits in meeting the health needs of the country's 17 million aged—a group that gets more numerous and thus politically more consequential each year. Hippodrome tactics, hyperbole, threats and counterthreats tend to become a substitute for calm consideration. There is nothing unique about this. It is a concomitant of the democratic process, and the United States has survived tolerably well for nearly two centuries by trusting the good sense of its citizens to decide major issues.

Our own conviction remains firm that the Kennedy program is a reasonable approach to the solution of a serious social problem. Its payroll tax provisions are merely an extension of those used for a quarter century to finance monthly insurance payments for the aged. The arguments of socialism, originally made against the basic Social Security Act, no longer come from either Republicans or Democrats. On the contrary, recognition is almost universal that the program of old-age and survivors' benefits and unemployment insurance has been a major force for economic and social stability.

We see nothing in the plan to pay hospital and nursing home bills through social security that would upset traditional patterns of medical practice or interfere with the patient's freedom to choose his physician, hospital, or nurse. The alternate proposals range from the humiliating means test of the present Kerr-Mills law to the fiscal irresponsibility of the Republican-endorsed Bow bill, under which the Government would provide $125 a year in tax credits or direct subsidies to buy private health insurance policies for all the aged, rich, or poor. Congress can best fill the gap in our existing social insurance protection by passing the King-Anderson bill.

TEXT OF PRESIDENT KENNEDY'S ADDRESS

Thank you, ladies and gentlemen. My old colleague in the House of Representatives and friend, Aime Forand, Mr. George Meany, ladies and gentlemen, and fellow Americans: I am very proud to be here today at one of over 33 meetings which are being held across the United States. And it is a source of regret to me that the head of the most significant organization here today, Mr. Adolph Held, age 77, working on this meeting had a heart attack and was taken to the hospital. I think we should pass this legislation as soon as possible.

I have come to New York because I believe the effort in which we are engaged is worth the time and effort of all of us. I come from Boston, Mass., near Faneuil Hall, where for a whole period of years meetings were held by interested citizens in order to lay the groundwork for American independence.

And while there may be some who say that the business of government is so important that it should be confined to those who govern, in this free society of ours the consent and, may I say, the support of the citizens of this country is essential, if this, or any other piece of progressive legislation, is going to be passed. Make no mistake about it. Make no mistake about it.

Now why are we here? What is the issue which divides and arouses so much concern? I will take a case which may be typical, a family which may be found in any part of the United States. The husband has worked hard all his life, and he is retired. He might have been a clerk or a salesman or on the road or worked in a factory, stores, or whatever. He's always wanted to pay his own way.

He does not ask anyone to care for him; he wants to care for himself. He has raised his own family; he had educated it; his children are now on their own. He and his wife are drawing social security. It may run $75, $100, $125 in the higher brackets; let's say it's $100. And he has a pension from where he worked, the results of years of effort.

Now, therefore, his basic needs are taken care of. He owns his house. He has $2,500 or $3,000 in the bank. And then his wife gets sick.

And we're all going to be in a hospital—9 out of 10 of us—before we finally pass away. And particularly when we're over 65.

GRADUALLY INTO DEBT

Now she is sick—not just for a week but for a long time. First goes the $2,500—that's gone. Next he mortgages his house, even though he may have some difficulty making the payments out of his social security.

Then he goes to his children, who themselves are heavily burdened because they're paying for their house; and they're paying for their sicknesses, and they want to educate their children. Then their savings begin to go. This is not a rare case.

I talked to a Member of the Congress from my own State a week ago who told me he was going to send his daughter away to school, but because his father had been sick for 2 years, he could not do it. And Congressmen are paid $22,500 a year. And that's more than most people get.

So, therefore, now what is he (the typical case) going to do? His savings are gone, his children's savings—they're contributing, though they have responsibilities of their own—and he finally goes in and signs a petition saying he's broke and needs assistance.

THE SOLUTION

Now what do we say? We say that during his working years he will contribute to social security as he has in the case of his retirement, $12 or $13 a month. (This was apparently a slip of the tongue—under the measure this would be the annual payment.)

When he becomes ill, or she becomes ill, over a long period of time—he first pays $90 (of the hospital costs), so that people will not abuse it (the social security program). But then, let's say, he has a bill of $1,500.

This legislative bill does not—that we're talking about, Mr. ANDERSON's bill and Mr. KING's—solve everything. But let's say it's $1,500, of which a thousand dollars are hospital bills.

This legislative bill will pay that $1,000 in hospital bills, and then I believe that he and the effort he makes in his family can meet his other responsibilities. Now that does not seem such an extraordinary piece of legislation 25 years after Franklin Roosevelt passed the Social Security Act. [Applause.]

Well, let's hear what some people say. First we read that the American Medical Association is against it, and they're entitled to be against it, though I do question how many of those who speak so violently about it have read it. But they are against it, and they are entitled to be against it if they wish.

In the first place, there isn't one person here who isn't indebted to the doctors of this country. Children are not born in an 8-hour day. All of us have been the beneficiaries of their help. This is not a campaign against doctors, because doctors have joined with us. This is a campaign to help people meet their responsibilities.

There are doctors in New Jersey who say they will not treat any patient who receives it. Of course they will. They are engaged in an effort to stop the bill. It is as if I took out somebody's appendix.

The point of the matter is that the American Medical Association is doing very well in its efforts to stop this bill. And the doctors of New Jersey and every other State may be opposed to it, but I know that not a single doctor, if this bill is passed, is going to refuse to treat any patient.

No one would become a doctor just as a business enterprise. It's a long, laborious discipline. We need more of them. We want their help—and generally we're getting it.

The problem, however, is more complicated because they do not comprehend what we're trying to do.

FREEDOM NOT AFFECTED

We do not cover doctors' bill here. We do not affect the freedom of choice—you can go to any doctor you want. The doctor and you work out your arrangements with him. We talk about his hospital bill. And that's an entirely different matter.

And I hope that one by one the doctors of the United States will take the extraordinary step of not merely reading the journals and the publications of the American Medical Association, because I do not recognize the bill when I hear those descriptions.

But, instead, to write Secretary Ribicoff in Washington, or to me—and you know where I live—or to Senator ANDERSON or to Congressman KING, if you are a doctor or opposed to this bill, and get a concise explanation and the bill itself and read it.

All these arguments were made against social security at the time of Franklin Roosevelt. They're made today. The mail pours in, and at least half of the mail which I receive in the White House and—on this issue and others—is thoroughly misinformed.

MISINFORMATION SCORED

Last week I got 1,500 letters on a revenue measure, 1,494 opposed and 6 for. And at least half of those letters were completely misinformed about details of what they wrote—and why is that so?

Because there are so many busy men in Washington who write. Some organizations have 600, 700, and 800 people spreading mail across the country asking doctors and others to write in and tell your Congressman you're opposed to it.

The mail pours into the White House, into the Congressman's and Senator's office. Congressmen and Senators feel people are opposed to it. Then they read a Gallup poll which says 75 percent of the people are in favor of it, and they say, "What has happened to my mail?"

The point of the matter is that this meeting and the others indicate that the people of the United States recognize—one by one, thousand by thousand, million by million—that this is a problem whose solution is long overdue. And this year, I believe, or certainly as inevitably as the tide comes in, next year, this bill is going to pass.

THE GOVERNMENT'S BUSINESS

And then other people say, "Why doesn't the Government mind its own business?" [Laughter.] What is the Government's business? is the question. Harry Truman said that 14 million Americans had enough resources so that they could hire people in Washington to protect their interests, and the rest of them depended upon the President of the United States and others.

This bill serves the public interest. It involves the Government because it involves the public welfare. The Constitution of the United States did not make the President or the Congress powerless. It gave them definite responsibilities to advance the general welfare, and that is what we are attempting to do.

And then I read that this bill will sap the individual self-reliance of Americans. I can't imagine anything worse—or anything better—to sap someone's self-reliance than to be sick, alone, broke or to have saved for a lifetime and put it out in a week, 2 weeks, a month, 2 months.

I visited twice today—yesterday—and once today a hospital, where doctors labor for a long time, to visit my father. It isn't easy. It isn't easy. He can pay his bills. But otherwise, I would be. And I'm not as well off as he is.

OLD BATTLES RECALLED

But what happens to him and to others when they put their life savings in in a short time?

So I must say that I believe we stand about where—in good company today, in halls such as this where your predecessors, where Dave Dubinsky himself actually stood, where another former President stood and fought this issue out of social security against the same charges.

This argument that the Government should stay out, that it saps our pioneer stock—I used to hear that argument when we were talking about raising the minimum wage to $1.25.

I remember one day being asked to step out into the hall, and up the corridor came four distinguished-looking men with straw hats on and canes. They told me they had just flown in from a State in a private plane, and they wanted me to know that if we passed the bill providing for time and a half for service-station attendants who were then working about 55 to 60 hours at straight time, it would sap their self-reliance.

NOT A HANDOUT

The fact of the matter is what saps anyone's self-reliance is working 60 hours at straight time or working at 85 or 95 cents or $1 an hour, or depending upon filling out a pauper's oath and going up and then getting it free. Nobody in this hall is asking for it for nothing. They are willing to contribute during their working years. That is the important principle which has been lost sight of.

I understand that there's going to be a program this week against this bill, in which an English physician is going to come and talk about how bad their plans are. It may be. But he ought to talk about it in England, because this plan—this plan, and what they do in England—is entirely different.

In England the entire cost of medicine for people of all ages, all of it—doctors, the choice of doctors, hospitals, from the time you're born to the time you die—are included in a government program.

We are behind every country pretty nearly in Europe in this matter of medical care for our citizens. And then there are those who say that this should be left to private efforts.

AID TO DOCTORS NOTED

In those hospitals in New Jersey where the doctors said they wouldn't treat anyone who paid their hospital bills through social security, those hospitals and every other new hospital, the American people, all of them, contribute one-half, one- or two-thirds to every new hospital through the National Government.

We pay 55 percent of all the research done. We help young men become doctors. We are concerned with the progress of this country, and those who say that what we are now talking about spoils our great pioneer heritage should remember that the West was settled with two great actions by the National Government.

One, in President Lincoln's administration when he gave a homestead to everyone who went West. And in 1862 he set aside Government property to build our land-grant colleges. This cooperation between an alert and progressive citizenry and a progressive Government is what has made this country great, and we shall continue as long as we have the opportunity to do so.

This matter should not be left to a mail campaign. Where Senators are inundated, or Congressman, 25,000 and 30,000 letters, the instructions go out: "Write it in your own hand. Don't use the same words." The letters pour in 2 or 3 weeks—half of them misinformed.

DETERMINATION STRESSED

This meeting today on a hot, good day—when everyone could be doing something else—and at 32 other meetings, this indicates that the American people are determined to put an end to meeting a challenge that hits them at a time when they're least able to meet it.

And then, finally, I had a letter last week saying, "You're going to take care of all the millionaires, and they don't need it." I do not know how many millionaires we are talking about. But they won't mind contributing $12 a month to social security.

And they may be among those who will apply for it when they go to the hospital. But what I will say is that the National Government, through the tax laws, already takes care of them. Because over 65 they can deduct all their medical expenses.

What we are concerned about is the person not who has not got a cent, but those who saved and worked and then get hit. Then there are those who say, "Well, what happens if you die before you're 65?" Well, there isn't—you really don't care—you have no guarantee.

But what we are talking about is: our people are living a long time; their housing is inadequate; in many cases their rehabilitation is inadequate.

We've got great unfinished business in this country.

But what we're talking about is entirely different. And I hope that while he's here, he—and Dr. Spock [the pediatrician] and others who have joined us—will come to see what we're trying to do.

The fact of the matter is that what we are now talking about doing, most of the countries of Europe did years ago. The British did it 30 years.

NOT A FULL SOLUTION

And while this bill does not solve our problems in this area, I do not believe it is a valid argument to say this bill isn't going to do the job. It will not, but it will do part of it.

Our housing bill last year for the elderly—that won't do the job. But it will begin.

When we retrain workers—that won't take care of unemployment chronically in some areas. But it's a start.

We don't, aren't able overnight to solve all the problems that this country faces, but is that any good reason why we should say, "Let's not even try"? That's what we're going to do today. We are trying. We are trying.

And what we're talking about here is true in a variety of other ways. All the great revolutionary movements of the Franklin Roosevelt administration in the thirties we now take for granted.

OUR RESPONSIBILITY

But I refuse to see us live on the accomplishments of another generation. I refuse to see this country and all of us shrink from these struggles which are our responsibility in our time, because what we are now talking about in our children's day would seem to be the ordinary business of government.

So I come here today as a citizen asking you to exert the most basic power which is contained in the Constitution of the United States and the Declaration of Independence: the right of a citizen to petition his Government. And I ask your support in this effort.

This effort will be successful, and it will be successful because it is soundly based to meet a great national crisis. And it is based on the efforts of responsible citizens.

So I want to commend you for being here. I think it's most appropriate that the President of the United States, whose business place is in Washington, should come to this city and participate in these rallies, because the business of government is the business of the people, and the people are right here.

SUPPORT INVITED

In closing, might we say that on this issue and many others, we depend upon your help. This is the only way we can secure action to keep this country moving ahead; to have places to educate our children; to have decent housing; to do something about the millions of young children who leave our schools before they graduate. Every day I am reminded of how many things were left undone.

Thirty years ago they provided that no drugs be put on the market which were unsafe for hogs and for cattle. We want to take the radical step of doing the same for human beings. Anyone who says that Woodrow Wilson, as great a President as he was, and Franklin Roosevelt and Harry Truman, that they did it all and we have nothing left to do now, are wrong.

We ask you, the citizens of this country, the responsible and thoughful doctors, the hospital administrators—all those who face this challenge of educating our children, finding work for our older people, finding security for those who have retired, all who are committed to this great effort and are moving this country forward—come and give us your help.

THE BILLIE SOL ESTES CASE

Mr. METCALF. Mr. President, on Thursday, May 17, the Senator from Delaware [Mr. WILLIAMS] discussed an article from the Washington Evening Star for May 16. I was acting as Presiding Officer at the time and listened with interest to the speech. However, the Senator from Delaware failed to have the complete article inserted in the CONGRESSIONAL RECORD; and in order that the article may be read in its entirety in connection with that speech, I ask unanimous consent that the article referred to be printed at this point.

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

TWO PSYCHIATRISTS FOUND MISS JONES MENTALLY ILL

(By Miriam Ottenberg)

Miss Mary Kimbrough Jones, whose mental problems have been injected into the Billie Sol Estes case, was found of unsound mind by two psychiatrists at District General Hospital, court records disclosed today.

Frederick A. Thuee, chairman of the District Mental Health Commission which recommended Miss Jones' release to her sister's custody, described Miss Jones as "a very sick girl." He said the psychiatrists on the Commission emphasized to the sister that Miss Jones needed psychiatric care.

Senator WILLIAMS, Republican of Delaware, charged this week on the Senate floor that Miss Jones was "railroaded to a mental institution for no reason other than that she knew too much" about the Estes case. Miss Jones was secretary to N. Battle Hales, who has accused the Agriculture Department of favoritism in behalf of the indicted west Texas financier.

The official records in Miss Jones' case begin with a police report signed by Pvt. Robert H. Selby, of the fourth precinct, who reported answering a call to the Agriculture Department about 12:20 p.m. on April 25, 1962. While he was there, Private Selby reported, he observed Miss Jones, 51, "rambling around the office" of Dr. Lee K. Buchanan, Chief of the Agriculture Department's Health Division, "who stated that before we arrived she was hitting him on the head with her shoe, screaming and crying."

REPORTED AS CONFUSED

The policeman's report described Miss Jones as confused, saying everyone was her enemy. Her conversation, he said, was disjointed.

Private Selby concluded his brief report by saying Miss Jones' physician, Dr. Harold Heiges, "knows of her condition and wished the police to assist him. He would be waiting at District General Hospital."

Since Senator WILLIAMS has said he was told by Dr. Heiges that the physician was "not consulted prior to Miss Jones' commitment," Private Selby was specifically asked by his superior officers yesterday if he called Dr. Heiges himself or was simply told about Dr. Heiges by Dr. Buchanan.

Private Selby told police officers that Dr. Buchanan gave him Dr. Heiges' telephone number and the policeman called him. He said Dr. Heiges indicated his awareness of Miss Jones' condition and told Private Selby he would meet him at the hospital, which he did not do.

The policeman said Dr. Heiges offered to sign an affidavit for Miss Jones' commitment but Private Selby told him that would not be necessary because the police had observed enough to take her to the hospital.

CAN'T ACT ON HEARSAY

Under District law, police cannot detain a person for mental observation unless they personally witness enough to convince them that the person cannot safely remain at large.

This requirement that the police make their own observations before picking up people for commitment was put into the law as a safeguard against "railroading."

Private Selby, according to police officials, had no idea who Miss Jones was when he took her to the hospital.

On the same day that Private Selby accompanied Miss Jones to the hospital, he went through the rest of the formalities—affidavit to the chief of police saying he believed Miss Jones to be of unsound mind and a petition to the court requesting the Mental Health Commission to examine the case for commitment to St. Elizabeths Hospital or "if harmless, commitment to relatives and friends willing to accept the care, custody, and maintenance."

If the hospital had found that Miss Jones was of sound mind, she could have been released at any time, and the Mental Health Commission would have been notified to have the petition dismissed.

The hospital's psychiatrists, however, did not reach that conclusion.

PICTURED AS DANGEROUS

A medical certificate signed by Dr. Richard Schaengold and Robert H. Pine of the hospital psychiatric staff and filed with the Mental Health Commission certified that the patient was in need of hospital treatment for mental disease.

In answer to a question on the form as to suicidal or homicidal tendencies, the doctors reported: "She is dangerous to herself and others because of her mental condition."

Under remarks the doctors noted: "This patient shows a silly, inappropriate affect associated with inappropriate gesturing, loose associations, ideas of reference and excessive evasiveness, suspiciousness and guardedness. She denies any illness, insight is poor and her intellectual function is markedly impaired by autistic thinking."

In a certificate filed with the court on April 27, the two psychiatrists reported "in our judgment, Miss Jones is of unsound mind and is a proper subject for commitment to a hospital for treatment of her mental condition." Their diagnosis: "Schizophrenic reaction, acute undifferentiated type."

On May 7, the Mental Health Commission held a closed hearing at the hospital attended by Miss Jones' brother from Baltimore, her sister from North Carolina, Mr. Hales, Dr. Pine of the hospital staff, her attorney, a guardian appointed by the Commission and a Health Department representative. Neither Dr. Buchanan of the Agriculture Department nor Dr. Heiges attended.

SISTER ASKS CUSTODY

The Commission reported to the court that Miss Jones' sister, Mrs. Elizabeth Allen, of Sanford, N.C., wanted Miss Jones discharged in her custody and agreed to take care of her.

The next day, May 8, District Court Judge John L. Hart, Jr., signed an order discharging Miss Jones to the custody of her sister "who is willing to assume the responsibility and provide for the necessary care and treatment of the patient in her home under the supervision of a physician of their own choice."

Commission Chairman Thuee had not released Miss Jones as of sound mind but "we felt that if we could get her under the care of a private doctor, a good psychiatrist, there was no place like home for her."

He said one of the two psychiatrists on the Commission, Dr. Anna C. Todd, had stressed to Mrs. Allen that Miss Jones was ill and discussed the availability of a psychiatrist near their North Carolina home.

Mr. Thuee said the Commission often recommended release of the patient to their families when they were assured that proper

care and psychiatric treatment would be provided and there was no apparent reason for the patient to be restrained.

Miss Jones is still in her one-room apartment in Arlington, Va., with her sister. Private Selby has made two trips to Capitol Hill to be interviewed by Members of Congress. And both the Mental Health Commission file and the court record of the Jones case are getting well thumbed as official and unofficial investigators look for anything out of the ordinary in the case of Mary Kimbrough Jones.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, the junior Senator from Montana [Mr. METCALF] earlier today inserted in the RECORD an article which appeared in the Washington Star of May 17 entitled "Two Psychiatrists Found Miss Jones Mentally Ill." This statement was released by Frederick A. Thuee, Chairman of the District Mental Health Commission.

That statement is directly opposite to what Mr. Thuee had stated only 10 days earlier. On May 7, when Miss Jones was discharged by Mr. Thuee and his board, he released this statement to the press; I quote:

Miss Mary Kimbrough Jones, former secretary to N. Battle Hales, a figure in the Billie Sol Estes-Agriculture Department investigation, today was discharged from District General Hospital where she had been under mental observation since April 25.

A District Mental Health Commission hearing, which lasted more than an hour, certified Miss Jones, 51, as sane.

That statement of May 7 was released by Mental Health Commission Chairman Fred A. Thuee, who presided over the three-man board, which also included two staff psychiatrists from the hospital.

During the 10 days in which they changed their mind they had not seen Miss Jones.

To show the complete inconsistency in Mr. Thuee's statements, I ask unanimous consent that there be printed in the RECORD immediately following the insertion of the junior Senator from Montana the article containing their original statement as appearing in the Washington Star of May 7, entitled "Hale's Ex-Secretary Ruled Mentally Sound."

Mr. President, I am beginning to wonder if these psychiatrists are not more confused than some of their patients.

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

[From the Washington Star, May 7, 1962]

HALES' EX-SECRETARY RULED MENTALLY SOUND

Miss Mary Kimbrough Jones, former secretary to N. Battle Hales, a figure in the Billie Sol Estes-Agriculture Department investigation, today was discharged from District General Hospital where she had been under mental observation since April 25.

A District Mental Health Commission hearing, which lasted more than an hour, certified Miss Jones, 51, as sane. Mental Health Commission Chairman Fred A. Thuee presided over the three-man board, which also included two staff psychiatrists from the hospital.

Miss Jones was taken to the hospital April 25 by fourth precinct police at the request of Dr. Lee K. Buchanan, Chief of the Health Division of Agriculture's personnel office.

Her former superior, Mr. Hales, today told a reporter Miss Jones had been concerned about classified files in his office which were barred to him after his transfer to another section of the Department April 20. Last Friday, in a press conference, Mr. Hales charged the files contained pertinent information in the investigation of alleged preferential treatment for Estes, a Texas financier.

Mr. Hales also charged he was transferred so he would be denied access to the records.

"I talked to her (Miss Jones) the Friday (April 20) I was barred from the records. I talked to her on the phone and she was concerned about the safety of the records. I reassured her and she seemed all right then. The next I heard, she was brought here (the hospital)," Mr. Hales said today.

A court order for mental observation was obtained April 26, according to Miss Jones' attorney, William T. Pace. The Mental Health Commission must report within 25 days whether a patient is to be retained at District General Hospital for further examination, sent to St. Elizabeths for psychiatric care, or be discharged as being of sound mind. Today's action did the latter.

Testifying at the hearing were two staff psychiatrists, Drs. J. L. Foy and Robert Pine, Pvt. Robert Selby, of the fourth precinct, who took her to the hospital, Mr. Hales, and Miss Jones' brother and sister. The hearing was closed to the press.

DUTY, HONOR, AND COUNTRY: GENERAL MACARTHUR'S MEMORABLE ADDRESS TO THE GRADUATING CLASS AT WEST POINT

Mr. GRUENING. Mr. President, at the graduating exercises of the U.S. Military Academy at West Point, General of the Army Douglas MacArthur delivered, on the 59th anniversary of his graduation, when he headed his class, a memorable address. The National Observer, from which this text is taken, states in an italic headnote that this speech was "delivered without text and without notes." If this is so—and there is no reason to doubt it—it represents either a superbly eloquent piece of extemporized oratory or a no less remarkable feat of memorizing. In either case, it is an address which, in my judgment, merits the encomium of being considered a classic. It is, I feel, one of the great speeches of American history both as to diction and content. As such, it deserves the widest dissemination.

It is therefore with a sense of deep appreciation, both for the man and his words, that I ask unanimous consent that General MacArthur's address be printed at this point in my remarks.

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

AN OLD SOLDIER TO THE NEW ONES: DUTY, HONOR, AND COUNTRY

(General of the Army Douglas MacArthur accepted the Sylvanus Thayer Award for service to his Nation at ceremonies in Washington Hall, the cadet mess hall, at the Military Academy at West Point on May 12. He was graduated from the Academy in 1903, first in his class. In this dramatic speech, delivered without text or even notes, the 82-year-old general bid farewell to the cadet corps and gave it a code of conduct.)

No human being could fail to be deeply moved by such a tribute as this, coming from a profession I have served so long and a people I have loved so well. It fills me with an emotion I cannot express. But this award is not intended primarily for a personality, but to symbolize a great moral code—the code of conduct and chivalry of those who guard this beloved land of culture and ancient descent.

"Duty," "honor," "country"—those three hallowed words reverently dictate what you want to be, what you can be, what you will be. They are your rallying point to build courage when courage seems to fail, to regain faith when there seems to be little cause for faith, to create hope when hope becomes forlorn.

Unhappily, I possess neither that eloquence of diction, that poetry of imagination, nor that brilliance of metaphor to tell you all that they mean.

The unbelievers will say they are but words, but a slogan, but a flamboyant phrase. Every pedant, every demagog, every cynic, every hypocrite, every troublemaker, and, I am sorry to say, some others of an entirely different character, will try to downgrade them even to the extent of mockery and ridicule.

But these are some of the things they build. They build your basic character. They mold you for your future roles as the custodians of the Nation's defense. They make you strong enough to know when you are weak, and brave enough to face yourself when you are afraid.

WHAT THE WORDS TEACH

They teach you to be proud and unbending in honest failure, but humble and gentle in success; not to substitute words for action; not to seek the path of comfort, but to face the stress and spur of difficulty and challenge; to learn to stand up in the storm, but to have compassion on those who fall; to master yourself before you seek to master others; to have a heart that is clean, a goal that is high; to learn to laugh, yet never forget how to weep; to reach into the future, yet never neglect the past; to be serious, yet never take yourself too seriously; to be modest so that you will remember the simplicity of true greatness, the open mind of true wisdom, the meekness of true strength.

They give you a temperate will, a quality of imagination, a vigor of the emotions, a freshness of the deep springs of life, a temperamental predominance of courage over timidity, an appetite for adventure over love of ease.

They create in your heart the sense of wonder, the unfailing hope of what next, and the joy and inspiration of life. They teach you in this way to be an officer and a gentleman.

And what sort of soldiers are those you are to lead? Are they reliable? Are they brave? Are they capable of victory?

Their story is known to all of you. It is the story of the American man at arms. My estimate of him was formed on the battlefields many, many years ago, and has never changed. I regarded him then, as I regard him now, as one of the world's noblest figures; not only as one of the finest military characters, but also as one of the most stainless.

His name and fame are the birthright of every American citizen. In his youth and strength, his love and loyalty, he gave all that mortality can give. He needs no eulogy from me, or from any other man. He has written his own history and written it in red on his enemy's breast.

WITNESS TO THE FORTITUDE

In 20 campaigns, on a hundred battlefields, around a thousand campfires, I have witnessed that enduring fortitude, that patriotic self-abnegation, and that invincible determination which have carved his statue in the hearts of his people.

From one end of the world to the other, he has drained deep the chalice of courage.

As I listened to those songs in memory's eye I could see those staggering columns of the First World War, bending under soggy packs on many a weary march, from dripping dusk to drizzling dawn, slogging ankle deep through mire of shell-pocked roads; to form grimly for the attack, blue-lipped, covered with sludge and mud, chilled by the wind and rain, driving home to their objective, and for many, to the judgment seat of God.

I do not know the dignity of their birth, but I do know the glory of their death. They died unquestioning, uncomplaining, with faith in their hearts, and on their lips the hope that we would go on to victory.

Always for them: Duty, honor, country. Always their blood, and sweat, and tears, as they saw the way and the light. And 20 years after, on the other side of the globe, again the filth of dirty foxholes, the stench of ghostly trenches, the slime of dripping dugouts, those boiling suns of the relentless heat, those torrential rains of devastating storms, the loneliness and utter desolation of jungle trails, the bitterness of long separation of those they loved and cherished, the deadly pestilence of tropical disease, the horror of stricken areas of war.

SWIFT AND SURE ATTACK

Their resolute and determined defense, their swift and sure attack, their indomitable purpose, their complete and decisive victory—always victory, always through the bloody haze of their last reverberating shot, the vision of gaunt, ghastly men, reverently following your password of duty, honor, country.

You now face a new world, a world of change. The thrust into outer space of the satellite spheres and missiles marks a beginning of another epoch in the long story of mankind. In the five or more billions of years the scientists tell us it has taken to form the earth, in the three or more billion years of development of the human race, there has never been a more abrupt or staggering evolution.

We deal now, not with things of this world along, but with the illimitable distances and yet unfathomed mysteries of the universe. We are reaching out for a new and boundless frontier. We speak in strange terms of harnessing the cosmic energy, of making winds and tides work for us * * * of the primary target in war, no longer limited to the armed forces of an enemy, but instead to include his civil population; of ultimate conflicts between a united human race and the sinister forces of some other planetary galaxy; such dreams and fantasies as to make life the most exciting of all times.

And through all this welter of change and development your mission remains fixed, determined, inviolable. It is to win our wars. Everything else in your professional career is but corollary to this vital dedication. All other public purpose, all other public projects, all other public needs, great or small, will find others for their accomplishments; but you are the ones who are trained to fight.

THE PROFESSION OF ARMS

Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country.

Others will debate the controversial issues, national and international, which divide men's minds. But serene, calm, aloof, you stand as the Nation's war guardians, as its lifeguards from the raging tides of international conflict, as its gladiators in the arena of battle. For a century and a half you have defended, guarded, and protected its hallowed traditions of liberty and freedom, of right and justice.

Let civilian voices argue the merits or demerits of our processes of government: Whether our strength is being sapped by deficit financing indulged in too long, by Federal paternalism grown too mighty, by power groups grown too arrogant, by politics grown too corrupt, by crime grown too rampant, by morals grown too low, by taxes grown too high, by extremists grown too violent; whether our personal liberties are as firm and complete as they should be.

These great national problems are not for your professional participation or military solution. Your guidepost stands out like a tenfold beacon in the night: Duty, honor, country.

You are the lever which binds together the entire fabric of our national system of defense. From your ranks come the great captains who hold the Nation's destiny in their hands the moment the war tocsin sounds.

The long, gray line has never failed us. Were you to do so, a million ghosts in olive drab, in brown khaki, in blue and gray, would rise from their white crosses, thundering those magic words: Duty, honor, country.

PRAYS FOR PEACE

This does not mean that you are warmongers. On the contrary, the soldier above all other people prays for peace, for he must suffer and bear the deepest wounds and scars of war. But always in our ears ring the ominous words of Plato, that wisest of all philosophers: "Only the dead have seen the end of war."

The shadows are lengthening for me. The twilight is here. My days of old have vanished—tone and tints. They have gone glimmering through the dreams of things that were. Their memory is one of wonderous beauty, watered by tears and coaxed and caressed by the smiles of yesterday. I listen then, but with thirsty ear, for the witching melody of faint bugles blowing reveille, of far drums beating the long roll.

In my dreams I hear again the crash of guns, the rattle of musketry, the strange, mournful mutter of the battlefield. But in the evening of my memory I come back to West Point. Always there echoes and re-echoes: Duty. honor, country.

Today marks my final roll call with you. But I want you to know that when I cross the river, my last conscious thoughts will be of the corps, and the corps, and the corps.

I bid you farewell.

Mr. GRUENING. Mr. President, let me add that Alaskans have special reason to be grateful to General MacArthur. He was one of the nationwide Committee of One Hundred which endorsed statehood for Alaska in 1949, when the cause was struggling for recognition. When in Tokyo in that year, I asked him whether he would join such a group. Without a moment's hesitation he replied that he would, adding, with a smile: "If you wish, like Abou Ben Adhem, I will lead all the rest."

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there further morning business?

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from Rhode Island [Mr. PELL] may be granted 10 minutes in the morning hour for his message.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

RAILROAD SERVICE FOR THE EASTERN SEABOARD "MEGALOPOLIS"

Mr. PELL. Mr. President, when one flies from Washington to Boston and looks below, one suddenly realizes that this 100-mile-wide eastern seaboard area, whose 459 mile axis is the Pennsylvania and the New York, New Haven & Hartford Railroad tracks, is really one long metropolitan industrial unit.

Better designated the area of "megalopolis," over 37 million people live here. Almost 30 percent of our manufacturing is done in this relatively small strip of land. It includes 21 percent of our retailing establishments. The headquarters of our whole financial community, the arts world, and the very Capitol of our United States are here. Over 21 percent of our college graduates earn their bachelor's and professional degrees annually from institutions of learning within this area. It is, in fact, the most important single industrial area of the United States and the most valuable piece of her real estate. It provides 27 percent of our Federal income taxes. Although not our geographical heartland, it certainly is our intellectual, financial, governmental, and manufacturing heartland.

This strip of land is serviced by a multitrack system of railroads which have been having a hard time making ends meet. The New York, New Haven & Hartford section has been in receivership twice, once from 1935 to 1947 and now since July 1961. The net income for the entire Pennsylvania Railroad system has dropped in recent years from a profit of $38.4 million in 1950 to a loss of $7.8 million in 1960. In fact, the financial plight of passenger service deteriorated to such an extent that the Baltimore & Ohio Railroad even dropped all passenger service on its Washington-New York run in April of 1958.

The number of passengers riding on the New Haven tracks is about 72 percent what it was 10 years ago and 37 percent what it was 50 years ago. The very passenger service itself has declined in quality as well as quantity. On the New York, New Haven & Hartford there were 1,142 passenger trains traveling these tracks in 1960 as compared with 1,498 in 1950 and 2,522 in 1910. The Pennsylvania Railroad shows a similar, though less dramatic, downward trend. The number of passengers riding the Pennsylvania is about 61 percent of what it was 10 years ago and 66 percent of what it was 50 years ago. This trend was also reflected in a decline in passenger cars.

If ever there was an industrially and economically important area in the United States where transportation facilities should be expanded and improving, it is this 400-mile strip of land.

The present trend shows that passenger traffic in this vital area apparently cannot pay for itself if the passenger fares are to be kept anywhere near the present levels. Yet these fares are just about as high as the commuter can afford. If the rates are permitted to rise, the remaining commuters would be forced to find other means of transportation.

It has been suggested that, to meet the financial plight of the railroads, the Federal Government should subsidize them by annual grants. To my mind this is wrong since this means that the Federal Government is using general tax money to subsidize a private company's bondholders and stockholders.

It has also been suggested that if the railroad were permitted to retain the present passenger excise tax, the situation would be eased. However, while the situation would be eased for a few weeks or even months, the relief of the excise tax is, from the long-range viewpoint, like giving an aspirin pill to a man with double pneumonia. Moreover, this, too, would be a public subsidy of private individuals. Already, since World War II, the Federal Government has guaranteed $45 million in loans to the New York, New Haven & Hartford.

More drastic measures are necessary. What is the answer?

The answer is to divide the railroad system into a public authority that would carry passengers while the existing private companies would continue their more profitable function of hauling freight. This could easily be done since there is sufficient right-of-way throughout which would mean that two tracks would continue to be used for freight and the remaining tracks or right-of-way could be adapted to modern passenger travel. These latter tracks and right-of-way would be taken over by a combined nine-State—Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia—authority which would use them to erect a new modern and more efficient rail transportation system.

All told, there is ample precedent for a nine-State public authority to be formed by compact between the States to own and operate the railroad passenger service facilities in our eastern "megalopolis." Since the 1930's the interstate compact has become increasingly popular for construction and operation of both port facilities and bridges and also for control of water pollution problems. Just as interstate compacts have increased in usage in recent years, public authorities, particularly for public utilities, have also increased in usage in recent years. Although many of the public authorities have been purely local in area, a few, such as the Port of New York Authority which has operated successfully over 40 years, have been interstate.

One recent public authority created specifically to cope with the transportation problem in the Philadelphia area and having considerable success is the Passenger Service Improvement Corporation which was formed in July 1960 as a nonprofit corporation. With funds appropriated by the city council, it purchases commuter rail service from the Pennsylvania and Reading Railroads and provides improved and less costly service for the greater Philadelphia area. In just the first year of operation there was a 44-percent gain in ridership and as a result the city has arranged to purchase, for lease by the railroads on a self-liquidating basis, new air-conditioned commuter cars.

To take full advantage of the new financial and administrative framework provided by a nine-State authority, modern methods of rail transportation would be introduced. What would this mean?

It would mean that every 15 minutes, a passenger car would be moving along this track. These light-weight air-conditioned cars with automatic doors would be operated by a single attendant. They would speed along at approximately 70 miles per hour, and with the new technological advances including the possibility that these modern cars might well be monorails, ride on pneumatic tires or a cushion of air or, even, be rocket propelled, it would be a smooth ride and pleasant trip. These cars could operate in tandem in periods of peak traffic and separately in periods of moderate traffic. Greater electronic control would be installed. Stations would be modernized, updating them from the horse and buggy era. Most important, parking facilities and feeder bus service would be vastly improved. With the frequency and ease of service and with the reduced maintenance costs, the railroad passenger traffic should soon be back to what it was in 1950. Perhaps, even to what it was in 1910. And, in a few more years, we would find this strip of railroad tracks the economic link binding this whole area together, bringing decent, clean transportation to people throughout the northeastern seaboard States at a fair price.

What would be the cost? It would be expensive—a good estimate would be $500 million. To raise this large sum, the nine-State authority would issue 30-year bonds bearing a 3.5 percent coupon to be guaranteed by the States on a basis proportionate to the passenger-miles traveled by its residents. This guarantee, incidentally, would give them an AAA rating. It is not unreasonable to expect the gross passenger revenue to return to the 1953 high of about $130 million based on over 4 billion passenger miles along this trackage. If a little over $27 million a year or about 20 percent of expected revenue were available for debt service—interest and amortization—this issue could be retired in 30 years.

There is ample precedent for this kind of financing. For example, the Illinois Central, with a commendable record for making passenger service pay, allotted $8 million out of a gross income of $22 million for debt service in 1960 or 36 percent of revenue. The Port of New York Authority, an extremely sound prototype, recently floated a $35 million issue of 20 year, 3.3 percent bonds. It should be noted that as of December 31, the authority had a funded debt outstanding of $626 million and accumulative investment in facilities of $1,116,-109,000.

Moreover, these nine-State authority bonds would prove most attractive for private investment since being public authority bonds, interest on them would be exempt from Federal income taxes. That the market can absorb the $500 million issue required is easily demonstrated by the fact that as recently as February 15, American Telephone & Telegraph Co. floated a single debenture issue amounting to $300 million, at an interest rate of 4⅝, due in 1994, with no tax exemptions. In fact, in April 1961, A.T. & T. had a $960 million common stock issue. Also one can turn for a precedent to the Pennsylvania Turnpike Commission which had in April 1954, a negotiated offering of $233 million with a maturity of a little less than 40 years and a 3.2-percent net interest cost. Although exempt from taxes, the special authority had no State guarantee.

Furthermore, it is quite appropriate for the States to guarantee such an issue designed to assure adequate railroad transportation. States in this country expend 25.7 percent of their revenue on highways and there should be no fundamental distinction between railway and highway travel so far as the public interest is concerned.

In sum, a nine-State public authority for a modern passenger service along this backbone of the north eastern seaboard megalopolis is certainly feasible. Passenger service along this line has clearly proven unprofitable for private companies. The public authority could succeed financially as it will pay no Federal or State taxes, can issue its bonds at a lower rate and with the improved service, a larger gain in ridership could be anticipated with subsequent gain in revenue.

Moreover, the nine-State authority will serve to bind this entire megalopolis area closer together into one integrated, revitalized economic region and traveling would once again become convenient and pleasurable.

ONE HUNDREDTH ANNIVERSARY OF THE HOMESTEAD ACT

Mr. CARLSON. Mr. President, on behalf of the Senator from Nebraska [Mr. CURTIS] I ask unanimous consent to have printed in the RECORD a statement prepared by him, dealing with the celebration of the 100th anniversary of the Homestead Act.

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

STATEMENT BY SENATOR CURTIS ON ANNIVERSARY OF THE HOMESTEAD ACT

The United States is celebrating the 100th aniversary of the enactment of the Homestead Act. This Congress very appropriately passed a resolution which I had the honor of introducing, along with many of my colleagues, to set aside 1962 as Homestead Centennial Year.

It was in the year of 1936 that the Congress passed an act setting aside the first homestead in the United States as a Homestead National Monument. The first homesteader was Daniel Freeman, a Nebraskan formerly from Ohio, who selected a plot of land near the present city of Beatrice, Nebr., and proceeded to file claim for it.

It is an interesting and a dramatic story of how Mr. Freeman went to the historic town of Brownville, Nebr., and had the land office agent open up his office at 12:01 a.m. on January 1, 1863, the day that the Homestead Act became effective. Today this scene of

this place that marks the first homestead that was filed upon and completed is a national shrine. It's right and proper that it should be.

The Homestead Act permitted our citizens to file their intentions to locate on certain land. In the beginning it was usually 160 acres. They paid certain filing fees. Then the law required them to establish a home and live on the land. They were required to make other improvements. It was their responsibility to till the soil and make it grow. Then ultimately on the payment of other fees, and the completion of all the requirements of the law, they went through what our pioneers referred to as proving up. When they completed their proving up, they obtained a patent or a deed from the U.S. Government.

It is fitting and proper that we should observe the centennial of the Homestead Act. It was signed on May 20, 1862. This act of Congress was a major factor in determining the history of the United States, yes, it has been a major factor in all of Western civilization.

Many historians have proclaimed that the Homestead Act was the greatest land disposition act ever enacted by any government, anywhere, in the history of mankind.

The Homestead Act transferred land from Government ownership not to feudal lords, not to a titled nobility, not to individuals of great wealth who could buy tremendous tracts. The Homestead Act did not set up a system of socialism or communism for communal farms. The Homestead Act transferred the land to the people. It gave birth to the family sized farm operation in the great Middle West and West, yes, in many States where public land existed.

When we look about us at the trouble spots in the world, we find that one of their problems is land ownership. The people long for land. In some parts of the world where the people are intelligent and have all the fine characteristics of Western civilization, but did not have the benefit of a homestead act a century ago, they now are faced with difficult economic problems that can breed unrest.

The Homestead Act was truly the greatest land disposition measure ever conceived by man and enacted into law.

The promise made by the platform writers of the Republican Party in 1860 that they would enact the Homestead Act was responsible for the success of that election. Qualified historians have so asserted. It represented the dream of the American people. And whether we be Republican or Democrat we are all agreed that our liberties depend upon two strong political parties. And it was the Homestead Act that made the Republican Party a permanent institution to serve the country for this last hundred years rather than an idea that just fell by the wayside after its conception.

It was the promise of the Homestead Act and his support of it that elected the great emancipator, Abraham Lincoln. The position of this infant political party on the Homestead Act was the bond that held together many people of disagreeing views and convictions. It was the political instrument which, though not intended as such, was destined to unite the group and elect the leader that saved this Union of States. Had that leader lived, some tragic pages in American history which haunt us today would have been very much different.

The Homestead Act built the great food-producing area of America. It established a middle-class economy in the Middle West and West and wherever else it was applied.

The Homestead law settled the frontier, gave hope to millions of people and led them in a way of life that meant sturdiness and stability of character.

No other act had the influence upon the destiny of America and her people as has the Homestead Act. It is well that a hundred years after its enactment we should pay honor to the homesteaders, to the individuals who conceived the Homestead Act, and to the statesmen who had the vision to write this idea into law and carry it out. They were indeed builders of both character and empire.

BANKING AND GOVERNMENT

Mr. THURMOND. Mr. President, on Saturday, May 19, 1962, the South Carolina Bankers Association was honored by having the distinguished Senator from Virginia [Mr. ROBERTSON], chairman of the Senate Banking and Currency Committee, deliver the principal address at its annual convention at Myrtle Beach, S.C. Senator ROBERTSON spoke on the subject of "Banking and Government," pointing up the importance of a sound fiscal policy by the U.S. Government, not only for bankers because of the fact that many bank assets are federally underwritten and most liabilities are also federally underwritten, but also for the American people as a whole.

In fact, Mr. President, the distinguished Senator's speech has already attracted the attention of the editors of the Sunday issue of the State and the Columbia Record of Columbia, S.C. This newspaper complimented Senator ROBERTSON in commenting on his speech in an editorial of May 20, 1962, entitled "Calhoun's Vision on Banking."

We were very pleased, Mr. President, to have this great constitutional lawyer and this outstanding authority on banking and fiscal matters visit our State and to leave with us such an important message on the relationship between Government and our banking system. We respect him not only as an advocate of sound national fiscal policies, but also as a stanch defender of those principles of Government which have made our country so strong and so free.

I ask unanimous consent, Mr. President, that Senator ROBERTSON's address and the editorial from the State and the Columbia Record be printed in the RECORD.

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

BANKING AND GOVERNMENT

(Remarks of Senator A. WILLIS ROBERTSON, before the State convention of the South Carolina Bankers Association, Myrtle Beach, S.C., May 19, 1962)

I am delighted to attend this State convention of the South Carolina Bankers Association. Your association, now in its 61st year, represents members from a State of notable banking traditions and leadership.

One of the Nation's first banks opened in Charleston, S.C., as early as 1792. For the next 75 years, banks throughout the State were distinguished by the absence of any serious difficulties or failures, until the War Between the States ended. The oldest South Carolina bank with a continuous history of operation, I understand, has been in business for more than a century and a quarter. These are banking achievements of which you are justly proud.

OUR COMMON HERITAGE

A great leader from South Carolina, John C. Calhoun, was one of the country's first statesmen to perceive a national need for a competitive dual banking system and an independent monetary authority. But Calhoun was far ahead of his time. It took more than a century for his vision to materialize permanently.

My State of Virginia likes to share in South Carolina's pride concerning Calhoun's record as U.S. Congressman, Secretary of War, twice Vice President, Secretary of State, and U.S. Senator. His maternal grandfather was John Caldwell, a Presbyterian preacher in the valley of Virginia. Caldwell brought Scotch-Irish pioneers from Pennsylvania into Virginia in search of religious and economic freedom. At the time, Virginia citizens were required to pay tithes to the Church of England. But John Caldwell and his followers were exempted from paying those taxes in return for their promise to defend residents east of the Blue Ridge Mountains from Indian attacks. We Virginians feel that this background may help to explain Calhoun's courage, and his passionate love for personal freedom as well as his belief in States rights.

Virginia and South Carolina share a common concern, too, in preserving the constitutional government our forefathers established. We in Virginia still defend the conviction so aptly expressed by the resolution adopted in your State constitutional convention of 1788: "This convention doth also declare, that no section or paragraph of the said Constitution warrants a construction that the States do not retain every power not expressly relinquished by them, and vested in the General Government of the Union." I enjoy serving in the Senate with two outstanding colleagues from South Carolina who fully share my views concerning the vital importance of maintaining the principle of States rights.

DEVELOPMENT OF BANKING

The modern institution of banking, in South Carolina as elsewhere, came fairly slowly and late in our history. After the first permanent English settlement at Jamestown, exactly 175 years elapsed before the first modern type commercial bank opened for business in 1782. Since then, 180 years more have passed. Thus our Nation existed at first without any commercial banks for almost as many years as it has since operated with them.

Our first commercial bank, known as the Bank of North America, was established in Philadelphia by Robert Morris to help finance the Revolutionary War. Actually, this same bank represented the first modern type commercial bank in all of North America. It preceded the first modern Canadian bank by about 36 years, and the first modern Mexican bank by some 83 years.

Until the time of the American Revolution, the colonists had neither commercial banks nor metal currency of their own. The Pilgrim Fathers largely used Indian wampum for currency until overproduction of these shell-made beads destroyed their value. Counterfeiting of wampum even took place as imitation wampum was made of white porcelain. In our early Virginia colony, tobacco served as a principal medium of exchange. Here again, overproduction of tobacco eventually destroyed its value. What was once a conventional means of payment has long since "gone up in smoke."

Overproduction of wampum and tobacco, of course, have their modern counterparts in the inflationary printing of paper currency by certain nations. As early as 1790, Alexander Hamilton warned of this danger in his famous report to the House of Representatives on the subject of a national bank. He said: "The stamping of paper is an operation so much easier than the laying of taxes, that a government, in the practice of paper emissions, would rarely fail, in any such emergency, to indulge itself too far in the employment of that resource, to avoid, as much as possible, one less auspicious to present popularity." Even at that time, Hamilton's remarks suggested

the importance of keeping the monetary authority free from undue political pressure.

Early banking in the settled areas of the New World, including South Carolina, consisted mainly of institutions that issued notes or specie rather than dealt in demand deposits. During the colonial period, in fact, the word "bank" meant "a batch of paper money"—not a deposit-holding institution. Bank notes exceeded bank deposits as a means of payment until about the time of the War Between the States. Today, of course, coin and paper currency represent only one-fifth of our so-called money supply; demand deposits, or check money, account for about four-fifths.

FIRST AND SECOND BANKS OF THE UNITED STATES

Within 2 years after the Constitution was ratified, the Congress chartered the First Bank of the United States. This step recognized, in effect, that banking was subject to special Federal action by virtue of its relation to governmental fiscal and monetary policy. Rapidly depreciating State and Continental paper money, which wasn't worth "a tinker's dam," contributed to the demand for Federal chartering.

Pierce Butler of South Carolina served as a member of the committee that reported out the Senate bill to incorporate the Bank of the United States in 1791. When the Bank's charter expired in 1811, however, it was not renewed. Within 3 years, excessive note issues of State banks led to the suspension of specie payments by nearly all banks except those in New England. Gross abuses of the note issuing privilege gave rise to the chartering of the Second Bank of the United States in 1816.

John C. Calhoun himself reported the bill to the House as chairman of the Finance Committee. In the floor debate that followed, Calhoun was reported to have said that "there then existed * * * a depreciated paper currency, which could only be regulated and made uniform by giving a power for that purpose to the General Government."

Bray Hammond, in his Pulitzer-prize-winning book on "Banks and Politics in America," wrote at length about Calhoun's leadership in getting the bill passed. Hammond noted that Calhoun "was distinguished among American statesmen in his realization that banking is a monetary function, that regulation of all the circulating medium is the duty of the Federal Government, and that the duty is to be exercised through a central bank; not for more than a century was such understanding of the subject to be expressed again in Congress."

The Second Bank of the United States, like its predecessor, performed both commercial and central banking functions. Although capitalized three and a half times more heavily than the First Bank, it was also owned and directed in part by the United States but mainly by private investors. The Second Bank was a financial giant for the time. It held about a third of all banking assets. Today, a bank with a comparable share of total assets would hold nearly $90 billion.

The operations of the Second Bank, however, failed to establish a uniform and sound currency. The Bank became the subject of bitter political strife. Andrew Jackson, as President of the United States, finally removed the Treasury deposits from the Bank in an effort to put it out of business. This step was strongly opposed by Calhoun, who decried undue executive interference with the monetary function.

For these and other reasons, Calhoun opposed rechartering the Bank. He pointed out that "an union of the banking system and the executive" would be "fatal," and he "advocated an entire divorce between the Government and the banking system." As Calhoun said, "the real question" was whether the President should have "the power to create a bank, and the consequent control over the currency."

Even at the time, the failure to recharter the Second Bank of the United States in 1836 was recognized to be a repudiation by the Federal Government of its responsibilities for monetary regulation. Twenty-seven years elapsed before our system of federally chartered banks was established permanently. Over three-fourths of a century passed before the Federal Reserve Act brought us a central banking system. This system was designed to protect it from public or private partisan influence, whether from the Executive or legislative branches or from private interests.

BANKING STRUCTURE

By next year, our banking system will represent the outcome of 100 years of experience under the National Bank Act of 1863 and 50 years of experience under the Federal Reserve Act of 1913. This experience has produced a banking structure in which about one-half of all bank assets are now held by federally chartered banks and about one-half by State chartered banks. But great diversity prevails among banks and between States. The largest commercial bank, for example, is roughly 50,000 times the size of the smallest. It holds more than twice the total assets of the 3,600 smallest banks combined.

Originally, the typical commercial bank lent chiefly to commerce, principally to finance waterborne trade. Now our commercial banks offer a wide variety of services on a competitive basis. As a recent Senate Banking and Currency Committee report noted, commercial banks have come to be "an integral and essential part of the Nation's fiscal and monetary system. The Government has a vital interest in the Nation's banks as suppliers of funds, as depositories, and as fiscal agents. Commerce, industry, and private citizens have a vital interest in banks as a source of credit needed for development and growth. Depositors have a vital interest in the safety of their deposits.

GOVERNMENT POLICIES

The integrity of our banking and monetary system which has evolved over many decades continues to be a subject of fundamental importance. In a real sense, that integrity depends upon the soundness of the Federal Government itself. Many bank assets are Federally underwritten, and most liabilities are also. For these and many other reasons, bankers have a special interest in, and responsibility for, assuring appropriate Federal fiscal and monetary policies that will promote stable economic growth, maximum employment, and reasonable price stability.

For more than a year now, our economy has moved upward from the low point of early 1961. We have attained record levels of industrial production, total physical output of goods and services, national income, and employment. The immediate prospect appears to be for at least some further expansion.

Yet we are faced in this current fiscal year with a budget deficit conservatively estimated to be $7 billion. In the foreign field, we have incurred repeated deficits in our balance of payments, evidenced in part by a continuing drain upon our gold supply. As a result, our gold supply is about $900 million lower than a year ago, although potential claims against it have risen further.

Our gold position, at first glance, appears troublesome indeed. At the end of February, the latest date for which full information is available, we had little more than $5 billion in free gold—representing our total gold stock minus the 25 percent gold reserve requirement against Federal Reserve note and deposit liabilities. Arrayed against this $5 billion free gold supply were liquid dollar holdings of $20 billion by foreign countries, and $5 billion by international institutions. These foreign liquid dollar holdings took the form of maximum short-term potential claims that might be made against our gold under the most adverse circumstances involving serious international loss of confidence in the dollar.

But we must also look at the brighter side of the picture. Our total gold supply, which could be made available to stand behind the dollar if needed, still represents more than two-fifths of the gold stock throughout the entire free world. No other free government holds even one-fourth as much gold as we do. Besides our $16½ billion total gold supply, the United States has a $4.1 billion quota in the International Monetary Fund which could be drawn upon if necessary. Billions of dollars in assets are also held abroad by the Government and by private citizens.

In any case, we have been burdened with substantial deficits in both our domestic and foreign accounts. This remains true even at a time when our population exceeds 180 million persons and when our national production of goods and services runs at an annual rate of over half a trillion dollars.

These domestic and international problems may be resolved only if we preserve confidence in our Government and the integrity of its fiscal and monetary policies. Yet if current trends continue, another substantial budget deficit may be ahead of us in the next fiscal year. Already this year, the temporary ceiling on the public debt has been raised $2 billion further to a limit of $300 billion—$22 billion higher than the ceiling in effect only 5 years ago. For the next fiscal year, the administration has urged enactment of an even higher debt ceiling of $308 billion.

In view of these trends, it is past time, indeed, to limit Government expenditures to prudent and appropriate purposes consonant with the preservation of the purchasing power of the dollar. Let us all follow the guidelines laid down long ago by Thomas Jefferson. Writing in 1808, he advised that "* * * the same prudence which in private life would forbid our paying our own money for unexplained projects, forbids it in the dispensation of the public moneys."

Even now, the Government has built up hundreds of billions of dollars in authorizations and commitments to make future expenditures, if required, in addition to outlays on the $300 billion public debt. Nearly $380 billion was outstanding at the end of last year in long-range Federal commitments or contingencies for insurance and guarantees, for Federal Reserve notes, and for undisbursed commitments to make future loans or to pay subscriptions. An additional $100 billion or more is outstanding in the form of accrued military pensions and commitments to veterans for future pensions and compensation. On top of these amounts, there are tens of billions of dollars more in recurring obligations for such items as Federal participation in employee-retirement systems and Federal aid to States for welfare programs. Finally, over $28 billion is outstanding in unused authorizations to expend from public debt receipts by drawing funds directly from the Treasury through back-door financing without requiring prior appropriations.

Again, Thomas Jefferson provides us with a word of warning. Writing in 1816, he pointed out "the salutary lesson, that private fortunes are destroyed by public as well as by private extravagance." Here is a lesson for all to heed if we are to preserve the heritage of our forefathers.

That heritage includes, of course, our tested dual system of banking. Its 100th anniversary of "Progress Through Service" is to be observed next year. Your recommendations to the administration, as well as to the Congress, on the important subject of Government economy are vitally needed if we are to strengthen and preserve sound banking and our cherished principle

of private enterprise within the framework of American constitutional liberty.

[From the Columbia (S.C.) State and the Columbia Record, May 20, 1962]

CALHOUN'S VISION ON BANKING

Much about the present General Government, as he called it, would grossly offend John C. Calhoun were he alive today. And he probably would dissent more thoroughly from the efforts to increase the power of the President than anything else of this day of change that he could scarcely have foreseen.

U.S. Senator ROBERTSON of Virginia, speaking in South Carolina yesterday, recalled Calhoun's role in the establishment of early banking in this State, and mentioned an incident which reflected the South Carolinian's view, in at least this particular incident, on the powers of the Executive.

The First Bank of the United States, bringing the Government into banking for the first time, was established in 1791, but all had not gone well and the Congress did not renew its charter. Calhoun himself reported out the bill which established the Second Bank in 1816. He said: "There existed * * * a depreciated paper currency, which could only be regulated and made uniform by giving a power for that purpose to the General (Federal) Government."

II

But, Senator ROBERTSON recalled in his address to the South Carolina Bankers Association at Myrtle Beach yesterday, the operations of the second bank failed to establish a uniform and sound currency. And it was in an effort to find solution that Calhoun became involved in controversy with President Andrew Jackson.

Jackson removed the U.S. Treasury deposits from the bank in a deliberate effort to put it out of business. Calhoun "decried undue Executive interference with the monetary function," Senator ROBERTSON said. In opposing, the South Carolinian said that "an union of the banking system and the Executive" would be "fatal." Calhoun then advocated "an entire divorce between the Government and the banking system." He said "the real question" was whether the President should "have the power to create a bank, and the consequent control over the currency." He seemed willing to forego his sincere interest in a banking system to head off Executive dominance.

III

It was not until 1863 before the system of federally chartered banks was established permanently, and Calhoun probably would have been in concord with the system devised had he been alive. By 1913 came the Federal Reserve System which prevails today, and which has managed to maintain reasonable independence as an authority.

Senator ROBERTSON's address was one the weight of which was banking history, and conclusions thereon, but it is of interest to South Carolinians to be refreshed on Calhoun's part in the early stages of the essential union of Government and banking. And some insight on what probably was the South Carolinian's basic philosophy as to Executive powers was included.

What Calhoun perceived, and he was one of the first to do it, Senator ROBERTSON said, was the need "for a competitive dual banking system and an independent monetary authority. But Calhoun was far ahead of his time. It took more than a century for his vision to materialize permanently."

Many creative men are far ahead of their time.

ARMY RESERVES IN HAWAII

Mr. FONG. Mr. President, the movement of Army troops from Hawaii to Thailand emphasizes the folly of the Defense Department's proposed reductions in Hawaii's Army National Guard and possible reductions in Army Reserves in Hawaii.

With elements of our regular troops dispatched to the Far East, this is not the time to reduce Hawaii's reserve forces.

Last week 1,000 troops based at Schofield Barracks on Oahu were dispatched to reinforce the 25th Infantry Division's 1st Battle Group 27th Infantry Wolfhounds, which were already in Thailand on a training mission.

These soldiers are being stationed at key points along the Mekong River to demonstrate America's determination to prevent Communist incursions into our friend and ally Thailand.

As the hub of our Nation's farflung Pacific defense forces, Hawaii was first to be called to meet the crisis in Thailand. We have long accepted the fact that Hawaii would play a key role in our defense activities in Asia and the Pacific. With the continuing turbulence engendered by the Communists in that theater, the prospect of sending Army, Navy, Marine, and Air Force units from Hawaii is constantly before us. Military personnel stationed in Hawaii undergo intensive training against such a possibility. Our famous Wolfhounds, already in Thailand, spent their time in Hawaii in jungle and guerrilla warfare training.

With these troops called to station in southeast Asia, the Defense Department should rescind its proposed reduction in Hawaii's Army National Guard and Reserve units, the backup forces supporting our Regular Army.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point several articles detailing the dispatch of Hawaii-based forces to the Asia theater.

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

[From the Honolulu Star-Bulletin, May 15, 1962]

ISLE TROOPS ORDERED TO SOUTHEAST ASIA—HICKAM AND SCHOFIELD PERSONNEL SET TO JOIN 25TH IN THAILAND

(By Malcolm Barr)

Battle-ready troops from the 25th Infantry Division already stationed in Thailand to meet the Laotian crisis will be bolstered by an additional 1,000 Schofield-based men in the near future, Adm. Harry D. Felt, commander in chief Pacific, announced this morning.

The movement of troops, partially by an airlift originating at Hickam Air Force Base, could begin within the next 36 to 72 hours.

Lt. Gen. James L. Richardson, Jr., deputy commander, U.S. Army Pacific, was to leave today for Bangkok.

Felt has named Richardson commander of a joint task force consisting of sea, air, and ground units.

The 7th Fleet will land an 1,800-strong Marine batallion at Bangkok tomorrow.

These will be the first ground reinforcements for the 25th Infantry Division's 1st Battle Group 27th Infantry Wolfhounds, which were placed in the area last month following a Southeast Asia Treaty Organization exercise.

Either in Thailand now, or on their way, are a 7th Fleet Marine Attack Squadron flying A4D aircraft, and elements of a 13th Air Force Tactical Fighter Squadron flying supersonic F-100 aircraft.

The 13th Air Force is based in the Philippines, and the remainder of the squadron will make the flight tomorrow.

These announcements came from Felt within a few hours after President Kennedy announced that U.S. forces would go into battle if the Communists in neighboring Laos cross the Thailand border.

The President's first action was to order 1,800 Okinawa-based Marines to land at Bangkok. They had been sent on their way during the weekend. These are the men who will join up with the 27th Infantry Wolfhounds.

Gen. Paul D. Harkins, who left Hawaii recently to command the U.S. Military Assistance Command in South Vietnam, has been handed additional similar duties in Thailand.

Harkins will be reporting to Felt in both these capacities.

A Felt spokesman added that Hickam Air Force Base will enter the picture as a partial airlift of island-based troops swung into action.

Presumably a number of men and some equipment will go from here by sea.

Seventh Fleet carrier attack squadrons and antisubmarine warfare units were this morning assembling in the South China Sea.

NO INFORMATION

It couldn't be learned this morning just what additional units from Schofield are earmarked for the crisis area.

However, for the Wolfhounds who were sent there originally to train in jungle warfare tactics with the Royal Thai Army, this may be their first taste of action on the southeast Asia mainland.

[From the Honolulu Star-Bulletin, May 15, 1962]

UNITED STATES AND RUSSIA AGREE ON NEED FOR CEASE-FIRE

WASHINGTON, May 15.—President Kennedy today ordered 5,000 U.S. troops to take up battle stations in Thailand to protect it from Communists in Laos.

Russia and the United States quickly agreed on the necessity for a cease-fire.

Kennedy directed that the first contingent of reinforcements, a Marine combat group, go ashore at Bangkok tomorrow.

Moving to help protect Thailand from the threat of Communist forces in neighboring Laos, Kennedy directed the first contingent of reinforcements, a Marine combat group, to land at Bangkok tomorrow.

Russian Ambassador Anatoly F. Dobrynin later met with Secretary of State Dean Rusk on the explosive southeast Asian crisis.

Dobrynin said afterward that sending troops does not help to solve the situation in Laos.

CEASE-FIRE

But he endorsed a call for a cease-fire and continuation of diplomatic efforts to work out a neutral and independent government by the Lao.

The Ambassador told newsmen after his 55-minute talk with Rusk that it was necessary to put into effect the agreement that was reached by Kennedy and Soviet Premier Nikita S. Khrushchev at their June 3-4, 1961, meeting in Vienna.

In their communique at the end of that meeting, Kennedy and Khrushchev said: "The President and the chairman reaffirmed their support of a neutral and independent Laos under a government chosen by the Lao themselves, and of international agreements for insuring that neutrality and independence, and in this connection they have recognized the importance of an effective cease-fire."

Before the meeting Rusk said that, on the basis of Russia's past announcements, the

Soviets could and should help obtain a Lao settlement.

The President, declaring the Red threat to Thailand to be of grave concern, directed a force of 1,800 Marines to land at Bangkok, Thailand's capital, at 5 a.m. H.s.t., Wednesday.

They will join 1,000 U.S. soldiers now in Thailand and moving toward the Lao border.

NEW COMMAND

The Defense Department later announced that U.S. military forces in Thailand will be built to about 5,000 men. Secretary of Defense Robert S. McNamara said the U.S. military force in Thailand would get a new overall command.

The buildup includes the 1,000-man Army battle group already in Thailand for Southeast Asia Treaty Organization maneuvers.

To this will be added the Marine battalion of about 1,800 men from the 7th Fleet. The Marine contingent also will have its own technical air units.

In addition, about 1,200 Army forces from the Pacific area, including Hawaii, will be sent in. The Pacific Air Force will provide tactical units to give air cover to the Army ground troops.

Both Marine and Air Force air units will be based in Thailand.

THE TROOPS

This will line up 5,000 U.S. fighting men alongside an anti-Communist Thai force of 120,000 men.

The Communists have an estimated 29,000 men in neighboring Laos, where they have routed Royal troops. The Red led force consists of about 19,000 Pathet Lao troops and 10,000 North Vietnamese jungle fighters.

Terming his move a defensive act, Kennedy said he sent in the troops because of recent Communist attacks in Laos breaking the cease fire, and because Communist military units were moving through Laos toward the Mekong River border of Thailand.

Other developments in the southeast Asian crisis:

The President announced his action after briefing congressional leaders of both parties and after this country's principal allies in southeast Asia and the Far Pacific had been advised. The allies were told the United States acted under terms of the southeast Asian defense pact (SEATO).

Prior to the Rusk-Dobrynin meeting, British Foreign Secretary Lord Home said in London that Britain had failed in efforts to get Russia to try to restrain Red forces in Laos. Britain and Russia are cochairmen of the 14-nation conference on Laos.

In Moscow, an article in the Communist Party's official newspaper, Pravda, said latest U.S. efforts to help anti-Communist regimes in southeast Asia were a dangerous step fraught with serious consequences.

In Bangkok, the Government of Thailand put out the welcome mat for the U.S. troops. It said they were being sent into the country in accordance with the SEATO Treaty and pledges of U.S. aid received last March.

Gen. Paul D. Harkins, now U.S. commander of the 6,000-man force in South Vietnam, will be given the job of heading U.S. Forces in both Thailand and South Vietnam.

A Pentagon spokesman said that Lt. Gen. James L. Richardson, Jr., the deputy commander of U.S. Army Forces in the Pacific, has been designated to command the combat elements of Harkins' overall command.

The reference by the Pentagon spokesman to combat elements pointed up that this is no mere assistance outfit going into Thailand, but a fighting force.

Harkins' force in Thailand also will include the joint military assistance advisory group of a little over 200 men which has been there for several years.

Kennedy's statement said the U.S. military forces were being put into Thailand so that "we may be in a position to fulfill speedily our obligations" under the 1954 Manila pact, a defense agreement approved by the Senate.

The President recalled that the U.S. Secretary of State and the Foreign Minister of Thailand had referred to this pact in a joint statement on March 6. The key portion of this statement gave U.S. assurances that this country regarded defense of Thailand as an obligation of the United States to that country, as well as a matter for action by SEATO.

An administration official said the additional elements consisted of 1,800 marines who will be landed at the Bangkok naval base at 10 a.m. Washington time tomorrow.

He said they are being moved in by units of the 7th Fleet.

Kennedy said the sending of additional U.S. forces to Thailand was considered desirable "because of recent attacks in Laos by Communist forces, and the subsequent movement of Communist military units toward the border of Thailand."

The President called a threat to Thailand a matter of grave concern to this country.

But he said he wished to emphasize that the dispatch of U.S. forces to the southeast Asian nation is "a defensive act on the part of the United States" and completely consistent with provisions of the United Nations Charter which recognizes that nations have an inherent right to take collective measures for self-defense.

Kennedy said that he had directed that the United Nations be notified of the actions this country is taking. He said, too, that "we are in consultation with SEATO governments on the situation."

Kennedy's announcement followed one in Bangkok by Premier Sarit Thanarat that Thailand and the United States had agreed to the stationing of U.S. troops in Thailand.

[From the Honolulu Advertiser, May 15, 1962]

SCHOFIELD'S WOLFHOUNDS ONCE AGAIN AT THE FRONT

(By Scott Stone)

When the United States decided to leave the 27th Infantry in Thailand because of the Laos crisis, it put one of the most colorful units in the entire Army back in its accustomed place—at the front.

From Siberia, where the "Wolfhounds" picked up their nickname, to the steaming jungles of southeast Asia, neither geography nor climate nor mission have unduly disturbed the 61-year-old unit.

In 1918 the United States and several other nations sent troops to Siberia to fight the Bolsheviks. During its 2 years there the 27th was likened to the Russian borzoi—Wolfhound—so gentle to friends, so vicious toward enemies.

The name caught on, became the first nickname to be made an official part of the unit designation. They also picked up a motto: "Nec Aspera Terrent," meaning "Nor hardships do they fear."

In 1941 the 27th helped prepare the defenses of Oahu, then went off to combat in Guadalcanal, northern Solomons, and in Luzon, winning decorations and adding to their reputation.

After the war, in Japan, the Wolfhounds invaded Holy Name Orphanage and opened their hearts to the children. To date the men have donated nearly a third of a million dollars to keep the orphanage going and the children content.

A sightless youngster at the orphanage once wrote the Wolfhounds, "I feel so sorry for the other children who have only one father. I have so many."

When hordes of Communist troops raced across Korea's 38th Parallel in June 1950, the Wolfhounds got ready for action again and in July the Wolfhounds were engaged in the professional soldier's occupation. Outnumbered but never outfought, the Wolfhounds came out of the bitter Korean fighting with four Distinguished Unit Citations from the United States and four Presidential Unit Citations from the Republic of Korea.

The unit took part in 10 campaigns in Korea, then returned to Schofield Barracks and was reorganized into a battle group under the Army's pentomic structure of five battle groups within a division.

As part of the Schofield-based 25th Infantry Division, the Wolfhounds have spent their time in Hawaii in jungle and guerrilla warfare training. The present commander of the unit is much-decorated Col. William A. McKean, 42, of Jacksonville, Fla.

[From the Honolulu Advertiser, May 15, 1962]

KEEP SWAMP, CITY URGED

Prompt action to acquire Kawainui Swamp for future park development is "imperative," says the League of Women Voters of Honolulu.

The league reiterated its support of the proposed Kawainui regional park in a letter to councilmen, who are debating whether to buy the 740-acre property or release it for subdivision development.

A decision is expected at the council's May 29 meeting when a resolution authorizing the administration to apply for Federal assistance will be presented.

The league said:

"A vital facet of good planning is the preservation of open, green areas. Good planning will make provision for the acquisition of open areas before, not after, development has taken place."

The letter cited Kawainui Swamp's strategic location mauka of Kailua between the approaches to the Pali and Wilson tunnels.

"This site is uniquely suited to the development of inland water recreational facilities, providing an additional tourist attraction," it said.

The league also argued that since Oahu's housing emergency has passed, the council should feel no obligation to clear the way for the proposed Trousdale Construction Co. subdivision.

"Subdividers have already committed themselves for more property than present demands require," councilmen were told.

The windward Oahu chapter of the league is one of the dozen Kailua organizations which have joined in arranging a public meeting to rally support for the park idea.

The meeting will be held at 7:30 tomorrow at Kailua High School.

ONE OF EVERY FIVE RESIDENTS OF THE UNITED STATES IS OF FOREIGN STOCK

Mr. SALTONSTALL. Mr. President, recently I made a brief statement on the Senate floor regarding the need for updating our immigration laws. The main purport of my remarks was that the 1960 rather than the 1920 census should be utilized in determining national quotas and that new quotas should be substituted for those presently prescribed. I said that—

> Of the 2.5 million immigrants to this country during the 1950's, only 1 million were admitted under the provisions of the 1952 Immigration Act. The majority, 1.5 million, were nonquota, entering by means of special supplementary legislation of the Congress.

Congressman WALTER called to my attention the fact that this statement unfortunately conveys the improper impression that all nonquota immigration has occurred under special legislation rather than under the provisions of the 1952 basic immigration code. I agree

that such is not the case. Factually, during the fiscal years 1953 to 1961 the total number of quota immigrants was 844,281. Of the 1,471,906 nonquota arrivals in the same period, 1,173,911 qualified under provisions of the 1952 code and 297,995 were admitted under special legislation. I am grateful to Congressman WALTER, because I want to be accurate.

According to the 1960 census figures, one out of every five residents of the United States is either foreign born or native born of mixed foreign and native parentage. The slightly more than 34 million persons in the Census Bureau's foreign stock category include nearly 10 million foreign born and more than 24 million of native birth, with at least one parent born abroad. This means that many of these American citizens still have relatives or members of their own families abroad whom they are anxious to have join them in the United States. Relying on the 1920 rather than the 1960 census as the basis for determining national quotas adds to the difficulty of these people in getting their relatives and members of their own families on the quota lists of the countries. This is particularly true of Italy and Greece. Consequently, I believe that the 1960 census should be made the basis of determining quotas rather than one which is 40 years old.

There are, of course, other amendments of the law that may be properly promoted, but in my opinion if the latest census figures were used it would be much fairer to American citizens of certain nationalities who are seeking to be reunited with their loved ones.

FATEFUL FELLOW TRAVELERS

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD an article as written on May 15, 1962, by Mr. Gould Lincoln, entitled "Fateful Fellow Travelers." In his article Mr. Lincoln pays a well-deserved tribute to the Senator from Virginia [Mr. BYRD] with respect to his attempt to preserve some degree of fiscal sanity at the national level and his continued fight against an overconcentration of bureaucratic power.

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

FATEFUL FELLOW TRAVELERS

(By Gould Lincoln)

Big spending by the Kennedy administration is a fellow traveler of its big power grab. Senator HARRY F. BYRD, of Virginia, chairman of the important Senate Finance Committee which handles all tax legislation and also of the Joint Committee on Reduction of Nonessential Federal Expenditures, has tackled both issues in speeches to the Senate and to the Delaware Bankers Association. In his opinion, if the administration does not change its financial and governmental policies, the American people are in danger of great inflation, devaluation of the dollar, and indeed, of drastic changes in their Government and freedom, such as has followed in the footsteps of unsound financing in other nations. Americans are not encouraged to tighten their belts but to spend more. And the Federal Government sets the spending pace for them. In the opinion of Senator BYRD, neither individuals nor nations can spend themselves out of debt.

This, to New Frontiersmen, is old stuff and outmoded. President Kennedy in a speech in Milwaukee over the weekend called it a do-nothing policy. The President has called on Congress for great additional Federal expenditures and for great additional powers, which mean still greater Federal expenditures. These are the problems which confront Congress on the eve of an election. The argument of the administration is that its policies will lead to ever-expanding business, national production, and increasing Federal revenue. The administration is on a treadmill, apparently unwilling to slow down or get off. The question is, How long can this kind of thing continue?

SEES DOUBLE PERIL

Senator BYRD said the American people face two dangers to the value of the dollar—one from the domestic deficit of the Federal budget, and the other from the foreign deficit in our international balance of payments. "There was a $4 billion deficit (in our Federal budget) last year, there will be a $7 billion to $10 billion deficit this year, and there will be another deficit of $3 billion to $5 billion in the coming fiscal year," he continued. "The statutory Federal debt limit has been raised twice in the last 11 months. A third request is pending, and I shall oppose it. The (national) debt is approximately $300 billion. The administration estimates that its spending will raise it close to $308 billion in the coming year."

The Virginia Senator said the country is told by the administration the fiscal situation will be all right if the Federal budget is balanced over a cycle of years, and that this will be possible if the Federal Government will spend enough to raise the national production high enough to produce the necessary revenue.

"This is evil fiction," Senator BYRD declared. "It never has worked; it is not working now. * * * A prudent government would balance its budget by stopping nonessential expenditures. This is not being done. The hard fact is that continuing deficits ultimately end in bankruptcy. When a nation goes bankrupt, its assets are not taken over and sold to satisfy its debts. Its money becomes worthless; its economy disintegrates; its form of government falls and changes."

THE MAIN ISSUES

The big question is: Will the people pay attention to the warnings of Senator BYRD, in the face of the big promises and the big spending of President Kennedy? Further, will Congress pay attention and be more restrained when it comes to handling the administration's demands?

Senator BYRD told the Senate that no President in the history of the United States has asked Executive power such as is embodied in two proposals which Mr. Kennedy has before Congress today. Under one, which is pending in the Senate now, the President could spend public funds without appropriation. Under the other, he could cut taxes by Executive order. The first is contained in a $2.5 billion public works bill, which authorizes the President, when he believes it wise, to spend money which has been appropriated by Congress for other purposes. The second is a tax proposal, giving him authority to cut income taxes when he believes it wise to stimulate buying power.

"Both proposals," Senator BYRD insisted, "would undermine the Constitution which prohibits expenditures except in 'consequence of appropriations made by law,' and fixes the taxing power of the Government in the legislative branch. The President says he wants these powers for use in unemployment relief. Where is the emergency justifying such grants of power? * * * Is it a plan to speed up spending?" Senator BYRD declared that Congress could be called into session in any emergency, or remain in constant session, rather than place more power in the hands of the Executive.

"Use of the Federal whiplash on a segment of the Nation's industry in recent weeks shocked the country, but it should have surprised no one at this late date. The increasing dominance of the executive branch in the Federal Government is combined with the usurpation of power in a continuing line of decisions by the Warren Court."

THE TRADE EXPANSION ACT OF 1962

Mr. HARTKE. Mr. President, I rise today to express my deep concern over the President's proposed Trade Expansion Act of 1962. Indiana has a vital stake in any action which would affect trade, for 6 percent of Indiana's workers are completely dependent on exports for their living. The majority of these employees are engaged in manufacturing.

It is generally believed that Indiana is primarily an agricultural State, but as a matter of fact 62 percent of Indiana is urban. Manufacturing is the leading economic activity in Indiana and the largest source of employment for the State's labor force. There are several industrial areas in Indiana. Many of our large cities, such as Indianapolis, Gary, Fort Wayne, Evansville, South Bend, Terre Haute, Elkhart, and East Chicago, are great industrial centers. These tremendous centers of industry are a powerful source of economic strength for Indiana and for the Nation.

In 1960 Indiana ranked 10th in the Nation in the export of manufactured products with a total export value of $483.6 million. This $483.6 million was 3 percent of the Nation's total exports. The same year over 300 Indiana firms exported more than $25,000 in manufactured goods. These firms employed 310,259 Hoosiers or 52 percent of Indiana's total working force, in manufacturing.

It is evident, Mr. President, that the future of Indiana's exports of manufacturing is of great importance to the rest of the Nation; similarly the future of America's exports in manufacturing will have a terrific impact on Indiana's manufacturers. At present the United States exports more merchandise than it imports. In 1961 the surplus was $5 billion. As you know, this surplus is essential to the national security of America because it helps us pay for our military and economic aid and for other national commitments abroad.

In spite of a favorable balance of trade, however, the United States has been experiencing a deficit in its international accounts. Settlement of this deficit has led to an outflow of U.S. gold and dollars. To stem this outflow, it is essential that we increase our exports, thereby further increasing our trade surplus and helping us to pay our international commitments without having to use gold.

Trade also strengthens the United States and her allies against the economic warfare of the members of the Communist bloc. Thus, efforts which will increase international commerce will also create a more prosperous America and a stronger free world.

The farmers of Indiana, too, have a paramount interest in the future of American exports. Five hundred and ninety dollars of the annual income of each Indiana farmworker comes from the sale of farm products abroad. Sales to foreign agricultural markets bring $150 million to Indiana's total agricultural income. Mr. President, the farmers of Indiana and of our Nation as a whole would be adversely affected if, with all our present surplus, we should suddenly lose our export markets.

In the 1960 to 1961 crop year, Indiana's share of the U.S. total exports of agricultural products was $149.3 million; 15,700 Hoosier farmworkers, or 7.2 percent of all the workers on Indiana farms, were producing for export.

Sixty million acres of American cropland—1 out of every 6 acres harvested—produce for export. American agricultural products are being exported at a record high of $5 billion annually. U.S. farmers need these exports as an important source of income. Foreign consumers need our exports as a significant source of food and clothing.

In the more prosperous countries of the world, incomes are rising, and there exists an excellent opportunity for America to sell larger quantities of farm products, provided such countries maintain liberal trade policies that will permit U.S. agricultural commodities to enter and compete on equal terms with those of other suppliers. In the less prosperous countries American farm products obtained under such programs as food for peace are helping these countries in their economic development and simultaneously are increasing U.S. prospects for future commercial sales to them.

I am certain, Mr. President, that my colleagues are as eager as I that the farmers and manufacturers of our great Nation be allowed to continue to prosper from favorable trade conditions. The opportunity to insure these favorable conditions will soon be before the Senate. I sincerely trust that my distinguished colleagues will act in their wisdom to guarantee for America the continued prosperity and economic expansion through trade.

PROPOSED JOINT COMMITTEE ON INTELLIGENCE

Mr. PELL. Mr. President, I ask unanimous consent to have printed in the RECORD the excellent editorial in the New York Times of May 19, 1962, advocating the creation of a watchdog Joint Congressional Committee on Intelligence which would keep tabs on the CIA. We heard several months ago about the importance of separating intelligence collection from operation. Apparently, in spite of the Cuban fiasco and all we heard following it, these contradictory activities continue under the same roof.

I also hope that hearings on Senate Joint Resolution 77 will be held soon in order that this whole problem of a watchdog committee may be more fully investigated and that the Senate may be able to have the opportunity to arrive at an informed judgment concerning it.

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

SEQUEL TO THE POWERS CASE

John A. McCone, vigorous new director of the Central Intelligence Agency, has been demonstrating as head of CIA the strong leadership and quick comprehension which all those who knew him had anticipated.

Yet there are, inevitably, carryovers from the past which still leave disquieting memories. One of these is the case of Francis Gary Powers, the pilot of the U-2 high-flying plane lost over Soviet Russia in 1960. The carefully staged and well-greased arrangements for Powers' public appearance before the Senate Armed Services Committee a few weeks ago did little to allay the doubts raised by the inept handling at the time of the U-2 incident.

Questions are still being asked, and the lessons of the U-2 which should have been underscored after Powers' return remain hazy and confused. The questions are many and publicly unanswered: What were Powers' orders about the destruction of his plane? Why did the Government launch a cock-and-bull cover story when the U-2 disappeared? Was Powers really ordered to cooperate with his captors? Is it the Government's belief that the U-2 was actually damaged by a Soviet rocket? And so on.

The lessons, which should have been sharply drawn by the Senate hearing, have been fuzzed up and forgotten. But they are plain enough.

The first is that the qualifications possessed by a competent technician, no matter how expert, are not alone sufficient for a job of such risks and importance as that of Powers.

The second lesson is that high pay is not an adequate motivational reward for the kind of risks Powers and his comrades took. A man will die for his country and for the belief in what he is doing, but money cannot purchase this emotional resolve.

The third lesson is that the CIA should have been better prepared for what did happen than our heavy-handed fumbling at the time indicated. It is quite true that the CIA was not alone in its mistakes. Government bureaucracy, crossed purposes, and some poor judgment contributed to making a bad situation worse. But the CIA has had in the past too much of a history of free wheeling.

Congressional control is even more important for a secret intelligence agency than it is for the military. That control has been too loose in the past. There is one ready way to remedy it—the creation of a watchdog committee of both houses of Congress—a Joint Congressional Committee on Intelligence, which could monitor CIA operations just as the Joint Committee on Atomic Energy watches over the AEC.

TAX BILL—OPPOSITION TO WITHHOLDING TAX ON INTEREST AND DIVIDENDS

Mr. BYRD of Virginia. Mr. President, I have prepared a statement relating to the tax bill—H.R. 10650—which is now under consideration by the Senate Finance Committee. I ask unanimous consent to have this statement printed in the body of the RECORD as a part of my remarks at this time.

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

STATEMENT OF SENATOR BYRD OF VIRGINIA

I have the honor of being chairman of the Senate Finance Committee. In this position I usually refrain from announcing my position on legislation pending in the committee until the committee has acted. I am now constrained by current circumstances and long experience with Federal tax legislation to make this statement at this time; and I do so in my own right as an individual Senator from Virginia.

I shall oppose administration proposals in the pending tax bill to withhold 20 percent in personal income taxes on interest and dividends, and to give a 7- or 8-percent tax credit to segments of business for investment in new machinery and equipment.

I have reached this firm position with respect to these two provisions in the bill after fullest consideration of views expressed by witnesses in exhaustive hearings, and those set forth in thousands of communications from the general public.

I have given closest possible study to statements in behalf of the administration's recommendations, including those by the President in his press conference of May 9 and those made by the Secretary of the Treasury before the Finance Committee and elsewhere.

In addition, I have called on my own experience, and knowledge of existing authority and facilities which had better be fully employed to curb tax evasion and revise depreciation credit before we resort to the withholding and tax credit legislation now proposed.

Members of Congress have been placed under tremendous pressure by representatives of the administration pressing for enactment of these proposals, and by citizens throughout the Nation overwhelmingly urging their rejection.

The hearings on the bill—which started April 2 and continued until May 11—have now been concluded. And at this point, under circumstances outlined, I am making this statement at this length to state my individual position with respect to the withholding and tax credit provisions in the bill, and describe in some detail the consideration leading to them.

Generally, the reasons for the conclusions I have reached may be summarized in a measure, and this I have attempted to do. But in view of the extraordinary interest demonstrated with respect to these two proposals, I shall include also additional detail for further consideration if it is desired by those who may be interested in this legislation.

I oppose enactment of the withholding proposal at this time for numerous reasons including:

1. Withholding taxes on interest and dividends cannot be compared with withholding taxes on salaries and wages; its administration would be terribly complex, if not impracticable and unworkable.

2. It would, by its inherent deficiencies, overtax people for extended periods, and impose hardship or inconvenience not only on taxpaying citizens but also on institutions and businesses used by the Government to collect the taxes.

3. Respect for our tax system must be maintained. It is necessarily complex enough. Unnecessary confusion must be avoided. The agitating characteristics of this proposal are already clear from public reaction. Tax evasion cannot be condoned, but this withholding proposal should be enacted only as a last resort.

4. An alternative is available, and it should first be given full trial. The Internal Revenue Service is now assigning numbers to taxpayers to eliminate identification difficulties, and at the same time it is installing computers to show currently what taxpayers owe the Government and vice versa. This combination should and will provide information for effective curtailment of tax evasion.

When the so-called identifying numbers bill was presented to the Senate by the Senator from Virginia and passed late on

the night that Congress adjourned last September, Treasury officials had advised me that the following statement could be made with accuracy on the floor of the Senate:

"This would be the biggest loophole closing bill in history; that it would increase Federal revenue by $5 billion; and that when used in the computers, those avoiding taxes could be identified and compelled to pay."

In response to questions during his testimony on the pending bill, the Secretary of the Treasury, Douglas Dillon, on May 10, confirmed the fact that:

"With identifying numbers and the computer systems, the Internal Revenue Service could obtain information necessary to levy proper taxes on interest and dividends, and with that information the Government's remaining job was to collect the taxes. Secretary Dillon's only substantial reservation was that additional agents would be needed."

I am convinced that in the interest of good government the numbers-computer systems should be thoroughly tried before we resort to the administration's plan for withholding taxes on interest and dividends, which is certain to be accompanied by widespread confusion and considerable hardship.

If there is need to have more complete reporting—by banks and businesses—of information on income from interest and dividends, and heavier penalties for tax avoidance in these areas, I shall offer amendments providing for both.

Under terms of the pending bill, this withholding provision would not be effective until January 1, 1963. The complexities involved make it doubtful as to whether this withholding plan could be put into operation before 1964. The Secretary of the Treasury has testified that the numbers-computer systems would be in full operation during 1965–66; and in my judgment, if the effort were made, they could be in effective operation by 1964.

If, after reasonable trial in full operation, it is found that the numbers-computer systems do not close the loophole through which taxes on interest and dividends are being evaded, avoided or overlooked, withholding can be adopted. But the numbers-computer systems should have a thorough trial.

I oppose enactment of the tax credit proposal in the pending bill also for numerous reasons, including the facts that:

1. It is wrong in principle. It is in the nature of a Government payment before the fact instead of a credit for an accomplished fact.

2. It is a subsidy in the nature of a windfall to be given to businesses which comply with a Government policy.

3. It is discriminatory in its application among various businesses, even among those similar in kind. Incentive is a stated purpose of the proposal, but it would be retroactive to last January 1, and it is difficult to understand how the provisions would be an incentive for investments made before it is enacted. It would be a bonanza for certain corporations which could reach $600 million.

4. An alternative is available. The Government has the authority, and belatedly is now taking action to modernize Internal Revenue regulations to provide realistic depreciation credit for plant and equipment.

These observations are expanded, and others are set forth, in the following sections of this statement:

WITHHOLDING ON DIVIDENDS AND INTEREST

All taxpayers should bear their fair share of the tax burden. Over the years we have searched for feasible means of withholding on interest and dividends. I had hoped the pending administration proposal would meet the difficulties. This has not been done, and I have concluded that the legislation should not be adopted at this time.

My present view is attributable primarily to two facts: First, the Treasury Department has not come up with a workable system of withholding. The proposal neither removes the hardships for the small shareholder or depositor who owes little or no tax, nor is it a workable system for the banks and corporations paying the interest and dividends. Second, I am convinced that the Treasury has not as yet made full use of the new social security numbering bill we passed last year nor automatic data processing, which is so closely interrelated with the numbering bill. As I point out, I believe that with an extension of the application of information returns, there is a good possibility of collecting the tax on the presently nonreported dividends and interest without imposing the burdens apparently inherent in a withholding system.

The President in his recent news conference has said that this is not a new tax and, of course, it is not—but it would be a new way of collecting it. And unless refunds are promptly made it could result in a tax increase. The President said that it will not take money unjustly from honest taxpayers—but it will unless they have no tax liability and file exemption certificates. (If they have tax liability and can file quarterly refund claims, they are deprived of the use of their own money for anywhere from 1 to 4 months.) He has said that it would not create a mountain of red tape—but I believe he will change his mind when the Internal Revenue Service undertakes the job of processing 8 million or more exemption certificates and millions of quarterly refunds. The President said it will not harm the elderly, the widows and orphans and others of low income—but these are the very groups which owe little or no tax and must choose between the exemption and refund provisions. Even if they choose correctly, they are likely to be deprived of the use of their income for a time. Unfortunately, they are likely also to be the ones who through lack of information will not get back what the Government justly owes them.

Impracticable or unworkable

Withholding on dividends and interest has been represented to us as being a simple system for both the taxpayer and the payor of dividends or interest. We have been told that the problems of the aged, the children, and the others who owe little or no tax have been provided for, with the result that there are no hardships under the bill. We also have been told that wage and salary earners are withheld upon and therefore why shouldn't withholding also apply for those who receive dividends and interest.

The very substantial opposition which individuals throughout the country have expressed to withholding on dividends and interest, through thousands upon thousands of letters to their Congressmen and Senators, should be ample evidence that there must be something wrong with the administration proposal. The testimony before the Senate Finance Committee has convinced me that what is wrong with the proposal is that it is neither simple in operation nor free of substantial hardship for broad groups of taxpayers. I also am convinced that the system proposed contains many avoidance possibilities which have been glossed over by the administration.

The exemption certificates provided under the bill have been held out as being the major means by which hardship is removed under the bill. These exemption certificates, however, may be filed only by those who have no tax liability whatsoever. This means that exemption certificates may be filed by most youngsters and also by the elderly who had no tax liability. However, many others, both in the elderly category and among younger people will be faced with substantial hardship under the bill because of overwithholding on dividends and interest. Even those who can file exemption certificates, however (unless they are under age 18), must state under penalty of perjury, that they expect to owe no tax for the coming year. Won't many conscientious persons who either in fact turn out to owe no tax, or little tax, feel that they cannot sign such a statement before the year even commences and therefore won't they effectively be deprived of the use of the exemption certificate?

For individuals expecting to have any tax liability, quarterly claims for refunds must be filed if they expect to have the overwithheld amounts returned during the year in which the withholding occurs. Those who file these quarterly claims can expect a delay of at least 3 or 4 weeks before they receive back the overwithheld amounts, and may have to wait as much as 3 or 4 months before the withheld amounts are returned. This deprives them of the use of these funds as living expenses or as sources of investment during the interval. I believe it is this aspect of the proposed witholding system which makes so many individuals consider that withholding on dividends and interest in effect constitutes a new tax.

This quarterly refund claim which must be filed (or verified) by the individual four times a year is far from a single calculation. The complexities of this are shown on page 91 of the House committee report on this tax bill. However, in addition to the 19 items listed in that calculation, the taxpayer must list in detail the source of each separate amount of dividend or interest income which he receives. Finally, he must also list all of the same material all over again in a tax return filed at the end of the year, in order to receive his refund for the fourth quarter. Although the taxpayer may have to fill out the refund claim only once and then merely verify the figures sent to him in the two subsequent quarters, this will only be true if his dividend or interest income and other income remains exactly as anticipated. Otherwise, new calculations must be made each quarter.

It should also be noted that the quarterly refund provided by the bill, as passed by the House of Representatives, does not allow for all cases under which overwithholding may arise. It does not, for example, make any allowance for the $50 dividend exclusion ($100 exclusion on many joint returns), for the 4-percent dividend credit, and for the excess of itemized deductions over a standard deduction. Moreover, no quarterly refund at all may be filed by a single individual with more than $5,000 of gross income or a married couple with more than $10,000 of gross income.

While the exemption certificates and quarterly refunds do not resolve the hardship problems for the shareholders or depositor, they nevertheless will present many compliance problems for the corporate and bank payers of the dividends and interest. The corporations and banks will have to maintain two files of stockholders or depositors. In the case of stock, the corporation must also be prepared to shift stockholdings back and forth between these two files as it is purchased and sold or as exemption certificates are issued. Moreover, special problems will arise where stock is sold just before a dividend date by someone who has filed an exemption certificate to someone who has not, if the stock certificate has not actually been delivered to the corporation before the dividend date. Moreover, in order to use exemption certificates at all, the taxpayers will have to forego the convenience of leaving stock in their brokers' names.

Although not touched upon by the Treasury Department in its explanation of withholding before the Finance Committee, there also will be serious administrative problems for the Internal Revenue Service as a result of the use of exemption certificates and quarterly refunds. These, if not policed

very closely by the service, can lead to substantial tax evasion. There is no assurance, for example, that only those who reasonably expect no tax liability will file exemption certificates unless these certificates, representing at least 8 million taxpayers, are checked by the Internal Revenue Service. Moreover, these will not be easy to check because many of them will represent persons not required to file tax returns so there frequently will be no returns to match them against.

Similarly, since the individual when he files a quarterly refund need submit no proof of the receipt of dividend or interest payments, here too there is ample opportunity for tax evasion and fraud as well as unintentional mistakes. These also must be checked in detail and compared with the amount shown on final returns if the purpose of the legislation is to be fully accomplished. In fact, it is entirely possible that some taxpayers might file exemption certificates, file quarterly refund claims and still claim refunds on their final returns at the end of the year, all with respect to the same dividend or interest payment or with respect to no dividend or interest payment at all. While the Internal Revenue Service through sample auditing may be able to control this form of tax evasion and unintentional errors, I believe it will require no small enforcement effort.

Another source of confusion under the Treasury proposal is the so-called grossup procedure the service intends to follow. We are told that it is possible to do away with the necessity of giving receipts to the interest or dividend recipients under the proposal because taxpayers can grossup their dividends and interest on their tax returns. Although the arithmetic of grossup may be correct, it is likely to lead to many problems. Taxpayers will almost certainly get mixed up between the interest and dividend payments which they are required to grossup and those which they are not, with the result that this will constitute a substantial source of errors on tax returns.

This omission of some forms of interest from a withholding system not only will lead to confusion on the part of the taxpayers as to how to treat interest on their tax returns but will also create favored categories of investment—those not subject to withholding. Under the bill withholding does not apply, for example, to interest on mortgages, interest on debt held by individuals and interest paid in the form of discounts. This means that such forms of investment will become more attractive than other forms of investment which are subject to withholding, such as bank account interest and Government bonds.

I have dealt here only with the problems of withholding on dividends and interest for individuals. Many more are involved in setting up a withholding system for dividend and interest payments going to corporations. This clearly is useless since the withheld amounts are immediately refunded to the corporations without regard to their tax liability. Similarly, problems are raised in connection with the application of the dividend and interest withholding system in the case of trusts, partnership investment clubs, mutual funds, etc.

Comparison with wages and salaries

Much has been said to the effect that wages and salaries are subject to withholding and therefore why shouldn't dividend and interest income be subject to withholding. If a workable system could be devised for dividends and interest, I would certainly agree with this conclusion. However, as indicated above, I do not believe the Treasury or the House of Representatives has been able to solve the difficult problems of withholding on dividends and interest.

The problems in connection with withholding on dividends and interest are much greater than those faced in connection with wage and salary withholding. Most employees have only one employer (as contrasted with many sources of dividend and interest income), and because of their close association with their employers, it is possible for them to file employees' withholding exemption certificates with their employers. This makes allowance for the number of their exemptions, as well as the 10 percent standard deduction. As a result, withholding in the case of wages and salary in actual practice may vary from 0 up to 18 percent, but in no case does it reach the 20 percent rate which would apply across the board under the administration's proposal for dividends and interest. The pending proposal, therefore, is much more likely to result in overwithholding in the case of dividends and interest than present law in the case of wage and salary withholding. Despite this there is overwithholding on wages and salaries on a very large number of returns at the present time. This suggests even more overwithholding in connection with dividends and interest. Moreover, while much of the overwithholding in the case of wages and salaries is relatively small, the overwithholding on dividends and interest could be expected to be quite large on a per return basis. For example, for a retired couple, with both husband and wife over age 65 and receiving half of their income from dividends and half from interest, there may be some overwithholding for income levels up to $20,000. The overwithholding on such a couple at the $5,000 income level would equal 19 percent of the income after tax, all of which would have to be recovered by quarterly refunds.

Alternative to withholding

I want to make it clear that in my view everyone should pay every dollar of tax they owe. I am not in any sense of the word justifying the underreporting of income in the case of dividends and interest. However, because of what I believe is the impracticability of the withholding legislation proposed by the administration, I do not believe that legislation of this type should be enacted until every other means of collecting this tax has been exhausted.

With the development of computers for automatic data processing, I believe the use of information returns to collect the tax on dividends and interest should be given a real trial before going to the extreme of adopting a complicated withholding system for dividends and interest. The Treasury Department has intimated that an information return system would be more complicated for the dividend and interest payors than withholding, but in my opinion this is adequately rebutted by the testimony before the Finance Committee. Most payors who testified expressed a decided preference for the extension of the information returns over the initiation of a withholding system.

It must be remembered that withholding of 20 percent would not determine the tax liability of any payee. Only the filing of the payee's tax return, and its audit by the Service, would determine his liability. The tax he owes would always be less or more than amount, depending upon his other income, personal exemptions, deductions, and credits. Without adequate information, such as is made available for salaries and wages, the income tax system cannot operate as it is intended. We must bend every effort to improvement of the informational reporting system for dividends, interest and other types of income, as the account number legislation and the data processing machines are designed to do.

Information returns in the case of dividends are already required down to a level of annual payments of $10 per shareholder. At present, interest payments are reported only when they amount to $600 or more. Information could be required down to the same $10 level presently applicable in the case of dividends.

Likewise, a longer statute of limitations could be provided with respect to any omitted income including dividends or interest. Under present law, the general statute of limitations during which a return may be examined is 3 years after the return is filed, although where 25 percent or more is omitted from gross income there presently is a 6-year period of limitation. This 6-year period of limitation could be made to apply with respect to any single source of income which is entirely omitted from a taxpayer's return.

Use of automatic data processing

I believe that the matching by the Government of information returns against tax returns will provide essentially the same check on interest and dividend reporting as a withholding system, with one exception: the information returns will be more effective in that they will indicate the missing tax above the first-bracket rate. The 20 percent withholding system proposed in the pending bill does not provide for receipts, and therefore would not point out this missing income above the amount withheld.

As the automatic data processing facilities become effective it should be possible to match a large proportion of the information returns against tax returns. A statement by Internal Revenue Commissioner Mortimer Caplin before the New York State Bar Association on January 25 of this year indicates that by 1965 all of the nine regions of the Internal Revenue Service in the country will be affected by automatic data processing. He said by that time:

"We will be well on our way to completing our master taxpayer file of some 78 million consolidated tax accounts recorded on 500 miles of magnetic tape."

As a result, with the longer period of limitations which I have suggested for omitted sources of income, it should be possible to use the automatic data processing system to match the information returns and tax returns, even for what will then be the back years 1962 and 1963. While this matching is a large job, it should be well within the realm of the possible when we remember that, according to Commissioner Caplin, the machines:

"Reading at a speed of over 6½ million letters or numbers a minute * * * will reveal any discrepancies or unusual characteristics suggestive of the need for further examination, and will then list this information at the remarkably high print-out speed of over 600 lines per minute."

The Treasury has emphasized that although automatic data processing, through the matching of information returns and tax returns, discloses discrepancies, there still remains the job of collecting the taxes. However, I believe the Treasury is underrating their new system in not pointing out the job that automatic data processing can also do in aiding in the collecting of taxes. For example, Assistant Secretary of the Treasury Surrey, in an article in the January issue of Tax Law Review of New York University in commenting on automatic data processing and tax administration, states:

"Also, separate tapes, representing bills or refunds, can be produced as an output of this same operation, to be followed in turn by high-speed printing of appropriate communications to taxpayers. To go further, another part of the same program can be designed to identify taxpayer accounts requiring other forms of action, such as issuance of delinquency notices, the notification to audit personnel of possible need to examine the return, the preparation of taxpayer registers of various kinds, and the accumulation of specific information for management needs."

Assistant Secretary Surrey, in the same article, continues:

"The maintenance of a consolidated account under an automatic data processing system provides the means for issuing net bills covering liabilities for multiple taxes. * * * Billing can be prompt and accurate. Furthermore, the machine-prepared bill permits more detailed and explicit information for the taxpayer than is economically feasible under a nonmechanical system."

I recognize that to do a thorough job of collecting the tax attributable to dividend and interest income may require some increase in personnel for the Internal Revenue Service. However, since it is possible to use automatic data processing for billing and carrying on initial correspondence with taxpayers, this increase in personnel need not be as large as it is sometimes assumed. Moreover, the alternative, namely, the withholding system proposed by the administration, would also be costly. This system attempts to collect the tax not only on dividend and interest payments above $10 but also the tax on smaller amounts as well. The withholding at 20 percent even on $10 is only $2, only slightly above the $1 minimum used in tax computations on the tax return. I believe it is also clear that if extensive tax evasion and mistakes are to be prevented, a sizable auditing group must be assigned to validating the proposed exemption certificates and quarterly refund systems. This is true even though the amounts involved in many cases will be very small. Also, the payor's costs for a withholding system involving exemption certificates cannot be ignored. This cost will, of course, through the deduction of business expenses, be reflected in a decrease in governmental revenues.

Conclusion on withholding

I believe that the numbers-computer systems such as outlined here should be given a full and complete trial before further consideration is given to a withholding system on interest and dividends. I base this primarily on the hardship and confusion that a withholding system on dividends and interest will cause for those who either have no tax liability, or only a relatively small tax liability which in any case is likely to be offset at least in part by excess withholding on wages and salaries.

Our tax system year by year is getting more and more complicated, and the harassment of the taxpayer is increasing almost with each change made. Respect for our tax system must be maintained. Unnecessary complexities and burdens must be avoided. The withholding system on dividends and interest proposed by the administration would be a susbstantial step to the contrary.

Withholding on interest and dividends has been before the Senate on four previous occasions—in 1942, 1950, 1951, and 1960. It has been overwhelmingly defeated each time because of its inherent complexities. The present proposal occupies some 46 pages in the pending bill, filled with technicalities and exceptions. Having waited through this long period of time, spanning much of my service in the Senate, I have concluded that we should give the systems I have outlined, using the account number legislation and the new electronic machines, an opportunity to cope with the problem before adopting a proposal which the Senate has for obvious reasons so often rejected.

INVESTMENT CREDIT

I must strongly oppose the investment credit proposal in the pending bill.

The Treasury estimates that the version of the credit which passed the House (7 percent) will result in an annual revenue loss of about $1.2 billion; but the administration prefers an 8-percent credit which the Treasury estimates will result in an annual revenue loss of nearly $1.4 billion.

Under present conditions—when we are faced with the prospect of a deficit in the current year of $7 billion to $10 billion and the likelihood of another deficit of $3 billion to $4 billion next year—I could only view it as an act of fiscal irresponsibility were we to adopt a $1.4 billion investment credit, and this I predict would be merely the beginning. It does not include credit on buildings which could be expected to come later.

We are all concerned about the rate of growth of investment in capital in the American economy. However, I believe that the investment credit is discriminatory, wrong in principle, and would do great harm to our tax structure. In addition, I believe it would be ineffective in achieving the growth in investment sought and is not needed under present conditions.

Wrong in principle and discriminatory

I view the investment credit as a subsidy—as a payment, through a special tax reduction, for taking a particular action sought by the Government. When tax reductions are possible, I believe they should take the form of removing restraints. In this manner we can obtain a more realistic and natural growth in investments, one which matches investments with the demands and needs of the economy rather than with benefits derived from an arbitrary tax reduction.

That the investment credit is wrong in principle was recognized by the great majority of the witnesses before the Senate Finance Committee. Fully two-thirds of the witnesses referring to the credit in their appearances before the committee opposed it.

It is difficult for me to see why the administration so strongly advocates this investment credit when the leaders of industry, labor and farmers specifically oppose it.

Stanley H. Ruttenberg, director of research of the AFL-CIO, with reference to the investment credit, urged the committee to "delete this provision from the bill, because we think it is a multibillion-dollar windfall that will not really contribute anything to our national goals and will not relieve our balance-of-payments problem as it is claimed to be."

Mr. Walter Slowinski, appearing on behalf of the chamber of commerce with respect to the investment credit, said:

"The chamber again recommends against the adoption of this novel and untried preferential tax credit subsidy for business. It is also unnecessarily complex, and it will be difficult to administer."

Mr. Harold H. Scaff, chairman, tax committee, National Association of Manufacturers, said of the investment credit:

"It would simply provide reduction in effective tax rates for taxpayers who use their income or other funds, as the Government thinks is best for the economy at a particular time.

"There has been a tendency to promote and discuss the investment tax credit apart from the price which it would exact in terms of other changes in the tax law. Even without the exaction of such a price, we would oppose the credit for the reasons set forth in the appendix attached hereto. Very simply, we believe that tax reductions should be afforded by direct means. We would take this position even if, in our opinion, all of the other provisions of H.R. 10650 constituted sound tax policy."

Mr. Charles B. Shuman, president of the American Farm Bureau Federation, indicated that the Farm Bureau opposed the investment credit. He stated:

"These provisions are both unsound and likely to have a number of undesirable effects. It would be far better to liberalize the treatment of depreciation and to work toward a general reduction in income tax rates.

"The proposed investment credit is a selective form of tax relief—in reality a subsidy. * * * The result would be to give some taxpayers a competitive advantage at the expense of others."

Although the Farmers' Union did not testify before the Finance Committee, a communication signed by James G. Patton, president, National Farmers' Union, inserted in the CONGRESSIONAL RECORD on March 29, 1962, page 5417, states as follows:

"Urge your influence to delete provision giving huge private corporations operating at less than full capacity over $1½ billion and private electrical power monopoly over $100 million in tax subsidies which would result in the flight of capital overseas and further aggravate the dollar crisis."

The investment credit is wrong in principle because it, coupled with depreciation, returns to the investor more than 100 percent of what he paid for an asset. In other words, the investment credit allowed is over and above regular depreciation. Thus, it represents a gift, or subsidy, to a selected group of taxpayers.

The investment credit is also wrong in principle because it is discriminatory. For example, the United States Steel Corp. advises me that their maximum credit for 1962 would be no more than $5 million or $6 million, while the American Telephone & Telegraph Co., on a 7 percent rate, would receive in 1 year $200 million. The very fact that the investment credit selects those who make investments as the recipients of the special tax reduction means that it discriminates against those who for any reason cannot make the investments. This means, for example, that those who made substantial investments last year or the year before, and therefore cannot make investments in 1962 or 1963, are discriminated against. This is also true of those who cannot obtain the funds to make investments, and of those who cannot afford to make investments because of already existing excess capacity in their industry. A second major type of discrimination exists in the case of those whose income is relatively small in the current year, because the investment credit allowed under the House bill or the administration proposal is limited to 25 or 50 percent of tax liability in excess of $25,000. A third type of discrimination under the bill exists in the case of certain types of investments. For example, the investment credit is not available for buildings or structural components, for increase in inventory, or for increases in accounts receivable, or under the administration proposal for investments in public utilities. (The House bill provided a 4-percent tax credit for public utilities.)

Revisions made in our revenue structure must not be allowed to create new discrimination and artificial distinctions among taxpayers. Instead, our attention should be directed toward lessening, rather than increasing, such factors.

Ineffective and questionable

Serious questions arise as to the efficiency of a device designed to stimulate new investments which indiscriminately awards tax rebates for all new investments, even though most of them would be made without investment credit. Moreover, if the purpose of this credit is to stimulate investment, I cannot see why the administration would make the provision retroactive to the first of this year. This retroactive feature could produce a windfall of as much as $600 million over the period from January 1962 to the date the bill could become effective. There has been too much uncertainty as to the passage of this measure for anyone to be sure the investment credit would apply to investments made to date. The retroactive application of the provision therefore is completely wasted as far as any stimulative effect is concerned.

Another factor apparently overlooked by the administration is that investments made now will not be eligible for the investment credit in many cases for a period of 2 to 3 years. Mr. R. C. Tyson, chairman of the finance committee of the United States Steel Corp., for example, indicated in a letter to me that in the case of the steel industry a period from 24 to 30 months on the average will elapse between the date the project is begun and the date the expenditures are eligible for the credit.

The new McGraw-Hill survey asked industry how much it would increase investment plans if an investment credit were to be provided. The answer was that the credit would boost 1962 investments by only 1 percent, or $300 million. This is indicative of the relative ineffectiveness of the investment credit as a stimulant for increased investment.

Many of the witnesses who appeared before the Finance Committee also doubted the effectiveness of the investment credit. For example, Augustus W. Kelley, representing the Proprietary Association, said:

"The theory of the tax incentive in our opinion is based on the false premise that business investments are motivated substantially by tax considerations. In our industry, and we believe it is typical of others, the decision whether or not to invest in new machinery and equipment is based primarily on pure business consideration. Simply stated, we are not going to spend $1 just because the Government gives us 7 cents."

Mr. Otis H. Ellis, speaking for the National Jobbers Council, said:

"This tax credit will not be enough to induce a single jobber to buy one item more than what he would otherwise have purchased."

The McGraw-Hill survey, already referred to, anticipates that even without the investment credit, business investments in plant and equipment this year are expected to amount to $38 billion, or $1 billion above the previous record set in 1957. This is $3.5 billion, or 11 percent more than was spent last year. Moreover, the survey indicates that existing plans point to a high level of investment for the period 1963–65.

This anticipated rise in business investments, coupled with the fact that the Secretary of the Treasury has already announced firm Treasury plans to substantially revise allowable depreciation schedules under bulletin F, in my view indicates that this is not the time for still further so-called aids to business investment. The depreciation provision alone, according to testimony of the Secretary of the Treasury (May 10–11 before the Finance Committee), is likely to result in a revenue loss of $1.2 billion. I cannot believe that we should add another $1.4 billion to this without first seeing the effect of the depreciation revision on investments.

OUR FOLLY IN ISOLATING FRANCE

Mr. SCOTT. Mr. President, I wish to call attention to an editorial-advertisement that appeared in the public interest in the New York Times on April 16, 1962, by International Latex Corp. and its founder, Mr. A. N. Spanel, captioned "Our Folly in Isolating France."

This article deserves attention because it astutely diagnoses some of the causes for the divisiveness that exists between many nations of the free world. It details the first steps that should be taken to establish true unity and, with it, strength and security.

It is heartening to see the creative efforts of a businessman and his company acting as private citizens, yet doing so much in the public interest in these perilous times. I know of no private citizen who has given so much of himself and of his company in thought, effort, and treasure, in order to establish stronger bonds between the people of the United States and France, as Mr. Spanel has since 1939. Because these constructive efforts are now so widely known throughout the free world, Mr. Spanel merits encouragement with highest recognition everywhere.

I therefore ask unanimous consent that the article by Mr. Spanel be printed in the RECORD.

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

OUR FOLLY IN ISOLATING FRANCE

(By A. N. Spanel)

The American people have watched with deep sympathy the long ordeal of the people of France, climaxed by the continuing bloodshed in Algeria. The traditional friendship between our two peoples is too genuine, too time tested, to be affected by fluctuations in the climate of official relations between our countries.

It is no secret that the French Government has been more and more disenchanted with Washington. This is a matter of great concern to those of us who have been close observers of Franco-American relations. The time is ripe, we feel, for the United States to acknowledge—in deeds, not words—that France has been reborn as a nation of major rank, and that she can no longer be confined to a secondary role in the free-world coalition and in the Atlantic Community.

Concretely, this demands acceptance of France as a member of the so-called nuclear club, and her full participation in free-world policy decisions affecting French interests. Only in that way can the weight of the revitalized France be added to the overall political, material, and moral strength of the Western Alliance.

In both Asia and Africa, France has fought battles, at a devastating cost in blood and treasure, in which not only her own interests but those of the entire West were at stake. To appreciate the cumulative frustration visited upon the country by her major allies, one must review some key events in recent years:

1. In Indochina, France fought against the local forces led by Moscow-trained Ho Chi Minh and the forces of Red China, without any significant help from the United States and Great Britain. The cruel price of that free-world failure is being paid today in Laos and Vietnam, both fragments of the former French Indochina; before long it may have to be paid in Cambodia and the rest of southeast Asia.

2. In the Suez crisis, in 1956, the United States intervened against the action taken by Britain and France in behalf of the whole free world. The principal beneficiary of that rash intervention, Dictator Nasser, has been repaying the West by atrociously discriminating against its shipping interests, a great gain for Moscow.

3. Because French interests in the Middle East are large and compelling, both Washington and London had given assurances that France would be consulted in advance on all policy decisions during the Lebanon crisis in 1958. Yet France was demonstratively ignored by the Anglo-American Governments before they acted.

4. In the grueling 7-year war in Algeria, France found neither understanding nor diplomatic help in Washington. On the contrary, she had to contend with ever mounting American moral support for the rebels.

5. Most important, because it reflected a false and deeply humiliating underestimation of the country, the United States has denied to France the kind of access to the reservoir of American nuclear technology that was wide open to Great Britain. This illogical policy, which persists to this day, has given the ring of hypocrisy to our lip-service to French equality in the grand coalition.

LOST FAITH

Any of these events and policies may be explained, or explained away; there is room for argument. But their total impact on the French people, during long years of tragedy and sacrifice, has been to erode faith in the free-world alliance. For all the talk of free-world unity against international communism, they felt increasingly France must depend in the long run on its own power and wisdom. Her exclusion from the nuclear elite has been a prime factor in this national sentiment.

As long ago as August 19, 1958, we warned in these columns that France "will continue to react sharply, to its own and the free world's peril, to every maneuver of disparagement or downgrading. And in this connection the atomic problem is crucial. * * * Nuclear energy for both peaceful and military uses has become the symbol and substance of strength in today's world. France has no alternative but to reach out for it."

Reach out for it France did, and successfully. Already she has exploded a number of atom bombs, without a single failure. By any test of reality, France now qualifies for admission to the Nuclear Club, even as defined under American laws that admitted Britain to full membership. Soviet Russia happens to be right in regarding France as a nuclear power, despite American assumptions to the contrary.

But while Britain was able to draw on American know-how and industrial production in the nuclear area, France has been forced to shoulder the immense burdens of duplicating what was already available in the United States. As we wrote in the past, "France will attain atomic vitality commensurate with her needs and her place in the hierarchy of nations. How much better that this be done with our generous cooperation."

FOLLY UPON FOLLY

A current episode points up the absurdity as well as the injustice of the continued denial of nuclear equality to France. The French Government is seeking to purchase in our country certain equipment related to the production of the delivery system for its atomic bombs. Neither nuclear nor atomic secrets are involved in these machines and machine tools. The American manufacturers are eager to fill the large orders which, incidentally, would be helpful to the United States in its balance-of-payments difficulties.

If Washington turns thumbs down on the purchases—apparently a decision is still pending—France may again be forced to erect her own factories to produce such equipment. She will be put to great expense and frustrating delay in achieving the nuclear force to which she is entitled and which she will attain eventually in any case.

In theory, American nuclear weapons are available to protect French interests against a common enemy. In light of the events summed up above, however, France can scarcely be blamed for refusing to stake its destiny wholly on the judgments of others.

The French people have been deeply hurt and saddened by the international ill winds blowing against them. Now they are torn in soul and flesh by the Algerian tragedy. Though the nation has made an all but miraculous economic recovery, its people are discontented. They feel that they have been crowded into a go-it-alone corner by the uncooperative policies of their main allies.

THE SENSE OF BELONGING

Unless this condition is rapidly cured, unless France becomes a full partner in the alliance, the French position may harden into a species of isolationism, with dire consequences both for herself and the free world. The ambiguity of the French role in NATO may lead to a complete alienation, again with disastrous results for the entire free world.

More than ever before, France needs a stabilizing sense of belonging to the Atlantic community. More than ever before, the true unity of the free world must be confirmed and fortified. And the primary responsibility rests with Washington. We have no alternatives in logic, or in terms of rockbottom self-interest, but to recognize that France, by its own efforts and despite American indifference, now ranks as a nuclear power.

We must face up to this reality with deeds which the French people cannot misunderstand. The immediate result would be a great lift to the morale not only of France but of the whole free-world coalition in this time of crowding Communist challenge.

SCHLESINGER AND SOCIALISM

Mr. SCOTT. Mr. President, Henry J. Taylor, writing in the Pittsburgh Press of May 9, 1962, examines the problem of this Nation having as adviser to the President a man who wrote some startling commentaries about the American economy only a few years ago. I ask unanimous consent that the article be inserted into the RECORD.

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

KENNEDY PRODDED TO GED RID OF HIS BRAIN TRUST AS SCHLESINGER VIEWS ON SOCIALISM STIR UP STORM

(By Henry J. Taylor)

President Kennedy has a great opportunity in his bid for business (job-giving) confidence if he will say goodby to his White House braintrust: Arthur Schlesinger, Jr., Theodore C. Sorensen, David E. Bell, W. W. Heller and the others who bring less confidence to business than Jesse James brought to a bank.

The immediate storm is around Mr. Schlesinger. It arises from an article he wrote years ago, now placed in the CONGRESSIONAL RECORD.

A LOT OF EXPLAINING

This professor-turned-politician has had a lifetime career of explaining how others have misunderstood his written views, an occupation ordinarily unnecessary for an articulate man. But as this quoted view goes back to 1947 I thought it only proper to ask Professor Schlesinger to repudiate it now, if he wished.

I have received his reply, quoting Winston Churchill (no less) in his famous remark, "I neither withdraw nor apologize, etc.," which returns me directly to what Mr. Schlesinger wrote.

Now reading Mr. Schlesinger when he is dealing with inside Schlesinger is not the easiest thing in town, and Gen. Andrew Jackson's classic admonition to his artilleryman at the Battle of New Orleans occurs to you again and again: "Boy, elevate them guns a little lower."

But, brushing aside such Schlesinger references as to "The Schumpterian view of the prospects of capitalism" you get to the pure cream.

His subject is "The Future of Socialism." He states: "If socialism is to preserve democracy it must be brought about step by step * * *. That is, the transition must be piecemeal." His contention takes on current significance. For this is, in fact, the intellectual concept of the New Frontier.

Mr. Schlesinger refers to "the capitalist ruling class" in the United States. How far off base can a Presidential helper get?

"The classical argument against gradualism," he writes, "was that the capitalist ruling class would resort to violence rather than surrender its prerogatives. Here, as elsewhere, the Marxists enormously overestimated the political courage and will of the capitalists.

"In the countries where capitalism really triumphed"—may I point out the United States is No. 1?—"capitalism has yielded with far better grace than the Marxist scheme predicted." (The word "scheme," I find, means scheme; but let's not lose the thought.)

"The next depression," he continued, "will certainly mean a vast expansion in Government ownership and control. The private owners will acquiesce in this. In characteristic capitalist panic, they will demand it." The problem, he says, is to have the Government "ready."

Mr. Schlesinger goes on: Socialism here will be brought about, not by the working class but by "some combination of lawyers, business and labor managers, politicians, and intellectuals."

MASS EMOTION

"Workers as a mass," he writes, "have rarely had the impulses attributed to them by Marxism. They too often believe in patriotism and religion"—may I ask you to stop and read that again?—"or read comic strips, go to movies, taxi-dance halls, and so forth * * * and try to cure their discontent by narcotics rather than by surgery. Thus they are rarely swept by the proper mass emotions."

Any man who bemoans patriotism and religion as improper mass emotions and equates these with comic strips and taxi-dance halls as narcotics has no business whatever sitting in the White House whether he wrote it in 1962, 1947, or the year one.

Mr. Schlesinger claims capitalism is "Samson in the Temple." He says those who believe in capitalism are political incompetents lacking the instinct, courage, and energy to survive.

"The bourgeoisie"—this means you and me—"consequently has always had to turn for protection to some nonbourgeoisie group * * * which amounts to saying it needs a master."

You will never in your life read a more terse and classical definition of Mussolini's fascist conception for his corporate state or the German herrenvolk theory applied to Nazi economics.

Moreover, in explaining the past Mr. Schlesinger is continually caught up in the present, stating in a speech as late as last February 15: "Jefferson is today remote and irrelevant, a figure not of present concern but of historical curiosity."

Fortunately, the author of the Declaration of Independence and his immortal liberalism isn't as irrelevant to most Americans as to Arthur Schlesinger, Jr. And the most reassuring step the President could take would be to clean such people out of power as he finally cleaned out Chester Bowles.

URGING PROMPT FPC ACTION

Mr. HICKEY. Mr. President, at the conclusion of 1961 the Governor of Wyoming journeyed to Washington and, with me, visited with the Federal Power Commission to advise them of the absolute need in the foreseeable future to authorize by certificate the construction of a pipeline which would make the resources in southwestern Wyoming available both in Wyoming and in the Rocky Mountain region.

Supplied with the factual data, a very pleasant discussion was held and it was hoped that early in the new year 1962 some action would be taken. However, 1962 is now nearly half over and the need has increased rather than diminished for a better gas supply to some of our Wyoming cities and the Rocky Mountain region generally for the coming winter. Therefore, it becomes extremely important to again ask for prompt action on the part of the FPC so that construction can be started this year which would accordingly assure a better gas supply to some of the southern Wyoming cities and the Rocky Mountain region for this year.

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

FOOD AND AGRICULTURE ACT OF 1962

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. HUMPHREY. Mr. President, it is my understanding that the Senator from Connecticut [Mr. DODD] will address the Senate. It is hoped that, following his address, the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], will open the debate on the farm bill.

Mr. ELLENDER. That is agreeable to me.

LAOS AND THE SOUTHEAST ASIA CRISIS

Mr. DODD. Mr. President, we are all, I know, deeply distressed over the trend of events in Laos. No one could help but be impressed by the President's message, and by his warning concerning the gravity of the situation in southeast Asia.

President Kennedy will, I am certain, have the support of all of us in his decision to dispatch American troops to defensive positions on the Laotian frontier, and for any further measures he may find it necessary to take to prevent the subjugation of southeast Asia by international communism.

In his prompt and solitary decision to send American forces into Thailand, President Kennedy has provided the kind of leadership which galvanized the free

world at the time of the Korean invasion, the kind of leadership which our allies expect of us. By his actions President Kennedy has greatly bolstered the entire position of the free world in the southeast Asia crisis. But these energetic measures, I fear, will be seriously undermined and conceivably negated unless we also take measures to reappraise and revise certain aspects of our policy in Laos.

Both Republican and Democratic administrations have committed themselves to defend the freedom of Laos against the threat of Communist aggression. When SEATO was established after the fall of North Vietnam, Laos was specifically brought under the SEATO umbrella and the Asian Communists were warned that an attack against it would result in a collective response by the SEATO powers.

But today, despite our one-time assurances to Laos and despite the assurances we have now given to Vietnam and to Thailand, the fact remains that Laos stands in serious danger of a Communist take-over.

The present crisis makes it imperative that we reappraise our recent policy in Laos, to see where we have erred and what might be done, even at this late date, to salvage something from the situation.

In Laos, Communist tactics have admittedly been complex, but they have in no way been novel. On the one hand, they have exercised military pressure through native guerrillas and North Vietnamese troops. On the other hand, they have inactivated us through protracted negotiations and bewitched us with the prospect of a neutralist Laos, governed by a Communist-neutralist-conservative coalition.

In Laos, indeed, our entire policy has been predicated on the assumption that Soviet desires did not go beyond the establishment of a truly neutral government, open to the influence of Moscow and Washington alike. It is in line with this belief that we have urged our Laotian friends to enter into a coalition government with the Communist and neutralist forces. But the prospects of peaceful coexistence in Laos have been shattered by the events of the past week.

That the United States has been played for a fool—

Said the distinguished columnist, Marguerite Higgins, in the New York Herald Tribune, Monday, May 14—

was evident in Washington, firstly, from events in Laos, where Red troops led by Hanoi- and Red Chinese-trained officers were ferociously giving the lie to the Harriman doctrine * * *. It was evident from the small, smug smiles of the Communist statesmen and journalists in Washington, who were patronizingly telling the subdued and silent non-Communist set that—in the words of one Soviet bloc official—"the New Frontier never really set much store by Laos anyway, so how could you consider it a setback?" It was evident from the cold indifference with which Moscow heard out Washington's pleas to live up to pledges to support the cease-fire.

The crisis of Laos represents a crisis of the first magnitude for the whole of southeast Asia. Indeed, it is no exaggeration to say that it represents a crisis of the first magnitude for the whole free world.

The countries of southeast Asia are rich in natural resources. But it is their strategic importance, rather than their economic importance, that makes them primary targets of Communist aggression.

If the Communists ever succeeded in establishing their dominion over the whole of southeast Asia, they will, in effect, have cut the world in half. The western Pacific land mass will be theirs from the Bering Straits to Singapore, while the control of the southern island chain, from Sumatra to New Guinea, would give them command of the entrances from the Pacific Ocean to the Indian Ocean.

The Communist conquest of southeast Asia would produce so serious a shift in the world balance of power that our very ability to survive would be called into question.

From our recent policy in Vietnam and from the commitment we have now made to Thailand, it would appear that we have accepted the harsh reality that our own security and the security of southeast Asia are inseparably intertwined. The most dramatic evidence of this is the fact that 5,000 American soldiers are today serving in South Vietnam as instructors in guerrilla warfare, as transport pilots, and as advisers in combat areas, while another several thousand have now been dispatched to the frontier of Thailand.

The administration has made it clear by these commitments that South Vietnam and Thailand will not be permitted to fall to communism. But we have been warned, and rightly, that it may take many years before this battle is won, and that it will almost certainly take a much heavier commitment in American manpower and, conceivably, in American blood.

The Communist assault on the countries of southeast Asia has been incredibly persistent, incredibly cunning, and remarkably successful.

Their primary weapon in this area has been guerrilla movements, organized and trained in and supported from territory already under their control. With this weapon they almost succeeded in taking over Malaya, they succeeded in conquering the larger part of Vietnam, and they have now taken control of the larger part of Laos.

In Malaya, the number of Communist guerrillas never exceeded 10,000. But it required the expenditure of billions of dollars and the efforts of a highly trained British Commonwealth force of several hundred thousand men over a period of 5 years before the Malayan guerrillas were brought under control. As a result of the British experience in Malaya, it is now accepted as a fact that, even employing troops of the highest quality, a successful antiguerrilla operation requires antiguerrilla forces 10 to 15 times as numerous as the guerrilla forces which oppose them.

In Vietnam, when I was there less than a year ago, the number of Communist guerrillas was estimated at approximately 10,000 men. Opposing them was a Vietnamese army some 120,000 strong, backed up by another 30 or 40 thousand home guards. But even with these numerical odds, the Government was able to make no serious headway against the guerrillas. More than 1,000 Government representatives and village administrators were being assassinated every month. Every day brought new reports of attacks on bridges and powerhouses and other installations. The hard-pressed Government army, which had done without leave for many months, was strained to the breaking point. The administration of the country was slowly deteriorating as a result of the terrible casualties inflicted on administrators and technicians at all levels of government. The morale of the people was sagging.

I wholeheartedly applaud the administration's commitment to save South Vietnam from the growing menace of Communist subversion. But, on the basis of what I saw and learned in the course of an extensive tour of southeast Asia last year, I am afraid that there has been a tendency to focus too narrowly on South Vietnam.

As matters stand today, I believe that our policy in South Vietnam is in conflict with our policy in Laos, that our policy in Laos, as a matter of fact, is undermining the affirmative and courageous policy we are endeavoring to follow in Vietnam.

I think we would all have less difficulty in understanding the world situation if we studied our maps more frequently. In the case of Laos, its strategic importance should be instantly apparent from a look at the map.

If there is any one country that may be described as the geographic heart of southeast Asia, it is Laos. For Laos has common frontiers with virtually every country in the area—with Communist China and North Vietnam, with the neutralist nations of Cambodia and Burma, and with the two committed nations of the southeast Asia mainland, South Vietnam and Thailand.

Toward the end of 1960, Soviet planes began airlifting supplies to the Lao Communist, or Pathet Lao, forces. At this point, the Soviets were still very uncertain of our reaction. The first Soviet planes that flew in carried benzene. These Soviet planes discharged their cargoes unmolested: we did nothing. Perhaps President Eisenhower did not want to commit the American Government to a potentially hazardous course of action in the last days of his regime.

In any event, the next group of Soviet planes that arrived carried small arms ammunition. Still, we did nothing.

Then Soviet planes began to arrive bearing jeeps and howitzers and other heavy equipment. Still, we did nothing.

Finally, when it was apparent that they could intervene with impunity, and that there would be no American reaction, the Communists began flying in technicians and military personnel.

There still was the possibility that SEATO would honor its obligations to defend Laos against the threat of Com-

munist aggression. But when the SEATO Council met in April of 1961, it took no action. The SEATO nations in the immediate area—the Philippines, Thailand, Australia, New Zealand, and Pakistan—all favored common military action in defense of Laos. Britain and France objected. The United States sat on the fence. And since all SEATO decisions must be unanimous, SEATO did nothing.

I want to emphasize that at the time this SEATO meeting took place, our Asian allies were prepared to provide all or most of the necessary ground troops. They took the stand that it was much better for Asians to fight in Asia and that, if SEATO did intervene, American participation should consist primarily of air and logistical support. Had we provided the necessary leadership at this historic session of SEATO, Laos would not be on the verge of falling to communism today. But instead of providing such leadership, our own primacy in SEATO was used as a brake to prevent the Asian member nations from taking the measures of collective self-defense which they considered essential.

Our Asian allies were bitterly disappointed.

> We are prepared to fight and die with you if necessary—

Philippine Foreign Minister Serano said to me just a year ago this month—

> but we cannot fight without American leadership.

For this delinquency we shall, I am afraid, have to pay a heavy price both in American and Asian blood.

One of the excuses that has been offered for our own inaction in Laos is that the Lao people and the Lao Army have shown no will or ability to resist the Communists. This is coupled with the assertion that the Communists apparently have far more popular backing than does the Royal Lao Government.

Even if these assertions were completely true—which they are not—it would, in my opinion, still be necessary to defend Laos; even if we were not interested in the fate of the Lao people, the defense of Laos would still be a strategic necessity because, ultimately, the fate of all southeast Asia and our own security may hinge on it.

But I do not accept the thesis that the Lao people are indifferent to communism and that the Royalist forces are incapable of fighting.

I remind the Senators that it was a year ago last December that the Royalist army, under General Phoumi, drove the highly touted Kong Le rebels out of Vientiane.

I remind the Senators, too, that certain units of the Lao Army, in particular the 10,000 Meo tribesmen who are serving with it, have put up truly heroic resistance in situation after situation.

I call to their attention the fact that there are now more than 40,000 refugees from Communist terror in the Vientiane area, and that hundreds more are arriving every day.

I call to their attention the reports of the dedicated American missionary, Father Matthew Menger, whom I met in Laos, and whom I recently had the pleasure of seeing again in this country. Father Menger is one of the very few Americans who speak Laotian fluently. He has traveled extensively on foot throughout the country. He has, even in recent months, visited many villages in territory that is supposed to be under firm Communist control. Father Menger has reported that the Communists control the strategic centers; but even in the northern province of Samneua, which was the first to fall to the Communists, the capital city of Samneua is completely surrounded by anti-Communist villages.

As of 2 years ago, it was probably true that few Laotians knew the meaning of communism or felt very strongly about it. But, as of today, the evidence is that the Laotian people have learned the meaning of communism the hard way, from their actual experiences under Communist rule in those portions of the country that have been overrun by the Laotian and Vietnamese Red forces.

True, the Laotians, by and large, are not a martial people. There may be a number of reasons for this. Certainly one of them is the orthodox Buddhist religion which prevails in Laos and which frowns upon the killing of any living thing, even so useless a thing as a mosquito. But American military men with whom I discussed the situation told me that, with adequate training and proper leadership, the Lao can be a very good fighting man. They said that certain of the best trained units in the Royalist army had conducted themselves in a highly creditable manner in engagements with the Communists. Against the Laotian Communists, I was told, the Royal army was generally able to hold its own and better. But they were simply no match for the hardened professionals of the North Vietnamese Communist army which has been participating in the Laotian civil war through independent units and through units of specialists attached to the Laotian Communist forces.

There is another reason, in my opinion, why the Royal Laotian Army units have frequently failed to stand up against the Communist enemy. All the world has confidence in a winner; and in Asia, far more than in Western countries, human behavior is determined by a belief in an irresistible wave of the future or by an equally fatalistic acceptance of certain downfall and defeat.

With their aggression, their determination, their persistence, their arrogant self-confidence, and the unstinting backing they have received from the Soviet Union and Red China, the Lao Communists have succeeded in creating the impression that they are part of the irresistible wave of the future. By our own inaction and by our repeated failures to live up to our assurances, we have fostered the corollary impression that our side is doomed.

Under these circumstances, who can blame the Lao Army if its morale has frequently been uncertain? Even Americans serving as instructors and advisers in Laos have been demoralized by the ambivalence of American policy. For example, last Sunday over one radio news program, an American instructor in Laos was quoted as saying:

> Why am I here trying to teach these people to fight, if it's already been decided that the country is to be turned over to the Communists?

Parenthetically, at this point, I would like to say a few words about the unfortunate habit of designating Prince Boun Oum and Gen. Phoumi Nouvasan as rightwing leaders. The manner in which this description has been used by the press and, regrettably, by some State Department spokesmen, somehow suggests that Prince Boun Oum and General Phoumi are exploiters or big landowners or political reactionaries. Actually, Laos is a very primitive country without any landowning or capitalist class, and from a purely economic standpoint, it makes little sense to talk of rightwing or leftwing. I believe it would be far more correct and far more meaningful, and certainly, it would feed far less grist to the Communist propaganda mill, if our press could learn to refer to the Communists as "Communists" and to people like Prince Boun Oum and General Phoumi as Loyalist or anti-Communist leaders rather than rightwing leaders.

I consider this matter of nomenclature of the greatest importance, because it is with insidious little words like these that public opinion is poisoned against our friends in other countries.

Against the background of SEATO's failure, the Lao Government in May of last year agreed to negotiations with the Communists.

Speaking in Manila a year ago, and speaking on the floor of the Senate on my return from the Far East, I said that the Communists would not be satisfied with the partial conquest of Laos, and that they would violate the cease-fire at every opportunity. For the accuracy of this prediction, I take no particular credit. I believe that this prediction could have been made by anyone familiar with Communist tactics.

Since the cease-fire was signed, the Communists have occupied point after point, until today they hold more than half of Laos. North Vietnamese intervention, previously limited and carefully veiled, is now unconcealed and massive. At the present time, there are reported to be in excess of 7,000 battle-hardened soldiers of the North Vietnamese armies fighting alongside the Lao Communist forces.

Communist supplies are moving into Laos at a constantly accelerated rate, by land and by air, supporting the greatly increased Communist military activities, both in Laos and in Vietnam. As a matter of fact, it is thanks primarily to their control of this area adjoining South Vietnam that the Vietnamese Communists have been able to double the size of their guerrilla forces in South Vietnam over the past year.

And while all this has been going on, we have continued to negotiate with undeterred good faith, in the hope that a truly neutral government can be constructed around the personality of Souvanna Phouma.

Prince Souvanna Phouma, we are told, is not a Communist. But I also recall

that we were told that Castro was not a Communist. For my own part, I believe that we are building our foreign policy on forlorn and impossible hopes when we assume that Prince Souvanna Phouma, who has visited the Communist capitals but has refused an invitation to the United States, and who openly shares offices and living quarters with his half-brother Prince Souphanouvong, the acknowledged head of the Lao Communist movement, will save Laos from communism.

When I was in Laos last May, I was assured categorically that we would never consent to giving the Communists the key positions of the Ministry of the Interior and Ministry of Defense in any coalition government. But today, it is reported that our representatives have agreed to assign both the Ministry of Defense and the Ministry of the Interior to the designees of the so-called neutralist leader, Prince Souvanna Phouma, on the specious theory that a Souvanna Phouma government is the only thing that can save Laos from a complete takeover by the Communists. Not merely have we accepted this position, but for several months now we have been pressuring our Lao friends to enter into such a coalition government against their own better judgment.

Prime Minister Prince Boun Oum and his Defense Minister, General Phoumi, have, to their credit, resisted our pressures. And, to our shame, we have now cut off our monthly assistance to the Government of Laos in an effort to force them into a coalition with the Communists.

THE QUESTION OF COALITION GOVERNMENTS

I do not know whether to be surprised or awed over the fact that, after so many sorry experiences, we have again fallen for that most shopworn of all the Communist shell games: the coalition government.

The free world first fell for the coalition government trick during World War II. In November 1944, having abandoned General Mihailovitch in Yugoslavia, Britain and the United States attempted the impossible task of preventing a Communist take-over by forcing Prime Minister Subasic into a coalition government with Marshal Tito. Needless to say, there were all kinds of assurances from Marshal Tito that he did not intend to communize Yugoslavia, and that there would be free elections at an early date.

In February 1945 at the Yalta Conference, the Tito-Subasic formula was to become the model for a whole series of coalition governments in central Europe—coalition governments which invariably and, in my opinion, inevitably paved the way for a complete Communist take-over. The central formula of the Yalta Declaration promised the liberated countries of Europe, "governmental authorities broadly representative of all democratic elements of the population." This, of course, was a euphemism for coalition governments.

Hardly had the Tito-Subasic agreement been signed, than Tito began to dishonor its terms. He made it clear that by free elections he meant elections with a single slate of Communist-approved candidates. The few non-Communist political leaders in the cabinet were removed, and placed in prison or total obscurity.

With minor differences in timing and technique, the coalition governments established in Rumania, Bulgaria, Hungary, Poland, and Czechoslovakia developed along similar patterns.

The proven Communist techniques for subverting representative government via interparty coalitions has been described with amazing frankness by the Czechslovak Communist, Jan Kozak, in a book intended as a guide for fellow-Communists. In this booklet, Mr. Kozak spoke of "the possibility of forming a government of broad democratic forces grouped around the working class, relying on the revolutionary activity of the masses. Such a government can be set up without armed battle by peaceful means. Its installation would be practically tantamount to the establishment of the democratic revolutionary power of the people." Specific lessons were drawn from the Red takeover in Czechoslovakia.

Mr. Kozak's formula calls for a combination of "pressure from above" and "pressure from below" to convert the coalition government into a "socialist" one. He said:

> Gradually, as the national and democratic revolution changed into a socialist one, the pressure "from above" was applied in an ever-increasing measure for the direct suppression and destruction of the counter-revolutionary machinations of the bourgeoisie. Let us recall the signal role played in the development and extension of that pressure by the Ministry of the Interior, for instance, which was led by the Communists, and the units of State Security directed by them.

I challenge anyone to read Mr. Kozak's brochure outlining the Communist theory and practice of coalition governments, and come away from this reading still convinced that Communists can enter into coalitions in good faith.

I find it all the more difficult to understand our present policy in Laos because Ambassador Harriman has, himself, had a very personal and exceedingly bitter experience with coalition governments in the immediate postwar period.

The governments set up in the central European countries after their "liberation" by the Red Army did not correspond in any way to the democratic governments that had been forecast by the Yalta Declaration.

Speaking in the House of Commons on August 20, 1945, the British Foreign Secretary said:

> The governments which have been set up in Bulgaria, Rumania, and Hungary do not, in the view of the British Government, represent a majority of the people. The impression I got from recent developments was that one kind of totalitarianism was being replaced by another. * * * The form of government being set up does not impress me as being sufficiently representative to meet the requirements of diplomatic relations.

It was against this background that the foreign ministers of the allied powers met in Moscow in December 1945. Despite the wholesale violation of the Yalta agreement, the British and American Governments joined the Soviet Government in calling for the establishment of a new coalition in Rumania. This coalition was to include representatives of the two national parties, the National Peasant and the National Liberal Party, and it was to be followed by free and unfettered elections. To carry out this agreement, a supervisory commission consisting of Foreign Minister Vishinsky, Ambassador Harriman, and British Ambassador Sir Archibald Clark-Kerr, was sent to Bucharest.

Jules Maniu, the revered leader of the Peasant Party, and the other democratic leaders warned the Western Ambassadors that the Communists had absolutely no scruples and that their assurance of free elections meant nothing. But Sir Clark-Kerr and Mr. Harriman argued against these misgivings and urged the democratic Rumanian leaders to enter into the coalition.

What happened subsequently is a matter of recent history; but our memories, unfortunately, seem even too short for this small span. The opposition press was completely suppressed. Opposition parties were first intimidated, then terrorized, then illegalized. The opposition leaders, Jules Maniu of the Peasant Party, Bratianu of the National Liberal Party, and Petrescu of the Social Democratic Party, were all imprisoned; and in July 1951 it was reported that Maniu died in prison, a martyr to his country's freedom.

Today in Laos, it seems to me that the tragedy of Rumania is being repeated almost step for step. Even some of the cast is the same. Thus, we find Mr. Harriman urging the Lao anti-Communist leaders, against their own better judgment, to enter into a coalition government with the Communists; and I take it for granted that Mr. Harriman must be repeating some of the well intentioned assurances that he gave to the democratic political leaders in Rumania in 1946.

The assurances in Laos, I am afraid, have not always been the most friendly. I should like to draw the attention of my colleagues to the following account by the distinguished American correspondent, Joseph Alsop, which appeared in the New York Herald Tribune for April 23, 1962:

> Governor Harriman looked at the Lao leaders one by one; pointed a stern forefinger at each of them in turn; and told them that he wished them to know they would be "responsible for the destruction of their country" if they refused to do his bidding. There was a brief silence, and General Phoumi then replied: "You know, Governor Harriman, we in Laos have many years' experience of colonial rule. But we were never spoken to in quite that fashion in the colonial times."

The coalition government gambit has had results just as disastrous in Asia as in Europe. In fact, our commitment to a coalition government in China in the postwar period was perhaps more responsible than any other single factor for the loss of mainland China to the Communists.

The commitment to a coalition government or a "government of national unity" was formalized in the so-called Marshall directive of December 1945. This directive, which was drafted by

John Carter Vincent, the head of the Far Eastern Desk in the Department of State, reflected the philosophy of the Institute of Pacific Relations, which for many years had enjoyed a near monopoly on Far Eastern expertise.

At the time when the Marshall directive was issued, the Nationalist forces occupied the bulk of China, had overwhelming military superiority, and were pressing offensives against the Communists at a number of points. In a misguided effort to force President Chiang into a coalition government with the Communists, Secretary of State Marshall, in the summer of 1946, placed an embargo on arms and ammunition to the Nationalist forces. Repeatedly, the Nationalists were told that unless and until they came to terms with the Communists, they could expect no active assistance from the United States. Finally, in the fall of that year, with the aid of the embargo and a variety of other pressures, the Department of State succeeded in forcing President Chiang to agree to an armistice, and to conversations with the Communists with a view to forming a coalition government.

These conversations dragged on for months and months, punctuated by repeated violations of the cease-fire by the Communists. The Chinese Reds, for their part, maintained the pretense of favoring a coalition government until the Nationalist position had so weakened that the Communists were no longer interested in compromise.

Our folly in China persisted to the bitter end. As late as March 1948, the administration reiterated its adherence to the principles enunciated in the Marshall directive.

Commenting on the similarity between our ill-fated China policy and our present policy in Laos, the New York Times said editorially on May 12, 1962:

> The American policy is based on Washington's belief that the Lao are uninterested in political or ideological conflicts and, in contrast to the Vietnamese, will not fight. But to back up that policy and force the pro-Western leaders into the coalition with the Communists, even to surrender the army and police, which they refuse, American authorities have tended to undercut the pro-Western Government, even to accuse it of provocation, until this policy begins to resemble that which lost China.

In justification of the coalition policy in Laos, it has been argued that not every government which included Communist ministers has wound up by succumbing to communism. It has been pointed out that such coalitions did, in fact, exist in France, in Italy, and in Finland, and one or two other countries in the postwar period.

This comparison completely skirts the issue. France and Italy emerged unscratched from the postwar experiments in coalition because there was no Communist military presence in these countries, because their security forces and the armed forces remained under anti-Communist control, and because the democratic parties in these countries disposed of very considerable resources in men, money, and experience.

Finland survived her postwar coalition because the Finns are one of the toughest people in Europe and perhaps the most sophisticated about the ways of their Soviet neighbors.

But Laos is not France or Italy; and the Laotian people, in terms of sophistication, cannot be likened to the French, Italians, or the Finns. Given the massive presence of the Red Chinese and North Vietnamese army on its frontiers, given the existence in Laos of substantial units of Red Chinese and Vietnamese forces, given the lack of national unity, the lack of sophistication, the dearth of political leadership, not even a miracle could save Laos if it were ever saddled with a coalition government such as is now proposed.

I cannot understand the persistence in believing, despite all the available evidence, that Souvanna Phouma is truly a neutralist, that he is not under Communist domination, and that he can be trusted to designate non-Communists for the positions of Minister of Defense and Minister of the Interior.

In an interview with Ronald Stead of the Christian Science Monitor, which appeared in the March 21, 1962, issue of that paper, Prince Souphanouvong, the Laotian Communist leader, on the one hand denied that his half-brother Prince Souvanna Phouma "is a prisoner of the Pathet Lao." Mr. Stead wrote:

> He described this as "an odious calumny against the rightful Prime Minister of Laos (Souvanna Phouma) and a maneuver to cause a split between my half-brother's government and the Pathet Lao."

On the other hand, Prince Souphanouvong said to Mr. Stead:

> Nobody can destroy the firm solidarity forged in the fire of battle. For this reason American efforts to separate us must be in vain.

Mr. Stead, incidentally, was to my knowledge the only American correspondent to point out that—

> Souvanna Phouma now has headquarters and joint residence with his half-brother, Prince Souphanouvong, leader of the pro-Communist Pathet Lao armed forces and their political counterpart, the Neo Lao Haksat.

In the light of all this, it is inconceivable to me that the kind of coalition government now proposed can terminate in anything but a Communist Laos. True, there are a few instances of coalition governments—France, Italy, and Finland—which did not terminate in disaster. But this was only so because the democratic elements in these countries succeeded in extricating themselves from the coalitions with the Communists at their earliest opportunity.

It can be stated categorically that there has never been an instance of a stable, neutral coalition government, embracing Communists and non-Communists.

It can be stated categorically that there has never been an instance of a coalition government that has served the interests of the free world.

It can be stated categorically that there has never been a coalition government in which the Communists held the twin positions of the Ministry of the Interior and Ministry of Defense, which did not culminate in a complete Communist take-over.

It is in the light of this historic experience, that we must take a fresh look at the situation in Laos.

To let Laos fall to communism while we attempt to defend South Vietnam would be like trying to catch the flood waters in buckets, while doing nothing to strengthen or maintain the river levees. I have discussed the situation in Southeast Asia with a number of military men with experience in the area, and I have yet to meet one who does not agree with this estimate. But apparently in this situation, as in other situations, we have paid scant attention to the opinions of our military men.

We have also paid scant attention to American missionaries serving in the field. Why we consult them so little, I shall never be able to understand, because they are a remarkably dedicated and intelligent group of men, who have no political ax to grind, who invariably speak the language of the country, who have lived with the people, and who have traveled widely, frequently on foot. They are in a far better position than most people to know what is going on in a country such as Laos or the Congo.

In this connection, I would point out that our policy in China went off the tracks when our State Department fell for the proposition that the Chinese Reds were really agrarian reformers. American missionaries in China warned against this policy, but no one listened to them. By the time we got the "agrarian reformer" sand out of our eyes, China had gone Communist.

Speaking from a more recent and more personal experience, I believe that many of the mistakes we have made in our Congo policy could have been avoided if we had troubled to obtain the opinions of the scores of American missionaries who are today serving there, and who know the country far more intimately than most foreigners there. But so far as I know, the many dedicated American missionaries in the Congo were never asked for their opinion; and the few that offered their opinions were ignored.

During the past week, the Lao Communist force, supported by the Chinese Communists and North Vietnamese, have seized Nam Tha and other towns in northern Laos, in a drive that has carried them all the way to the border of Thailand. At this very moment, Communist forces are threatening the capture of the Royal capital of Luang Prabang and the administrative capital of Vientiane.

There are reports that, as a result of the massive and flagrant violations of the armistice by the Communists, the administration is now reconsidering its position on Laos. I earnestly hope that this is so. I earnestly hope that the measures already announced in Vietnam and in Thailand will be followed by still further measures already specifically geared to the situation in Laos. I earnestly hope that we will not accept this new act of aggression in Laos as a fait accompli and force our friends in Laos into a coalition government against this background.

I am in wholehearted agreement with the distinguished Senator from Washington [Mr. JACKSON], who said several days ago that he would prefer a partitioned Laos to a united Laos governed by a coalition government.

We already have two Korea's, two Germany's, two Vietnam's. And no one could possibly be happy at the prospect of seeing another country partitioned. But we are in the unpleasant position where we are compelled to choose the lesser of two evils. And, recognizing this, there is no doubt in my own mind that partition would be an infinitely less dangerous evil than a coalition government that is bound to terminate with the Communists in complete control of the country.

I do not think I am revealing any military secret when I say this attitude is shared by many of our own military men, by many of our friends in southeast Asia, and by some of our much-abused friends in Laos. The reason for their preference is obvious. If an anti-Communist government can be maintained in the southern portion of Laos, including the critical Lao panhandle and the Mekong River Valley as far west as Vientiane, and as far north as Luang Prabang, this would protect Cambodia, it would greatly facilitate the struggle against the Vietnamese guerrillas, and it would afford a large measure of protection to Thailand.

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

The PRESIDING OFFICER. (Mr. SMITH of Massachusetts in the chair). Does the Senator yield?

Mr. DODD. I am glad to yield to the Senator from New York.

Mr. KEATING. I am sorry to interrupt the Senator, but I have an engagement which is going to take me from the Chamber, and I did not want to leave without commending the Senator from Connecticut for the extremely informative analysis which he has made of the situation in Laos and southeast Asia. He has recently traveled there extensively.

As I understand the Senator—and he may correct me if I am wrong—his feeling is that Laos and southeast Vietnam Province are indivisible and are not completely separate in character.

Mr. DODD. The Senator is correct. The Senator understands very clearly what I have said. That is my view.

Mr. KEATING. I remember the Senator's warning which he sounded some time ago, perhaps as much as a year ago.

Mr. DODD. I believe the Senator refers to the speech I made in the Senate just about 1 year ago on the same subject.

Mr. KEATING. And at that time he made it very clear, as I remember, that it was, in the opinion of many Senators, and in the opinion of many military men, capable of being relieved and defended from Communist onslaught.

Mr. DODD. The Senator is correct in his recollection. In addition, I tried to point out that our SEATO friends in that part of the world were anxious and willing to assume that responsibility.

Mr. KEATING. That judgment of the Senator coincided with the one I formed at that time. We have now drawn a line. It is sometimes stated in the press reports as being a line in Laos. The Mekong River is virtually the line between Laos and Thailand, and such a line would involve only a tiny peninsula in Laos on our side of the Mekong River.

Mr. DODD. The Senator is right.

Mr. KEATING. To draw a line there is virtually to abandon Laos, at least militarily. Does not the Senator agree with that conclusion?

Mr. DODD. Yes; I do agree, completely.

Mr. KEATING. It seems to me our policies leave a good deal to be desired in that regard. One thing that has disturbed me—and the Senator from Connecticut has been giving eloquent voice to a lot of thoughts that have been going through my mind—is the press reports of the situation in Laos. We hear it all the time, and it seems to me they must be stimulated by some elements in the Department of State. They speak of the official government of Laos as rightwing elements, as if they were extremists, and the moderates as consisting of so-called neutralists, which consist of neutralists plus the Communists.

Mr. DODD. The Senator is quite right. That fact has been disturbing me.

Mr. KEATING. Instead of saying that the Government of Laos is being overrun, they say the rightwing elements have been overrun.

Mr. DODD. I have been noticing it for some time. It is very unfair and very untruthful. It would be far more accurate if Boun Oum and General Phoumi were referred to as government officials. If we are going to call them anything at all, we should call them the anti-Communist forces. That is what they are.

Mr. KEATING. That is correct. Souvanna Phouma, certainly, according to the past record, has shown much more friendliness to the Communist cause than he has toward the western cause.

Mr. DODD. That is correct.

Mr. KEATING. He is a neutral like some of the neutrals to whom we have been giving aid—a neutral in favor of the Soviet Union and a neutral against the United States.

Mr. DODD. That is correct.

Mr. KEATING. I express the hope that every Member of the Senate will read the entire speech of the Senator from Connecticut, as I shall certainly do. It seems to me he is making a very significant speech. I stand 100 percent behind the President, as the Senator has said he stands——

Mr. DODD. Indeed, I do.

Mr. KEATING. In taking a position on the Mekong River; but that is not the whole situation, and the Senator has brought that out most forcefully in his remarks today.

Mr. DODD. I am encouraged by the Senator's remarks. I am well aware that this is a subject which many persons do not like to discuss. However, it is a critical question, and the fate of the free world could very well be decided in the struggle in Southeast Asia, and our security could be seriously affected. It is why I have spoken out today.

Mr. KEATING. This is the most important problem which we face today in this country. The speech the Senator is giving is one of the most significant I have heard.

Mr. DODD. I thank the Senator for the compliments he has accorded me.

President Diem has, from the beginning, taken the stand that if we are not prepared to make the effort to save the whole of Laos, we should, out of respect for the security of southeast Asia, at least make the more limited military effort that would be necessary to secure the southern portion of Laos. I discussed this matter with President Diem in the course of a 2-hour conference in Saigon, just over 1 year ago—to be precise on Wednesday, May 3. I still have the map which he used to illustrate his presentation.

President Diem proposed that SEATO paratroops be used to secure the town of Tchepone, in the Lao panhandle, and several other key centers in the area that were still in the hands of the Lao Government forces. He warned that control of the panhandle would give the Communists a vastly greater common frontier with Vietnam and that this would enable them to step up their guerrilla activities proportionately.

Three days later, on Saturday, May 6, I learned in Bangkok that Tchepone had fallen to the Communists the previous day.

Less than a month later a series of items which appeared in the press indicated that Tchepone had already been converted into a major base for Communist guerrilla operations against South Vietnam. Today, Tchepone has become the southern terminal of the so-called Ho Chi Minh trail, the land route over which the North Vietnamese Communists send most of their equipment and guerrillas into South Vietnam. It has also become one of the chief receiving points for the Ilyushin transports which daily deliver tons of military supplies to the Vietnamese and Lao Communist forces.

A year ago there were 10,000 Communist guerrillas in South Vietnam. Today there are estimated to be in excess of 25,000. To offset this formidable increase in strength, we have had to pay for a substantial increase in the Vietnamese armed forces, we have had to send in more than 5,000 American boys as instructors and pilots, we have now committed another 5,000 troops to Thailand, and we are warned that we may have to play an even larger and more active role in the antiguerrilla war if South Vietnam is to remain free.

This is the price we have to pay and will be called upon to pay for our failure to keep Tchepone and southern Laos out of Communist hands. But, since I do not accept the thesis that every Communist victory must be regarded as sacrosanct, I believe that measures still can and should be taken to force the Communists out of Tchepone and out of the panhandle, and to establish a de-

fense perimeter along the mountain ranges to the north. No measure open to us would do more to relieve the situation in South Vietnam and restore our prestige in southeast Asia. No measure open to us would do more to fortify our position in the negotiations with the Communists and to create the possibility of an acceptable compromise in Laos.

I do not underestimate the risks or the potential costs of attempting to repair the situation in Laos by making partition rather than a coalition government the chief objective of our diplomacy. But I think it would be far more dangerous to underestimate the cost of failing to undertake this repair. Every time we postpone dealing with a situation, every time we yield new ground to the Communists in the name of avoiding escalation, we make it that much more difficult to stand fast next time, we further encourage the arrogance of the Communists, and we increase the danger of the global war we wish to avoid.

Miss Marguerite Higgins, in the article to which I have already referred, quoted an Asian diplomat as saying:

> If the United States dares not act at a time when Red China is in turmoil and starving, when America has the atomic bomb and Red China has not, what will America do when China is recovered and is an atomic power? If you dare not stand up to the Communists in Asia today, what will happen tomorrow?

Mr. President, I have made this statement with some reluctance, because in a time of crisis, even the most sincere and constructive criticism may be misunderstood. Indeed, there have been many times in recent months when I have felt constrained to speak out about the situation in Laos; but until today I have yielded to another feeling which urged me to defer my statement.

If I have spoken today, it is because time is running out in Laos; because I am convinced that the coalition government formula in Laos can only lead to disaster; and because I feel conscience bound to speak out while the situation can still be remedied.

I have been encouraged to speak out by the knowledge that the wisdom of our policy in Laos has in recent months been questioned by some of our ablest political commentators, and by some of our most distinguished editorial columns, among them the columns of the New York Times.

But I have been encouraged to speak out, above all, because the administration, in its recent actions and commitments, has displayed flexibility and courage and a willingness to meet changing situations with changes in policy.

My complaint is not one of harsh criticism. It is, rather, uttered almost in the sense of a prayer that there will be a reconsideration of our policy in this fateful part of the world, with respect to the troubles which beset it.

There is no reason to despair about the situation in southeast Asia. There is every reason to be hopeful. The Chinese Communists do not have the total freedom of action they pretend to have. Their regime has never been weaker economically or more plagued by political disaffection. On the other hand, the presence of American troops in both Vietnam and Thailand gives us a political and diplomatic leverage which we have not heretofore possessed. And our entire position in the area has been further bolstered by the commitment of the other SEATO nations to dispatch contingents of troops which will take their places alongside the American troops already in Thailand.

But, having thus bolstered our position, having thus increased our diplomatic leverage in the negotiations to which we are committed, I hope that we will not passively accept the flagrant Communist violation of the cease-fire at Nam Tha, as we have passively accepted such violations in the past. Every time we fail to react to Communist violations of existing agreements or limit our reactions to paper protests, we encourage the Communists to believe that they can violate any agreement with the free world with total impunity, we make more possible the kind of miscalculation that may someday result in war. I believe, therefore, that before we return to the conference table, we should insist that the Communists return to the positions they occupied before the most recent violation of the cease-fire.

In the Laos situation, as it has unfolded to date, one can find all the essential facts about communism, and all the follies and weaknesses of Western policy, both writ large.

Here one can see the incredible persistence of the Communists at work; one can see their ruthless application of guerrilla tactics, their ability to infiltrate non-Communist groupings like the Buddhist clergy, their cunning use of neutralist or ostensibly non-Communist fronts, their use of diplomacy as a screen for further aggression, their ability to paralyze the West by threatening escalation. Here one can see the total perfidy and total amorality which they so awesomely combine with their total dedication to the goal of world communism.

On the Western side, the events in Laos provide us with still another dramatic illustration of our amateurishness in the field of total warfare; of our perennial desire, despite all disappointments, to believe that some kind of accommodation with the Communists is possible; of our willingness, despite their repeated betrayals, to trust their diplomatic promises; of our readiness, despite numerous historic lessons, to foster coalition governments; of the bewitchment which has led us to accept the one-sided rule that the cold war must be waged always on the territory of the free world, and never on the territory of the Communist world, no matter how recently this territory may have been annexed.

If we persist in this sentimentality and these ambiguities that have up until now characterized our policy in Laos, then the positions remaining to the free world will be overrun or eroded, one by one, under the unrelenting attacks of world communism.

But if we now learn the lessons of Laos and apply them to the world situation, it will, I am confident—at least, it can, I am confident—mark a turning point in the cold war. Once we have digested these lessons, Laos can be saved and southeast Asia can be saved. But far more important, we will never again make the mistake of retreating before a Communist challenge, in the hope that this will somehow ease tensions and reduce the danger of war. Because it does just the opposite.

We will, on the contrary, move to the total mobilization of resources and energies and spirit that alone can assure the triumph of our free society in the life and death struggle with the godless forces of communism.

Mr. President, I ask unanimous consent to have printed in the RECORD at this place a number of articles from American newspapers and magazines, which will serve to indicate how widespread are the misgivings about the policy we are at present pursuing in Laos.

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

[From the New York Times, May 12, 1962]

NEW LOOK AT LAOS

The spreading military crisis in Laos compels the American Government to take a new look at this tiny but strategically important kingdom and to review its whole policy with a view toward more forceful action to keep it out of Communist hands.

The crisis has been simmering ever since the Geneva conference of 1954 which was supposed to settle everything but merely led to continued intermittent fighting in Laos and one military coup after another. It reached its present stage when the combined neutralist and Communist forces, aided by Soviet Russia, Communist China and Communist North Vietnam, broke the latest year-old cease-fire agreement and launched a new offensive that has overrun several strongholds of the pro-Western Government and placed all northwest Laos under Communist control.

This development has put pro-Communist forces on the Mekong River, where they can menance Thailand, and is opening a new route for Communist invasion of embattled South Vietnam.

President Kennedy declared three months ago that if the cease-fire were broken we would be faced with "most serious decisions." But the Government clings to its present policy, agreed upon between President Kennedy and Premier Khrushchev at Vienna, which calls for a neutral and independent Laos under a coalition regime formed of pro-Western, neutralist, and Communist factions. It has joined Britain in calling on Soviet Russia to stop the Communist offensive and has induced Prince Souvanna Phouma, whom it backs as a neutralist Premier, to call for a Communist withdrawal.

It has little hope that the Communists will really surrender what they hold. It does hope for restoration of the cease-fire and resumption of the dragging coalition negotiations between the three princes heading the three rival factions who view it all as a family affair to be settled in Lao fashion. The American policy is based on Washington's belief that the Lao are uninterested in political or ideological conflicts and, in contrast to the Vietnamese, will not fight. But to back up that policy and force the pro-Western leaders into the coalition with the Communists, even to surrender the army and police, which they refuse, American authorities have tended to undercut the pro-Western Government, even to accuse it of provocation, until this

policy begins to resemble that which lost China.

On the other hand, the only grim alternative is massive military aid from the outside, which might trigger a larger conflict. President Kennedy is rightly loath to embark on such a policy, but SEATO and ANZUS, which are pledged to joint protection of the area, should also have their say.

[From the New York Times, May 14, 1962]

APRES LAOS LE DELUGE

(By Marguerite Higgins)

WASHINGTON.—Laos is far away, but the world is small and never in this writer's 20 years as a journalist has the Department of State put on a more stalwart exhibition of sticking its head firmly in the sand than was the case last week with regard to the crisis in southeast Asia.

A government, of course, has a far more embarrassing time than an individual in admitting that it has been played for a fool. That the United States has been played for a fool was evident in Washington firstly from events in Laos, where Red troops led by Hanoi and Red-Chinese trained officers were ferociously giving the lie to the Harriman doctrine that Moscow really didn't want a Communist takeover in Laos and would restrain their Russian-supplied allies. It was evident from the small, smug smiles of the Communist statesmen and journalists in Washington who were patronizingly telling the subdued and silent non-Communist set that—in the words of one Soviet bloc official—"the New Frontier never really set much store by Laos anyway, so how could you consider it a setback?" It was evident from the cold indifference with which Moscow heard out Washington's pleas to live up to pledges to support the cease-fire.

But it was not evident to the State Department up to and through Friday evening, at least in the official line being given out to the world press.

Up to and through Friday evening, the official doctrine was still that a peaceful solution was possible because the Russians really wanted a neutral and independent Laos to limit Peiping's influence there.

In its remarkable display of refusing to face unpleasant facts, the State Department clung to its Moscow-is-sincere line in the face of the following:

1. An agreement between the Red Chinese and the Pathet Lao puppet Red government that Peiping would build a road from China to Red "governmental" headquarters in Laos. This was announced more than 3 months ago. It logically raised the question of how Moscow, sincere or not, could be counted on to keep Peiping out of Laos since the agreement brought the roadbuilders very much in. The State Department answer was that the Chinese were not conclusively in Laos despite the agreement.

2. Clear evidence that the Viet Minh cadres leading the Pathet Lao have been trained and supplied by Peiping as well as by Russia.

3. Reports from American military advisers that Red Chinese troops were seen participating in the attack on Muong Sing (the jungle headquarters or Dr. Tom Dooley). This brought the comment from the State Department that many tribesmen in the area spoke Chinese, overlooking the fact that even Chinese-speaking Lao are not ordinarily in Red army uniform.

4. The fact that Souvanna Phouma, the neutralist prince who was America's choice as the strong man of the coalition government, called on his ally, the Red prince, to halt his attacks and evacuate Nam Tha and was in turn made a fool of when the Communists thrust instead 100 miles to the Thailand border.

Only one thing has stood between Laos and Communist seizure in this and previous administrations, and that has never been the Lao army. If anything, the free Lao army was far weaker in the days of the Eisenhower administration than now. The only thing that has saved Laos has been Red fear of the consequences, meaning possible American or other intervention.

The Kennedy administration's distaste for the Lao situation has been shown in ways too myriad to detail here, but certainly Moscow is not without reasons for gambling that a Red takeover of Laos would be without painful consequences. Indeed, as late as Friday, the State Department was saying that the alerting of the 7th Fleet was "just for show." Only Saturday did someone realize that labeling this alert in such a manner was most unlikely to impress the Communists as anything other than a green light to aggress with safety.

Is it too late to save anything in Laos? Already the entire Lao-Chinese frontier is under Red domination, meaning that Peiping troops can go and come at will without the West being the wiser, as was the case in North Korea along the Yalu.

Already—and for the first time—Red troops are on Thailand's border.

Said an Asian diplomat: "If the United States dares not act at a time when Red China is in turmoil and starving, when America has the atomic bomb and Red China has not, what will America do when China is recovered and is an atomic power? If you dare not stand up to the Communists in Asia today, what will happen tomorrow?"

[From the New York Herald Tribune, Apr. 23, 1962]

MAD HATTER'S TEA PARTY

(By Joseph Alsop)

VIENTIANE, LAOS.—The best way to understand the present stage of American policy in this distracted little country is to remember the worst moment of the Mad Hatter's tea party in "Alice." This, beyond doubt, was the moment when the Mad Hatter rather crossly tried to stuff the dormouse into the teapot.

The role of the Mad Hatter is being played, with considerable panache, by the Assistant Secretary of State for the East, Gov. Averell Harriman. The dormouse in this peculiar charade is the Lao anti-Communist leader, Gen. Phoumi Nosavan. And as in "Alice," the dormouse has refused to be stuffed—at least as yet.

It is not all so comic, however. Consider, for example, Governor Harriman's last descent on Laos, which was intended to stuff the dormouse into the teapot by main force.

At a meeting with all the leaders of the present anti-Communist government, Governor Harriman explained the salubrious character of the teapot in question. This is a neutral coalition government which the Governor desires to form, with the neutralist, Prince Souvanna Phouma, at its head, with Lao Communists included in the Cabinet and with the anti-Communists also included—but only and above all after the anti-Communists have surrendered their vital control of both the army and the police.

After expatiating on the teapot, Governor Harriman gave a preliminary shove. The economic subsidy of $3 million a month, which the United States has long paid to Laos, was suspended some time ago as a pressure move. This has already caused inflation here. But other pressure moves were easily possible, the Governor reminded the Lao Cabinet, thus hinting at future suspension of military aid as well.

Governor Harriman looked at the Lao leaders one by one; pointed a stern forefinger at each of them in turn; and told them that he wished them to know they would be "responsible for the destruction of their country" if they refused to do his bidding. There was a brief silence, and General Phoumi then replied:

"You know, Governor Harriman, we in Laos have many years' experience of colonial rule. But we were never spoken to in quite that fashion in the colonial times."

It can be seen, then, that rather passionate feelings have by now been generated on both sides. Yet the American policy here most urgently needs cool, dispassionate reexamination.

The existing policy was somewhat hastily adopted at the low ebb of the Kennedy administration, just after the Cuban debacle. The aim was to secure a strictly neutral Laos, with no North Vietnamese Communist troops on Lao soil, and with the North Vietnamese blocked from using Laos as a transit route for their attack on South Vietnam.

At Geneva last spring, with his customary industry and ability, Governor Harriman negotiated an agreement with the Soviets which on paper, at least, promised the desired neutral Laos. All the requirements for strict Lao neutrality were to be met, as soon as a coalition, all-party government could be installed with Prince Souvanna Phouma at its head. The Chinese and North Vietnamese delegates at Geneva gave their assent; and the Soviet delegate made important personal commitments to Governor Harriman.

At this stage, last summer, the agreement that Governor Harriman had negotiated looked like the best American bet in Laos, even though it was obviously a longshot bet. Any contraption basically depending on Communist good faith must always be a long-shot bet. But its real flaw was its dependence on stuffing the dormouse into the teapot.

Prince Boun Oum, the Prime Minister, and General Phoumi, the real leader of the anti-Communist government, never felt enthusiasm for the coalition teapot. But they would have entered, nonetheless, if the price of the coalition had not been their surrendering control of the police and the army. Such a surrender, they understandably considered, was tantamount to cutting their own throats with a blunt knife.

For just th's reason, despite month after month of maneuvering and mounting pressure, the dormouse has obstinately refused to be stuffed. Meanwhile, the passage of time and changing circumstances have transformed what used to be a reasonable long-shot bet into a totally indefensible gamble.

A Chinese Communist general, thinly disguised as a consul general, has turned up in the northern province of Phong Saly, at the head of a division of Chinese troops rather better disguised as roadbuilders. The Communist North Vietnamese have been pushing in troops, until they now have between 12,000 and 14,000 soldiers in Laos, of which half are in regular army battalions. The transit route to South Vietnam, which were supposed to be abandoned, have been persistently used and improved.

For these and many other reasons, if the Lao anti-Communists are now driven, by main force, into the coalition that has been so eagerly promoted, it will be equivalent to handing Laos to the North Vietnamese with a red ribbon prettily tied around it. No doubt this can be done, by withdrawing U.S. military aid, for instance, which Governor Harriman apparently told the British Ambassador here that he intended to recommend. But it is certainly time to stop and think again.

[From U.S. News & World Report]

UNITED STATES "GIVING AWAY" LAOS TO COMMUNISTS?

VIENTIANE, LAOS.—At a time when U.S. troops are at the brink of war against Communists in South Vietnam, U.S. officials are cracking down on the rulers of neighboring

Laos to force them into partnership with their Communist enemies.

U.S. policy—agreed to with Russia—is to try to bring peace to Laos by setting up a coalition Government of "neutrals," anti-Communists and Communists.

To try to force the coalition, the United States cut off a $3 million monthly subsidy that met the Lao Army's payroll and paid a third of the costs of the police and civil government. Then the United States began preparations to cut off shipments of arms, ammunition and gasoline, to be followed by withdrawal of military advisers and an end to the airlift on which most of the Laotian Army depends for food and ammunition.

The Laotian Government—headed by Prince Boun Oum and Gen. Phoumi Nosavan—is trying to hold out against American pressure. General Phoumi, at the start of May, was appealing to anti-Communist countries in Asia—Thailand, South Vietnam, the Philippines, Nationalist China, South Korea and Malaya—to come to his aid in his battle aginst the Reds.

VICTORY FOR REDS?

But the odds now are that Laos will either be controlled completely by the Communists or be split across the middle into a Communist North and an anti-Communist South.

General Phoumi is a tough leader who does not want to turn his country over to the Communists. But the only alternative, as he now sees it, is a divided Laos. He knows he has no chance of reconquering the Communist-held areas in the North without U.S. intervention. Phoumi believes, however, that he can hold the vital Mekong River valley and Southern Laos, if the United States will reverse its present policies and help him.

Actually, the anti-Communists in Laos are not as weak as they once seemed to be. The Royal Lao forces now number 70,000 men. During the past year, the United States has given basic American-style training to most of the troops, and has sent 4,000 officers and technicians through special schools.

In addition, about 11,000 Meo hill tribesmen living in enclaves deep behind the Communist "lines" have been armed and trained by the U.S. Army's Special Forces. Officers say the Meos are superb guerrillas.

Americans who have served at the front with Lao troops say flatly that their combat capability has improved tremendously, that morale is higher than it was a year ago, and that—at the present time—the Royal Lao Army could hold its own against the enemy forces inside Laos.

The neutralist-Communist forces, combined, have 36,000 to 38,000 troops in the field. But they are by no means unified in their objectives, nor are they subject to a single command.

IN 1961: A DECISION

Judging from the information available in Laos, Thailand and South Vietnam the United States has not reassessed the situation in Laos since the spring of 1961, when the Kennedy administration apparently decided the best way out was to neutralize the Red-menaced country.

So far as anyone here knows, Washington has not tried to find out if conditions have changed since then. No top-level mission from Washington has taken a look at the situation. Meanwhile, officers on the ground say that several important assumptions on which U.S. policy was based have turned out wrong.

For example, it was assumed that the Communists and neutrals would overrun Laos in a matter of days unless a coalition government that included them was set up. In fact, the reverse has happened. In order to maintain Red power, Communist North Vietnam has had to send in new battalions of its most experienced troops.

Another assumption was that Laos could be effectively policed to see that it was not used as a base for aggression against any other country in southeast Asia. But no one, so far, has been able to enforce a cease-fire in Laos. Communist North Vietnam has put 10 identified battalions into the fighting area.

The Communists now have a stranglehold on the supply corridor through Laos that connects North and South Vietnam. The Russians airlift supplies to Tchepone, close to the South Vietnam border, and have one other major airdrop zone. Even the most optimistic Westerners in Vientiane now acknowledge that, under a coalition government, there would be no possible way of policing this corridor and preventing supplies from reaching the Communists in South Vietnam.

Still another assumption was that the Royal Lao Government was ineffective. In fact, many Americans on the scene say the Phoumi government is the best that Laos has ever had. U.S. aid was being used effectively right up to the moment that economic sanctions were applied by Washington. A program of technical aid and refugee assistance costing the United States $6 million a year is still in operation and is having considerable impact in the villages.

FOR UNITED STATES: FEW FRIENDS

As a result of the pressure from Washington, the United States is in a position right now of having very few friends and admirers in Laos. The Communists and their followers regard America as the "imperialist, capitalist enemy." The neutrals distrust the United States. And the anti-Communists consider the attempt to squeeze them into partnership with the Reds as a "betrayal."

Commanders in Asia say a factor that apparently has been ignored by the Kennedy administration is this: How determined are the Communists to take Laos, and what are their military capabilities for doing so?

There is no question about their long-range intention. Even the Soviet Union, which has supported the principle of a unified, neutral Laos, wants Laos to be a Communist satellite, in the end. And Laos is even more important to Ho Chi Minh, the Communist ruler of North Vietnam. His dream of controlling the entire Indochina peninsula rests on first getting control of Laos.

PROBLEMS FOR COMMUNISTS

Communist capability is another thing. Right now, the entire Communist-neutralist force is dependent on a Soviet airlift and several weekly truck convoys from North Vietnam.

Red China has an estimated 40,000 troops close to the Laos border. North Vietnam has a combat-experienced army of 350,000. But officers with long experience in Asia doubt that the two countries together could maintain more than 100,000 fighting troops in Laos.

Neither China nor North Vietnam has reserves of food. Chinese highways and railways to the Laos-North Vietnam border are relatively primitive. And the industrial bases to produce the necessities of war are thousands of miles away, in North China and Manchuria.

Field commanders say neither China nor North Vietnam could fight a Korea-style war in Laos. The United States and its allies would also have a difficult problem of supply. But the Mekong River valley and southern Laos would be relatively easy to defend, using a combination of Laotian, Thai and U.S. troops.

"A HEADACHE, BUT—"

So why is the United States threatening to pull out its military support and force Laos into a coalition government that could either split the country or put it into the hands of the Reds? Says one Western official with years of experience in southeast Asia:

"The United States appears to have drawn a firm line against the Reds in South Vietnam. Washington's guarantees to Thailand against outside aggression and internal subversion support the view that the United States is not preparing to pull out of southeast Asia.

"But if U.S. policy is to keep South Vietnam and Thailand free, abandoning Laos and selling Phoumi 'down the river' makes no sense. Laos, underpopulated and shy of resources, is a headache to any country that gets involved in it. But it is still the key to defense of Thailand and South Vietnam."

[From the Baltimore Sun, Jan. 9, 1962]

WESTERN CONCESSIONS TO LEFTISTS FEARED

(By Philip Potter)

BANGKOK, THAILAND, January 8.—The United States failure to back Prince Boun Oum of Laos in his efforts to have a say in the choice of Defense and Interior Ministers for a new coalition government there is likely to further erode Thailand's confidence in America.

Thai officials claim to share the West's desire for a strong, peaceful, and neutral Laos, but fear that the West, in its impatience to see an agreement between the three Lao princes to this end, is inclined to make too many concessions to leftwing factions.

BOUN OUM BACKED

Boun Oum, they contend, is right in wanting more positive indication that Prince Souvanna Phouma, neutralist ticketed for the premiership, will maintain a strict neutrality between East and West.

Thai have no faith at all in the neutrality of the third prince in the Lao equation, Prince Souphanouvong, leader of the pro-Communist Neo Lao Hak Xat Party.

They are inclined to risk the formation of a coalition government headed by Prince Souvanna Phouma, but consider the composition of the cabinet the real test of his ability to create a balanced neutralism in the country.

CAUTION URGED

The West should be chary, in the eyes of these officials, about criticizing pro-Western Prince Boun Oum, present Premier of the Royal Lao Government, as he bargains with Souvanna Phouma over the two important Ministries of Defense and Interior.

"Western impatience for an agreement is a sign of weakness," said one official.

"The Vientiane Government of Prince Boun Oum has said it needs a short interim to make sure that Souvanna Phouma can be a strong neutral personality, able to cope with his friends on the left."

This source said Thailand wanted to see a quick settlement among the three princes, but it must be a just and equitable agreement, not dictated from the outside.

"If one side is not happy, and particularly the one the West supports, no agreement can be properly implemented," this official said.

"We feel the West is prone to put pressures on its friends, but not on the other side. You pressure the wrong people at the wrong time. The West kicked little a few months back when Prince Souphanouvong refused to come and see King Savang Vathana, but there is much tendency to blame Boun Oum for demanding a voice in naming the defense and interior ministers."

There also is resentment here over alleged misrepresentation of Thailand's position by the Western press.

Officials said there had been many reports that Thailand advocated strong military action by the Western Powers in Laos.

This, it was said, is far from the truth.

Thailand, one top official said, has always had a peace policy "however much sympathy it has for Laos, because of geographical proximity and our common cultural heritage."

Thailand's hope, he said, was for a strong, neutral Laotian Government supported by the people and by King Savang Vathana.

VIEWS ACCEPTED

He said the view was accepted that it would have to be composed of all factions, but the West must insist that it be one which will maintain—with emphasis on "maintain"—strict neutrality.

"What we do not want is a government purported to be neutral, but with no ability nor willingness to remain neutral.

"We do not want one predominantly Communist or leftist. We fear if the balance is not right it will not be a good beginning and it may lead to eventual domination by undesirable elements."

To assure this, he said, the West must achieve unity and be resolute in standing more firmly for "what you say you believe in. Our fear is that the West, in its strong desire for agreement, might be willing to grant too many concessions. This is a bargaining game. If you say what you are willing to give you have no resources to fall back on."

There is clearly a belief in Thailand that partition of Laos along the lines of present military control would be more advantageous to this country than the formation there of a government that would come under Communist control and expose Thailand's 625-mile border with Laos to penetration by Communist agents armed and trained by Communist North Vietnam and Red China.

Officials here point out that in recent months there has been widespread trouble in Thailand's northeast province bordering Laos and say "there is every indication it is inspired by elements outside the kingdom."

While it is nothing like the Communist Viet Cong threat in South Vietnam, it was said, subversion probably would mount if Laos were to become a subsatellite of the Communist bloc.

RED FORCE MENTIONED

There still reside in northeast Thailand about 30,000 North Vietnamese who came over and made it a base for operation against the French during the early years of the Indochina war.

They still owe allegiance to Ho Chi Minh, Communist leader of North Vietnam, and only await the elimination of Laos as a buffer state to become a large fifth column in this country.

There were at one time 60,000 men, women, and children, but for the past 2 years there have been evacuations through the instrumentality of the International Red Cross and the number here now is believed to be between 30,000 and 40,000.

American sources say those evacuated have been mostly old women and children, leaving in Thailand a hard core as potential subversives of the Viet Cong type now operating in South Vietnam.

SYMPATHY NOTED

U.S. officials here are sympathetic about Thailand's fears.

Americans, one said, "may view Laos like a revolving door, in which one goes in and out, but it is deeply involved in the emotions, heart, and thinking of the Thai. There is an umbilical connection between the Thai and the Lao."

Thus, he said, there is much questioning here about the determination of the West to protect Laos and South Vietnam against Communist subversion and aggression.

"They are heartsick over the fact that the Communists have been allowed to take over half of Laos. They simply cannot understand why the West is letting this happen," he said, "They say it will be Laos first, South Vietnam second, and Thailand third and does the West care anymore?"

[From the New York Herald Tribune]

DISENGAGEMENT IN LAOS?

(By Joseph Alsop)

WASHINGTON.—The Kennedy administration has made a remarkably grave decision about Laos. The decision is being acted upon, and will not be reversed except for a most unexpected and violent turn of events. Yet only a tiny minority are aware of this decision, let alone understanding what has been decided.

Such is the excuse for nagging along about remote, unfortunate little Laos in this space. Having offered this apology, let us try to define the decision. It is really a decision to try to disengage, to extricate the United States, to pull out of Laos—even at considerable risk to eventual Communist domination of this little country which is the transit-route from Communist North Vietnam to South Vietnam, Thailand, and Cambodia.

The factors which have forced a decision at this time have been described at length in an earlier report. In summary, the fighting strength of the anti-Communist forces in Laos is thought to have declined, despite heavy investments to increase it. The power of the pro-Communist forces is known to have increased materially, largely owing to covert invasion from North Vietnam.

Meanwhile, the cease-fire in Laos is becoming increasingly frayed—the President's word—and hostilities may therefore be renewed at any time. If this happens, and if the balance of forces in Laos has been correctly estimated, the victory will go to the pro-Communists. Hence the problem is urgent.

The problem permits only two kinds of solution. One is an early political settlement in Laos. The other is to send American troops to Laos without further delay. Significantly, President Kennedy has recently consulted the Joint Chiefs of Staff at great length about the desirability of sending troops.

If the answers of the Joint Chiefs had been more encouraging, American combat units would probably be getting ready to go to Laos at this moment, despite the unanimous opposition to this course expressed by congressional leaders of both parties at the White House meeting on Laos last April 27. But the Joint Chiefs of Staff refused to promise to hold even southern Laos (thus cutting the transit route to South Vietnam) with the kind of expeditionary force that might be dispatched.

If the Joint Chiefs are right, in fact, the only gain from sending troops to Laos would be the retention of American footholds in Vientiane and the other Mekong Rivertowns. Thus there would be protected posts on Laos' river-border with Thailand; but the much more dangerous border with South Vietnam would be left open to the Communists. In these circumstances, the decision of the Kennedy policymakers is only to send troops if the Communist faction in Laos sabotages what Washington regards as a reasonable political settlement; but meanwhile to go all out for a political settlement.

American disengagement in Laos is inherent in the kind of political settlement that is contemplated. An all-party government is to be set up, headed by the neutralist chieftain, Prince Souvanna Phouma, and pledged to maintain the true neutrality of Laos. The armed forces of the various factions are to be merged and reduced. And the crucial task of military training is then to be transferred from the existing American military mission to a new French mission.

"Get out of Laos as quickly as you can," was the advice given the President by one of the most respected senior Senators a week or so ago. Our military mission in Laos is our real engagement there. Thus the Senator's advice will be followed if the contemplated settlement is achieved.

But the question then will be how this political settlement will work. To begin with, if there is any settlement at all, the Lao anti-Communist leaders, Prince Boun Oum and Gen. Phoumi Nosavan, will have to sacrifice their trump cards in the first round of play. Prince Souvanna Phouma, the Prime Minister-designate, has flatly refused to serve unless Phoumi and Boun Oum hand over to him the Ministries of Defense and Interior, which means control of the army and the police.

Thus everything will first of all depend on whether Prince Souvanna Phouma genuinely wants Laos to be "truly neutral." Certainly he does not want to be the mere creature of the Communists. In this sense he has a real community of interest with Gen. Phoumi and Prince Boun Oum. He has signified as much over the weekend, which is thought to be encouraging.

Yet no one can guarantee Prince Souvanna Phouma's reliability. Furthermore, no one can guarantee that the North Vietnamese Communist troops now in Laos will be withdrawn as promised if and when the new Cabinet has finally been installed. If these troops are not withdrawn, Prince Souvanna Phouma will remain the Communists' prisoner, whatever he may wish to do. In other words, the proposed settlement is an enormous gamble, only defensible as the least bad of the possible alternatives.

The gamble is now being attempted. At this moment, the $3 million a month American cash subsidy to Laos has again been suspended, in order to force acceptance of the proposed settlement by the reluctant Prince Boun Oum and General Phoumi. The possible consequences of the gamble will therefore be examined in a third and (mercifully) final report on the slow-motion Laos crisis.

[From the Christian Science Monitor, Feb. 24, 1962]

NORTH VIETNAMESE—LAOS SEES RED UNITS

(By Takashi Oka)

VIENTIANE, LAOS.—While political leaders representing the three contending factions in Laos discuss how to achieve a national coalition government, military observers here are increasingly concerned over evidence of North Vietnamese regular battalions in areas controlled by the pro-Communist Pathet Lao and by forces of neutralist Prince Souvanna Phouma.

Information collated by Western sources here indicates that at least 10 North Vietnamese battalions totaling 5,000 men are on Lao soil. An additional 5,000 North Vietnamese are believed to be serving in communications, artillery, and antiaircraft units and to form cadres and advisers in existing Pathet Lao and Souvanna Phouma units.

Positive identification of North Vietnamese units has always been difficult but military observers are fairly certain that two North Vietnamese battalions are in the Plain of Jars region, two in the Nam Tha region, one in the Vang Vieng region, two in the Nhommarat-Mahaxay region, and one in the Tchepone region.

REPORTS CHECKED

The current dry season makes both aerial and ground observation easier than during the dank spring and summer monsoon, and military sources say they have carefully checked testimony of defectors with observation by guerrillas from among the Meo tribesmen and reconnaissance from the air.

Two areas where pro-Communist forces appear to be much stronger than a year ago are Nam Tha in the north, and the north-south route from Nhommarat through Mahaxay to Tchepone. The former is just south of the Chinese Communist border while the

latter composes the famous Ho Chi Minh route from North to South Vietnam.

The Pathet Lao advance in the Nam Tha area not only threatens the provincial capital of Nam Tha but brings almost all of the 243-mile roadless border between Laos and Communist China into pro-Communist hands. The Chinese 13th Army with 25,000 men is believed to be just across the border in the so-called Shishong Banna Thai autonomous area, and could move into Laos undetected by outsiders once the Pathet Lao had secured most of the border area, an exercise in which they may be more interested than the capture of Nam Tha town itself.

SUPPLY ROUTE

The Mahaxay-Tchepone route is believed to be serving as a supply road down which men and material move from North Vietnam to participate in the guerrilla war in South Vietnam. The Pathet Lao have improved the trail from Mahaxay to Tchepone and trucks have been observed driving down to a point halfway between the two towns. This means that supplies moving south need to be portered only from this halfway point to Tchepone and thence to the Lao-Vietnamese border.

In addition, the Tchepone airfield has been improved and now can take Soviet Ilyushin-14's. Almost one ton of supplies daily or 20 tons per month are being airlifted by Soviet transport planes to Tchepone and the airfield there is ringed with radar-equipped antiaircraft guns which are accurate enough to hit high-flying observation planes.

There is no solid evidence that North Vietnamese troops in Tchepone, Mahaxay, and Nam Tha have been used in actual combat. Military observers believe they are being held in reserve and that their mere presence causes such panic among Lao units opposing them that the latter often turn and flee without giving battle.

TROOPS RETREATED

Last month Vientiane troops loyal to the Defense Minister, Gen. Phoumi Nosavan, moved against the Pathet Lao both in the Mahaxay area and in Muong Sai area south of Nam Tha. In both areas Vientiane troops beat a hasty retreat the minute they realized that North Vietnamese battalions were in the vicinity.

Trucking and equipment of Vientiane forces have improved since the disastrous days preceding the cease-fire last spring. But they still have a tendency to avoid close combat and their capacity to wage a coordinated operation leaves something to be desired, according to observers who have accompanied troops in some of the recent fighting.

[From the Christian Science Monitor, Mar. 9, 1962]

LAO FACTIONS VIE FOR GRIP

(By Takashi Oka)

VIENTIANE, LAOS.—It takes only 45 minutes by twin-engine Beechcraft to go from this dusty administrative capital of Laos to the rolling Plain of Jars where Prince Souvanna Phouma's neutralist government has its headquarters at the former French Foreign Legion outpost of Khang Khay.

But Vientiane and Khang Khay are worlds apart. Compared with Bangkok or Saigon, Vientiane is a sleepy little upcountry town; compared with desolate Khang Khay, it is a veritable metropolis.

American military and economic aid, which so far has not stopped—despite the withholding of the February and March monthly aid checks—supporting the Laos civil and military budget, is enlarging the runway at Wattay Airport and building a modern highway to Thadua, transshipment point across the Mekong River for goods coming in from Thailand.

SHARP CONTRAST

Inside the city, the rightwing government headed by Prince Boun Oum and Defense Minister Phoumi Nosavan—temporarily convalescing in Thailand—is widening roads, reconstructing the royal palace, and building a monument in front of the Government buildings. Shops still are filled with imported goods, and one indication of the moral standard is that alcoholic beverages are cheaper than in Bangkok or Saigon.

Khang Khay, by contrast, has the spartan atmosphere of an army boot camp. Civil servants have their offices in central rooms of barrack-long buildings and sleep dormitory style in cots placed in the end of the rooms. They bathe in discarded oil drums, bark orders into field telephones, and ride from outpost to outpost in trucks or army command cars.

They use some jeeps of American manufacture, but most of their vehicles bear the export label "Fait en Urss'" (made in U.S.S.R.) or its Russian equivalent.

Prince Souvanna Phouma's government does not conceal the fact that its materiel support comes exclusively from the Communist bloc, particularly from the Soviet Union and North Vietnam.

ARMED BY REDS

During a recent visit, this correspondent hitchhiked on a Soviet plane from the Plain of Jars Airfield to Pongsavan and from there on a Soviet-made command car to Khang Khay, where North Vietnamese carpenters and other laborers are building a meeting hall and a hotel. Soviet and Czech military equipment is in evidence at military installations, while the Chinese Communists are building a road from their border to the northern town of Phongsaly.

But politically the Souvanna Phouma government insists it is neutralist—that it looks neither to the United States nor to the Soviet Union for support but hopes to bring about a Laos whose neutrality will be guaranteed by all major powers. Thus it draws distinction between itself and the American-supported Vientiane government—as well as the Communist-supported Pathet Lao under Prince Souvanna Phouma's half-brother, Prince Souphanouvong, who has his headquarters in Samneua but who spends much of his time in Khang Khay.

Internationally, Prince Souvanna Phouma has won United States, British, French, and Soviet backing for an attempt to evolve an all-Lao neutralist coalition that will bring together both Pathet Lao and Vientiane forces under himself as Premier, with 10 Cabinet seats going to his own group and four each to Vientiane and the Pathet Lao.

Under this formula, Prince Souvanna Phouma's adherents will take the key posts of Defense and Interior in addition to the Premier post and Foreign Affairs.

But the prerequisite for such an evolution is, of course, the genuineness of Prince Souvanna Phouma's neutrality. As weeks turn into months and months to years since coalition efforts began, the middle position which Prince Souvanna Phouma seeks to hold between Vientiane on the right and the Pathet Lao on the left becomes increasingly difficult to maintain. Neither does the Pathet Lao make things easier for the Prince.

NEUTRALITY VOICED

"We are not Communists, Prince Souphanouvong told this correspondent during a recent visit to Khang Khay. "We are a party that enjoys the support of Communists. We stand for a peaceful, neutral, and united Laos."

Such language effectively blurs the distinction between the Pathet Lao and Prince Souvanna Phouma and infringes upon the middle ground which is the basis of the Khang Khay government's appeal to Lao opinion and to the world.

Prince Souvanna Phouma's recent bilateral negotiations in Luang Prabang and Vietiane with General Phoumi—to be resumed in a few days—may show that the Khang Khay leader wishes to establish a public image of himself as independent of his half brother, who told me: "I recognize only agreements reached in my presence. I recognize no agreements à deux."

Meanwhile, it isn't clear yet what effect General Phoumi's illness will have on talks between Vientiane and Khang Khay.

So far, Vietiane has not conceded the Defense and Interior portfolios to Prince Souvanna Phouma. It remains to be seen whether U.S. pressure, begun with the stopping of the monthly aid check and perhaps to continue to the cutting off of all military and economic aid, will force this concession.

[From the Christian Science Monitor, Mar. 21, 1962]

RED LAO LEADER AIRS VIEWS TO WEST

(By Ronald Stead)

KHANG KHAY, LAOS.—During an interview here in this dusty little capital of "Souvanna Phouma country" this correspondent asked pro-Communist Prince Souphanouvong about those troops from neighboring North Vietnam which number some 10,000 men—about half of them are in regular combat formations on the pro-Communist side in the Lao civil war.

Prince Souphanouvong shares this rebel capital with his half-brother, neutralist Prince Souvanna Phouma. He is the president of the central committee of the Neo Lao Haksat Party, which gives political expression to the pro-Communist Pathet Lao armed forces.

The Prince laughed as he replied, "This is nonsense. You must remember we get uniforms from North Vietnam along with other supplies and our soldiers wearing them obviously look like Vietminh troops since the clothes in question are drawn from stock not specially designed for us."

NO COMMENT

When told the Royal Lao Army's assessment, accepted by the U.S. military group advising it, is based on much more than an observation of uniforms, he made no comment.

The accumulated evidence furnished by prisoners, deserters, refugees, and others, as well as reports on large truck convoys and other indications of reinforcement had further backed the claims.

Improved antiaircraft artillery fire shows the up-to-date range-finding devices now in use by the rebels.

TECHNICAL AID ADMITTED

"We have North Vietnamese, Russian, and Chinese technicians helping in various ways," Prince Souphanouvong declared, "the same way as the illegal government now in power in Vientiane (the royalist capital of Laos) has Americans aiding it on the field of combat and elsewhere."

Armed American specialist soldiers do go into action with formations of the Royal Lao Army. But their orders are only to defend themselves if necessary and to give advice, not orders. Sometimes the command officers to whom they give it take no notice. And on occasion American advisers have found themselves in positions from which the Lao troops they were previously with had unexpectedly retired.

"Tell the American people," said Prince Souphanouvong when the conversation turned to political matters, "the restoration of peace in Laos is now up to the U.S. Government. If Prince Boun Oum (present counterrevolutionary Premier of Vientiane) and Gen. Phoumi Nosavan (strong man in

his regime) continue to refuse to agree that the two key portfolios—for Defense and Home Affairs—shall be in neutralist hands in any coalition administration that may be formed, Americans must deny them the help that alone enables them to persist in office.

ALL AID ATTACKED

"Not just by withholding the monthly check of $3 million that subsidizes them but by withdrawing aircraft and other aid of military significance which makes possible their continuance on a campaign they cannot possibly win.

"If the Americans do not do this they will be responsible for preventing the settlement of problems in Laos by the people of the country themselves. I reminded the Prince of the fears of the non-Communist world that a coalition administration in Laos, if formed, would in due course become dominated by representatives of the pro-Communist Pathet Lao.

"That is for the people of Laos to decide when we have elections again," the Prince said. Then he departed from the French in which the interview was conducted to say slowly in English, "next time the integration must be real.

EXPERIENCE RECALLED

"The last time there was discrimination and vengeance and I, for one, was put in prison for trying to give effect to my political beliefs. Any future fusion has to be the real thing—and I am going to make sure it will be before we try to get together again with our present enemies," he said.

The Pathet Lao chief frowned when told of the impression created at the press conference held by the Minister of Information in Vientiane that neutralist leader Prince Souvanna Phouma is a "prisoner of the Pathet Lao."

He described this as "an odious calumny against the rightful Prime Minister of Laos (Souvanna Phouma) and a maneuver to cause a split between my half-brother's government and the Pathet Lao. It is futile," he added, "because nobody can destroy the firm solidarity forged in the fire of battle."

PEACE TALKED UP

"For this reason American efforts to separate us must be in vain. The Neo Lao Haksat has never deviated from its course of seeking a peaceful solution to the Laos problem" he claimed, "for only in this way can our country be led to peace, neutrality, sovereignty, unity, democracy, and prosperity as envisaged at the 14-nation conference at Geneva which will supervise the withdrawal of all foreign military personnel from Laos when we can send a delegation from a coalition government to sign the accords already reached internationally."

"The world should remember," said Prince Souphanouvong, "that Prince Boun Oum, Prince Souvanna Phouma and myself agreed on a basis for establishing a coalition government during our meetings in Zurich and Geneva. But Prince Boun Oum has done nothing but try to evade those terms and prevent their implementation.

"The latest rightwing proposal for the six administrative commissions instead of a coalition government—under the presidency of the King—is just an attempt to keep power in reactionary hands and use the dignity and prestige of the throne for political ends. We did not countenance it for a second."

[From the Christian Science Monitor, Mar. 23, 1962]

KONG LE: ANGER IN LAOS

(By Ronald Stead)

KHANG KHAY, LAOS.—"I did what I did to open the eyes of the people of Laos and set their feet on the right road," said Capt. Kong Le, catalyst in the creation of the Lao crisis now presenting the world one of its greatest problems.

We talked in his little bedroom at the former French Foreign Legion post here where he commands the neutralist forces in the Lao civil war. They are linked with the pro-Communist Pathet Lao against the country's present rightwing counterrevolutionary government. At this same headquarters, the neutralist leader, Prince Souvanna Phouma, has a joint residence with his half-brother, Prince Souphanouvong, head the Lao pro-Communists.

Capt. Kong Le's reference was to a coup during the night of August 8, 1960, when he led the Second Paratroop Battalion of the Royal Lao Army to take over the Government and military installations at the city of Vientiane. As chairman of the revolutionary committee he accused the administration it ousted of waging fratricidal war against the Pathet Lao and of allowing American domination and infiltration.

He called upon army commanders to cease operations against the Pathet Lao, declared that the men he put into power would pursue a genuinely neutral policy, stamp out administrative corruption, and requested all foreign troops to leave Laos. At the same time he declared the revolutionary committee loyal to the monarchy of King Savang Vathana, the Constitution, and denied that the pro-Communists' chief, Prince Souphanouvong, was behind the coup.

The National Assembly unanimously passed a vote of no confidence in the deposed Government under the premiership of the pro-American rightwinger Prince Somsanith. The King accepted his resignation and asked Prince Souvanna Phouma—Premier from 1951 to 1954 and again in 1956—to form a new administration.

The same day Capt. Kong Le announced the handing over to Souvanna Phouma of the powers he had assumed. But on September 10 tough rightwing Gen. Phoumi Nosavan and Prince Boun Oum set up in the southern city of Savannakhet a counterrevolutionary committee which proclaimed the Constitution suspended and formed another government with Boun Oum Premier and General Phoumi Minister of Defense.

In due course the King approved this, General Phoumi's troops marched on Vientiane, Capt. Kong Le withdrew his men after fighting there between December 13 and 16, 1960, and Souvanna Phouma left the country, later to return and install himself at Khang Khay.

The forces of Capt. Kong Le joined those of the Pathet Lao, though retaining separate identities, and when hostilities were suspended by a cease-fire last May 3 the two controlled more than half of Laos.

This brief recapitulation of events in Laos in their purely internal aspect is essential for putting into perspective Capt. Kong Le as an important and symbolic national figure in the picture showing that the Lao Government is aided militarily and otherwise by the United States while the 15,000 men he commands and the 60,000 forming the Pathet Lao forces are backed similarly by the Soviet Union, Communist China, and Communist North Vietnam.

The captain is amiable, youthful, and very small in stature. He came back from a liaison meeting with Pathet Lao officers to find this correspondent in his simply furnished bedroom enjoying refreshment provided gracefully by the captain's pretty and petite wife. Ornaments on the desk at the foot of his hardlooking bed indicate perhaps the road he considers it right for the people of Laos to tread now that he has opened their eyes.

Dominating the treasure was a large colored photograph of General Giap, commander in chief of the North Vietnamese Army currently accused by the Lao Government of sending 10,000 men into Laos on the Pathet Lao side in the civil war.

"The general sent me that himself," said the captain proudly.

Beside it was a bas-relief of Ho Chi Minh, President of Communist North Vietnam. And alongside this a statuette of a very fierce looking lion carved out of coal from a North Vietnamese mine. Another relief was of Maj. Yuri A. Gagarin, first man into outerspace—next to a group picture of Cuba's Fidel Castro and supporters.

Nearby stood an impressionistic model of a Soviet sputnik given the captain by the Soviet Ambassador to Laos.

Among Capt. Kong Le's books was one on Major Gagarin in which one of the authors, Wilfred Burchett (Australian journalist now residing in Moscow and long operating assiduously in the Communist camp) had written, "To Gen. Kong Le whose name is known throughout the world as a great patriot and who fights for the independence, peace, and neutrality of Laos. With sincere wishes for your further success."

The captain pointed to the second word of this inscription and said, "Mr. Burchett calls me general but I don't call myself that. I'm just Capt. Kong Le."

There was no mistaking the pride with which he enunciated the last three words. At the time he was wearing no insignia on his uniform except a parachutist's large brass emblem on his right breast.

I am told he generally is described as basically and mostly "an angry young man" without political aspirations.

"That's right," he commented, "and sometimes I am very angry indeed."

He continued, "Americans must cease supporting the rightwingers in our civil war and by denying them military help force them to give up a fight they cannot possibly win if left to themselves."

Forsaking French briefly for English he added "They've had it—and they must get together with us to restore national unity."

Before kindly sending me back in a Soviet-supplied jeep to the nearby village of Phang Savang where I was staying, the captain made this observation in parting:

"Laos must not be a bridgehead for conflicting forces of the world. It must be a bridge between them."

[From the Christian Science Monitor, Mar. 24, 1962]

ROYAL NEGOTIATIONS HANG ON IN LAOS

(By Ronald Stead)

KHANG KHAY, LAOS.—Prince Souvanna Phouma, Premier-designate of the provisional national coalition government, which it so far has been impossible to form despite nearly 6 months' efforts, accorded an interview to this correspondent at the headquarters and residence which he shares here with the leader of the country's pro-Communists, his half-brother, Prince Souphanouvong.

It is a former regional command center of the French Foreign Legion, and today's princely occupants have left undisturbed some piquant murals executed by the soldier artists of the former imperial era. Indeed, they added to the murals in the main hall a caricature of paratrooper Capt. Kong Le kicking a soccer football vigorously onto the nose of Gen. Phoumi Nosavan, strong man in the counterrevolutionary administration currently in power at the administrative capital of Prince Boun Oum, Vientiane.

PREMIER THREE TIMES

Prince Souvanna Phouma, and Prince Souphanouvong have had many political dealings with each other since the former first became Premier of Laos in 1951. He held that position until 1954, acquired it again 2 years later, and was given it yet again in 1960 after Capt. Kong Le's revolutionary coup ousted Prince Somsanith's rightwing pro-American administration.

Prince Souvanna Phouma left the country before Gen. Phoumi Nosavan's troops captured Vientiane in December 1960. How-

ever, he was still Premier, and he still considers himself the rightful holder of the premiership. He also considers himself the rightful Minister of Foreign Affairs, which is why his headquarters here has the title Ministry of Foreign Affairs affixed to the main doorway.

DUST IS THICK

At this time of year the dominating feature of the surrounding landscape on the highly strategic Plain of Jars (so named because some very large ancient inexplicable stone jars stand at assorted angles in one part of the plain) is dust, which follows any fast-moving vehicle like a heavy brown smokescreen from an exhaust pipe.

Although now under constant Communist pressure and feeling increasingly obliged to accept Communist arms, Prince Souvanna Phouma is not Communist, and experienced observers believe him when he says he stands for a policy of real neutrality.

"There has to be an accommodation with Communists, internal and external," said this outstanding Lao statesman, almost the only one with an understanding of the complex international factors governing his country's future.

PRESSURE ON RIGHTWING

Today he and the Lao pro-Communists are entirely agreed on one thing—that the United States, having shifted the weight of its support from the rightwingers to the neutralists in the center, should put more pressure on the rightwingers to do the same and agree to place the two key portfolios in the proposed coalition in the hands of the neutralists. These are the Ministries of Defense and Home Affairs, which control the army and police, respectively.

The rest of the nominated ministers and permanent secretaries are being juggled in the hope (rather forlorn to date) of providing the right, left, and center with a formula that can be accepted by all three. But on defense and home affairs Princes Souvanna Phouma and Souphanouvong will never give way, the former said.

FEBRUARY COMPROMISE

The attempted compromise that Prince Souvanna Phouma brought back from his last visit to Vientiane February 21 to 26 was one that would give the Ministries of Defense and Home Affairs to him, carrying with them veterans' affairs. He would also allot the Ministry of Social Advancement. The proposal was that as Minister of Defense the Premier would have under him three permanent secretaries: one from the right, one from the left, and one from the center.

Prince Souvanna Phouma indicated that Prince Souphanouvong would be content with the triple portfolio of the Ministries of Information, Sports, and Youth.

Rightwingers, however, would be far from content if the pro-Communist prince had them, and neutralists would prefer that he be Minister of Economy and Planning instead. The suggestion is that he have a rightwing permanent secretary anyway.

OTHER MINISTRIES

The Ministries of Public Works and Transport are envisaged as being under the Minister from Pathet Lao. The Premier's office would be run by neutralists, who would have portfolios for foreign affairs, welfare and labor, health, communications, justice, finance, and religious affairs. Education and fine arts would go to the rightwing, and General Phoumi Nosavan is currently envisaged as Minister of Defense. He could be Deputy Premier if willing to be Minister of Economy and Planning. But he is a very strong person, one interested in power, not in the appearance of it, and he has been stoutly resisting American pressures to make him toe the line.

No ministry has been accorded at present to Prince Boun Oum, Premier in the Vientiane Government, because in the Lao scale of aristocratic precedence, he is second only to the King and must be Premier or nothing.

Another formula of which Prince Souvanna Phouma talked would give 10 posts to neutralists, 4 to rightwingers, 4 to leftwingers, with himself as Premier in a cabinet of 19.

[From the Christian Science Monitor, Apr. 2, 1962]

NEUTRAL AND RED LAOS MEET

(By Ronald Stead)

PHANG SAVAN, LAOS.—This dusty village on the French-named Plaine de Jarres in Laos is news. And news that must be understood in order to appreciate what is going on politically in the little civil war-torn southeast Asian kingdom.

A short way down the unpaved main street from this correspondent's lodgings here are the headquarters of Communist China's Economic and Cultural Mission to Laos. Further along is Czechoslovakia's Economic and Cultural Mission to Laos. And nearby is North Vietnam's Economic and Cultural Mission to Laos.

The Laos referred to is not that of the rightwing government in Vientiane. It is the Laos controlled by that country's neutralists and it is set in the midst of a wider area around here controlled by the country's Communists.

The Communist diplomatic friends of these two Laoses are accredited to Prince Souvanna Phouma, Prime Minister-elect of the new provisional coalition government that rival factions of right, left, and center have been unable to form in 5 months of disagreement.

Souvanna Phouma now has headquarters and joint residence with his half brother, Prince Souphanouvong, leader of the pro-Communist Pathet Lao armed forces and their political counterpart, the Neo Lao Haksat.

The joint residence of the half brothers is only a short ride by automobile from here. But it is an uncomfortable trip owing to the condition of the roads in this region. It was particularly so for me when visiting the princes at Khang Khay, because the automobile used was a large truck containing only three passengers and two sacks of rice. The second time I came off the seat I landed on one of the sacks and decided to stay there on the floor.

The French influence persists in some ways in Laos, and the rule of the road is to drive on the right. In this part of the country, however, people drive on the left because it is less worn, though the difference is getting harder and harder to detect. The truck driver, a young neutralist soldier, was greatly entertained at journey's end when this correspondent leaped adventurously to the ground and sat down heavily as his travel-shaken knees gave way.

The unexpected arrival was dusted off amid solicitous, if incomprehensible inquiries and he offers this vignette to illustrate not only the kindness and courtesy of the local residents, but also the simple conditions in which they reside. There are no taxicabs nor scheduled buses, and unless private transport is at your disposal the only way to travel is by thumb lift, procedure not recommended after dark.

The first bedroom placed at my disposal was a wooden cubicle obviously built around the bed, leaving a minimum of space for getting into same but a maximum for building another cubicle alongside. But through a chance encounter with Wilfred Burchett—a onetime journalist acquaintance visiting here from Moscow where he lives—I found an apartment that contained not only a bed but also a chair and table, the latter ornamented by a tiny mug turned upside down for a candlestick.

The minor comfort was impaired by the proximity of a public loudspeaker which in true Communist fashion, blared out music, news, exhortation and comment in masculine and feminine voices from early morning onward. This is a most alien addition to the gentle unheeding of the Laos way of life.

The busiest place in Phang Savan, except for headquarters of Lau Pencan [Neutral Laos] party, founded by Souvanna Phouma some 8 months ago, is the restaurant of Ruam Mitr, hotel operated by Monsieur Theo. He is a Belgian formerly in what he describes as a prosperous business in Hanoi, now the capital of Communist-ruled North Vietnam. He takes a somewhat lugubrious view of the present life and times here, and dilated upon the shortage of consumer goods that keeps local shops virtually empty.

Earlier he had stressed the indispensability of an electric torch here if one wishes to make even the shortest expedition after dark in this village without street lighting.

M. Theo happened to have a spare pocket flashlight. And by selling it to me he was able to illustrate quite convincingly how the cost of living has gone up in this neutralist Laos which is so heavily dependent on Communist protectors.

[From the Christian Science Monitor, Apr. 15, 1962]

LAO ADVERSARIES SIT TIGHT

(By Ronald Stead)

VIENTIANE, LAOS.—A verbal smokescreen put out over military operations in Laos billows continuously from rival information officers as well as partisan press and radio. But in fact the picture in general is unchanged since last May, when hostilities were suspended on the eve of the Geneva conference at which 14 nations came to unanimous agreement on how the future neutrality of Laos should be guaranteed. Indeed the only sector where any fighting as distinct from occasional skirmishes goes on is the Nam Tha region.

This bothers neighboring Thailand, because Nam Tha is just northeast of the Thai Province of Nan and only 20 miles from Communist China's frontier farther north.

About 2 miles from the town of Nam Tha itself in northwest Laos, there is an airstrip which has changed hands more than once.

Thai troops have been moved up to the nearby border in case Nam Tha, held by the Royal Lao Army, should fall. Thailand claims a neutralist victory would be a future Communist threat to it.

All around here is rugged terrain favorable to guerrillas of both sides, contending for the cooperation of the hill tribes.

Thailand has been made especially sensitive to what is happening in this part of Laos, because in its own tribes in the adjacent northeast, the Thai Government claims, there is a clandestine separatist movement with the aim of joining this part of Thailand to a Communist-dominated Laos.

Recently, Nam Tha has been shelled by mortars of the pro-Communist Pathet Lao. By way of justifying this, Pathet Lao leader Prince Souphanouvong drew a map in this correspondent's notebook to show his men's operations are really defensive, since royal government troops, he said, have been trying to force them out of favorable positions they hold on commanding ground around the little town.

PRINCE DRAWS MAP

"Gen. Phoumi Nosavan (rightwing Defense Minister of the present government at Vientiane) always does that sort of thing whenever prospects of bringing a coalition government into existence brighten—as they seemed to be doing when his Nam Tha attacks began," the Prince said. "And he always succeeds in dimming them one way or another."

The Pathet Lao now has some 17,000 men under arms—not counting those North Vietnamese who have come in as instructors.

NEUTRALIST BUILDUP

The Royal Lao Army's intelligence assesses them as numbering at least 10,000, and says they are actually combat troops—about half of them in recognizable combat formations.

Prince Souphanouvong describes them as "characteristic exaggeration."

Of the two sides, the royalist government has the record of making the more improbable charges—such as the presence of Chinese Communist troops on Lao soil, Soviet troops being taken in and out, and so on. One prize communique by the Vientiane Government in early January told that a division of Chinese Communist troops had not only entered the country, but had passed across the southern Lao border into South Vietnam. The fact is, happily, that neither side in the civil war wants to fight. Hence, defections from one to the other occur on varying scales.

Neutralist Prince Souvanna Phouma, in the rival capital has established and is building up at Khang Khay, says his troops total 15,000—10,000 in northeastern Province of Phong Saly which he holds, 4,000 protecting the Khang Khay area on the Plaine des Jarres, and the rest at Chepone and Nommarath.

The royalist army has been built up with U.S. aid to about 60,000 and the Americans still are supplying it despite the refusal of General Phoumi to fall in with Washington's wishes by agreeing to allow the portfolios for defense and home affairs in a provisional coalition government to be allocated to the neutralists. The Soviet Union is continuing to provide war materiel and other aid to the Pathet Lao and neutralists.

If attempts to form a coalition cease and civil war is resumed, neutralist troops can be expected to go into closer association with the Pathet Lao.

Neutralist Capt. Kong Le's best troops are proud—they formerly were the elite of the Royal Lao Army—and have a consciousness of superior smartness and discipline to the Pathet Lao forces largely consisting of irregulars. But Pathet Lao men are tough and becoming regimented with the aid of North Vietnamese cadres and Soviet technical instructors.

Together with the neutralists they control about half the country as the United States wonders what to do next and strong man General Phoumi goes his own way.

[From the Evening Star, Apr. 18, 1962]

MISSIONARY SEES NEED FOR U.S. SACRIFICE TO SAVE LAOS

A tall stranger, his khakis sweat-stained, his bare feet covered with mud, entered a Lao village, greeted the inhabitants in their own tongue and sat down to share their simple menu.

This stranger from another world was the first white man ever seen by the inhabitants of the village and of some 40 other Lao villages.

The stranger, the Reverend Mathias Menger, a 30-year-old native of San Antonio, Tex., told here today how, in his first 3 years in Laos, he had walked 5,000 miles to get to know the people he will serve for the rest of his life.

Father Menger, an Oblate missionary, went to Laos, with headquarters in Vientiane, 6 years ago. In January, he returned to the United States for an 8-month visit and will return to Laos in September.

CONQUERED NATIVE FOOD

In an experience remarkably similar to that of the fictitious "Father Finnian" in "The Ugly American," the controversial book about American policy in southeast Asia, Father Menger learned to eat Lao food by suffering through attacks of dysentery until his system had built up its defenses.

"In a few weeks," he said, "I lost 35 pounds."

If Laos is not to become a Communist nation, he said, more Americans will have to make the same kind of sacrifices.

"I understand very well why our people are not going out there to live," he said. "If I were married, I wouldn't go out and live in a jungle.

"We need dedicated people," he added. "No purely human motive is sufficient for a person to live in Laos. If I didn't have a spiritual motive, I wouldn't live there for all the money in the world."

And yet there are people who are willing to live among the people of Laos.

"One of the finest persons I have ever met was a Russian Communist in Laos," Father Menger said. "I asked him how long he was going to stay, assuming that, like our own people, he had a short, definite tour of duty.

"He didn't seem to know what I meant. 'I have come here to make Laos a Communist country,' he told me. 'I will stay until the job is done.'"

Since his return to the United States, Father Menger has delivered 231 lectures, appeared on 30 television programs and been interviewed on nearly that many radio stations.

One of the purposes of the lecture series is to ask for contributions to a $100,000 fund to build an orphanage—the first in Laos—and a girls' vocational school.

In every one of his lectures, he said, several women have been unable to listen to his descriptions of some of the things he has seen in Laos.

FAMILY TORTURED

A family in Father Menger's pastorate was captured by Communists, who demanded they make a choice between communism and Christianity. When they chose Christianity, a 4-year-old daughter was brutally beaten and thrown in the mud.

When they still refused to renounce Christianity, they were buried in the village square with only their heads protruding. A plow was hitched to a water buffalo and the Communists circled the buried family. When they still refused to become Communists, the plow was run over the members of the family, one by one.

Although he seldom goes out on military patrols, Father Menger frequently works close to the vague front line of the strange Laotian war.

SPIKES KILL

"The Communists bury barbed spikes in the ground," he said, "and then lure their enemies across the mined area.

"One day we were walking in a column and the boy in front of me stepped on one of the spikes. He let out a yell and fell to the ground—on a bed of spikes. It was like falling on a bed of icepicks. He was dead in 2 minutes."

Father Menger clearly feels that Laos is the key to Southeast Asia—and that what is being done now to have it is not enough.

Asked what he thought the odds are that the United States will take effective steps soon enough to save the country, he shook his head and said:

"I know there is no reason why we should lose Laos. But I just don't know whether we will do what needs to be done to avoid it."

[From the New York Herald Tribune, Apr. 30, 1962]

THAI TO SEND LAO RICE TO EASE "BRUTAL SUSPENSION" OF U.S. AID

VIENTIANE, LAOS.—Royal Government leaders returned from Thailand yesterday with pledges of help to ease the economic impact of what a Lao official called the brutal suspension of U.S. aid.

At the same time, the official, Acting Foreign Minister Sisouk Na Champassak, expressed hope Washington will understand the royal Government's position and reverse U.S. policy.

The United States suspended its $3 million monthly economic aid to Laos in February, when Premier Prince Boun Oum refused to enter into a coalition regime with neutralist Prince Souvanna Phouma as Premier.

The United States insisted this was the the only hope for ending the rebellion of the Communist-dominated Pathet Lao guerrillas. The royal Government feared the Communists eventually would take over from Prince Souvanna.

Mr. Sisouk told reporters the Thai Government, as a first step, has given Laos a grant of 1,000 tons of rice—about enough to supply this administrative capital for 10 days—and will provide other products such as cement.

Mr. Sisouk declined to give details but said, "We have drawn a plan of our needs, and Thai officials promised to consider them within the limits of Thailand's capabilities."

Asked if the U.S. policy of suspending economic assistance was raised during discussions with Thai officials in Bangkok, Mr. Sisouk replied: "The Thai Government doesn't understand this brutal suspension."

HARRIMAN SAW NO AID

A reporter said W. Averell Harriman, U.S. Assistant Secretary of State for Far East Affairs, had declared after his visit to Laos in March that no southwest Asian government would consider helping Boun Oum's government.

Mr. Sisouk said Mr. Harriman made the statement "after failure of his mission here." Mr. Harriman had come here to try to get the rival factions to negotiate again on a neutral coalition regime.

"The security of Thailand," Mr. Sisouk said, "depends on the security of Laos. Therefore, Thai officials have manifested a lot of sympathy in giving us what we need."

The Government visit to Thailand was the first of several to be made to Asian neighbors seeking support in the dispute with Washington. A delegation will leave Tuesday for South Korea.

[From the New York Times, May 13, 1962]

NEW CRISES LOOM FOR UNITED STATES IN SOUTHEAST ASIA—PERILS FOR THE WEST POINTED UP BY COMMUNIST GAIN IN LAOS—SAIGON FOES STILL HOLD INITIATIVE

(By Robert Trumbull)

TAIPEI, TAIWAN, May 12.—New successes by the pro-Communist rebels in Laos have again underscored the perilous position of the free world in the turbulent and vital southeast Asian region stretching from Saigon on the west to Rangoon on the east and reaching southward to the Indonesian archipelago and New Guinea.

After weighing all the developments, it is hard to find any place in the area where the outlook for the West has brightened in recent days. Disquieting signs are many.

With pro-Communist forces advancing in Laos, our friends in that country and neighboring Thailand are becoming estranged and embittered.

Despite increasingly massive U.S. support to President Ngo Dinh Diems' regime, the Communist guerrillas called the Vietcong still hold the initiative in South Vietnam.

Many observers expect the Communists to inspire serious trouble in Singapore over Malaya's plan to absorb that strategic island and neighboring British territories in Borneo into an expanded pro-Western state to be called Malaysia.

Hoping to remain aloof and continue with their own development, nonalined Burma and Cambodia burrow into their neutralist cocoons.

SOVIET ARMS

Neutralist Indonesia, preparing to attack Netherlands New Guinea in what President Sukarno regards as an "anticolonial" liberation movement, is committing more and more of her resources to the Soviet Union in return for arms.

The United States has attacked the problems in southeast Asia in various ways.

In Laos, Washington is pressing the loyal pro-Western Government of Prince Boun Oum to join in a coalition regime to be headed by neutralist Prince Souvanna Phouma. The coalition would include leftist supporters of pro-Communist Prince Souphanouvong.

The U.S. efforts to get Indonesia and the Netherlands to negotiate the New Guinea question have so far yielded little success.

With the new military regime just beginning to find its feet in Burma, an effective U.S. policy at this point seems debatable.

Washington's program in Cambodia is committed to supporting efforts by Prince Norodom Sihanouk's government to raise living standards in this surprisingly progressive Southeast Asian kingdom. American economic aid far outstrips the contributions of the Communist powers to Sihanouk's development plans. Sihanouk maintains his independence of both power blocs.

ECONOMIC AID

The task of American diplomats in Malaya and Singapore is complicated by Washington's programs to release stockpiled tin and rubber, which hit Malaya's principal sources of revenue. But Malaya's political problems are more immediately a concern of Britain, which still has suzerainty in varying degrees over Singapore, and the territories of North Borneo, Sarawak and Brunei.

Because the Communist threat is most acute in South Vietnam and Laos, these are the crisis points in the area from the U.S. point of view. Because of its proximity, Thailand cannot be separated from the problem in this sector.

"It's too bad," an American diplomat in another Southeast Asian state said recently, "that Washington can't seem to act strongly in a country until there's a crisis."

The Kennedy administration's policy of seeking a coalition regime in Laos is controversial to say the least among our friends in Vientiane and Bangkok. And it has raised eyebrows from Australia to Pakistan.

Gen. Phoumi Nosavan, the strongman in Prince Boun Oum's government, is convinced of the danger that the pro-Communists will eventually prevail in a coalition. To prevent this, he had insisted that the pro-Western side keep control of the army and police. The United States and Soviet Union, acting in rare agreement, want these key portfolios handed over to neutralist Prince Souvanna Phouma.

Those who agree with General Phoumi include Marshal Sarit Thanarat, the anti-Communist Premier of Thailand. Sarit is giving Vientiane economic aid in an effort to offset the punitive suspension of the U.S. dole of $3 million monthly to the Boun Oum regime.

But the unchecked Communist advance in northwest Laos this week has strengthened the U.S. feeling that the Royal Lao Army is ineffective and that a coalition government is the only answer.

The U.S. position in Laos obviously rests upon confidence in the good faith of neutralist Souvanna Phouma and the Communists. This is plainly a gamble. If our bet turns out to be wrong, it will be rather late to prevent the other side from pulling in the pot.

U.S. ADVICE

American military men in South Vietnam are advised on arrival that they are "there to advise, not to command." In this framework our efforts to aid the Vietnamese are severely limited by the shortcomings of the Saigon regime.

American officers are not free to overrule the deployment of Ngo Dinh Diemn's 200,000-man army plus auxiliary paramilitary forces in accordance with the political purposes of the President and his powerful brother, Ngo Dinh Nhu.

As a result the greatly outnumbered Vietcong continues to score in surprise forays against undermanned outposts. And the extraordinarily inept administration of theoretically sound programs to break the Vietcong's hold on the loyalties of the peasant population continues to play into the hands of the enemy.

An example is the heavy-handed implementation of "Operation Sunrise," the project for relocating villagers in protected strategic hamlets. Eyewitnesses have noted that youths of military age have been conspicuously lacking among transplanted groups. The presumption has been that many if not all of these have defected to the Vietcong.

These accounts tend to belie official statements implying that the Vietcong recruits mainly by abductions and other terror tactics. In any case, the main problem in Vietnam is still to get the peasants to help the Government rather than the enemy.

Operation Sunrise, combined with direct military action mixing use of modern weapons with less familiar antiguerrilla tactics, may still work in South Vietnam as eventually happened in Malaya. The complicating factor in Operation Sunrise, however, is the attachment of the Vietnamese to their ancestral soil, an attachment the Malayans generally lack.

CIVIL STRIFE

One of the imponderables in Vietnam is the widely discussed possibility that the Ngo Dinh Diem government may be overturned by a more skillful application of coup d'état tactics than the abortive attempt by disaffected army officers in November 1960. Americans hesitate to contemplate the prospects for widespread civil disruption to the benefit of the Communists should the regime be upset.

Thailand has recently sought to bolster her defensive position by obtaining a guarantee of military protection from the United States. Should Laos fall and the Communists move southward, Bangkok may call for help under this agreement.

With Laos still unsettled and a long war ahead in South Vietnam and other areas still uncertain, it is too early to try to predict whether events will turn out to the benefit of the West in southeast Asia on any front. But the prospects are for deep involvement of the United States in this area for a long time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 2270. An act to amend section 105 of title 28, United States Code, so as to transfer certain counties from the western division of the Western District of Missouri to the St. Joseph division of such district, and for other purposes;

S. 2806. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to increase the amounts authorized to be expended;

S.J. Res. 129. Joint resolution authorizing the Secretary of the Air Force to admit a citizen of the Kingdom of Thailand to the U.S. Air Force Academy; and

S.J. Res. 175. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 9647. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes; and

H.R. 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2838) to exempt from taxation certain property of the Army Distaff Foundation.

Mr. ELLENDER. 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. ELLENDER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Madam President, there is before the Senate today a most important bill. It has been before the Committee on Agriculture and Forestry since last February.

The committee held extensive hearings on it. Although I believe the bill is not quite as satisfactory as it could be, it is now before the Senate for consideration.

At the outset I wish to say that the main purpose of the bill is to try to save the taxpayers of our country in excess of $2 billion a year to maintain our present farm programs for wheat, corn, and other feed grains. It is that simple. Something must be done to curtail the production of wheat that we do not need, as well as the production of corn and other feed grains which we do not need. As I shall point out in the course of my presentation, certain suggestions made by the administration were deleted from the bill by the Agriculture Committee, but I hope to have the Senate reinstate them. As I proceed with my presentation, I shall make plain what I hope to do so that the amount of commodities I have mentioned may be produced more in keeping with our requirements.

I am sorry to say at the outset that it is not my intention, although I should like to do so, to present to the Senate a program that would affect milk and its products. The committee has worked diligently in trying to persuade the producers, as well as those handling milk, to agree on a program. Since the problem of the control of milk production is so difficult, it is my view that the Congress may not be in a position during the consideration of this bill to enact legislation that would affect milk and other products, although I believe such legislation is necessary. I make that statement particularly in view of the fact that last year's milk program alone, from April 1961 to April 1962, cost the taxpayers more than $600 million. That is quite a sum of money. I contend that if our farm programs are to be maintained and are to continue to assist the farmers, the overall cost of such programs must decrease.

The production of commodities which now receive price supports must be kept in line with the amount of those commodities that we need.

Madam President, it is wrong for a farmer to expect his Government to provide him with price supports when he is not willing to adjust himself to acreage controls. We have had a classic example in the production of corn and other feed grains. Never have the producers of those commodities been penalized for overproduction. There are no acreage controls in effect. The producers of those commodities can now produce, under the permanent law, any amount of those commodities, and still receive price supports notwithstanding the amount the Government must purchase.

As to wheat, I am sure Senators will recall that there was a great deal of discussion as to that program. As I shall point out, in 1938, when the original wheat marketing program was placed on the statute books, a minimum acreage was fixed, and the Secretary of Agriculture could not proclaim quotas below this, and so long as the farmers remained within their allotments, they were entitled to price supports, which under the Agricultural Act of 1949 range from 75 to 90 percent of parity.

When the minimum acreage was fixed, in 1938, the production of wheat was 13.3 bushels an acre. Now the production is 26.2 bushels an acre, and the minimum 55 million acreage provision is still in the law.

It is evident that something must be done. We must reduce the wheat acreage, lest we continue to accumulate millions of bushels of wheat that we do not need.

INTRODUCTION AND DEVELOPMENT OF S. 2786

Madam President, on February 2 of this year, I introduced the administration's new proposal for agricultural legislation. I had serious reservations about certain sections of the bill, particularly the dairy provisions, which I felt would create more problems than they corrected. However, it was my feeling that a comprehensive program such as the administration had proposed would be a sound foundation upon which to build and would be one that could be used most satisfactorily for a general overall review of the agricultural policy presently in effect for the feed grains, wheat, and dairy products. That a general review was necessary is adequately borne out, in my opinion, by the conditions and the failures in the present permanent programs applicable to these commodities.

As introduced, S. 2786 provided for an extensive program of land use adjustment; amendments to Public Law 480 in furtherance of the food for peace program; amendments to the Agricultural Marketing Agreement Act of 1937 which among other things would have authorized producer quotas under marketing orders for turkeys, turkey hatching eggs, and milk; new supply management programs for feed grains, wheat and milk; and amendments to the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936.

Extensive hearings were conducted by the committee, as I have stated. In line with my idea of an overall review the hearings covered not only provisions of the bill but other ideas, proposals, and programs as well.

Subsequent to the hearings the committee held executive sessions and discussed in detail all aspects of the administration's proposal and considered alternate programs and possibilities for the commodities under review.

I think there was a general consensus that the present permanent programs for wheat, for feed grains and for dairy products contain unrealistic provisions which prevent desirable changes from taking place.

WHEAT

The present permanent program for wheat provides for price supports at 75 to 90 percent of parity and for a minimum national allotment of 55 million acres. Under this program, production has exceeded requirements regularly, and the Federal Government as of March 31, 1962, had $2.5 billion invested in 1.3 billion bushels of wheat. This is more than a year's supply for both domestic and export requirements.

I have said repeatedly that the one factor most responsible for the accumulation of excess supplies is the 55-million-acre minimum national acreage allotment that was placed in the law in 1938. In that year, 1938, 69 million acres were harvested, but production amounted to only 920 million bushels. The reason, of course, was that per acre yields of wheat were very low. As a matter of fact, the 1938 yield per acre was only 13.3 bushels per acre.

The following year about 53 million acres were harvested. Total production amounted to 741 million bushels, and yields were at 14.1 bushels per acre.

In 1960–61 notwithstanding the fact that only 52 million acres were harvested, total production amounted to 1,357 million bushels. Yields averaged 26.2 bushels per acre. This is almost double the yields experienced when the minimum acreage was placed in the law. Although there was a severe drought in 1961–62, production totaled 1,235 million bushels, and yields averaged 24 bushels per acre.

Under the present law the Secretary is powerless, as I said, to reduce the national allotment below the 55-million-acre minimum regardless of the stocks of wheat which have accumulated under the program over the years.

I have long been aware of this particular failing in the law relating to wheat, and on two separate occasions instigated efforts to correct this situation. In 1959 and 1960 the Senate passed bills which would have amended the present law. The first, as finally approved by Congress, provided for price supports at 90 percent of parity and a 25-percent cut in acreage allotments. This bill was vetoed by the President.

What did that mean? If the acreage had been cut one-fourth, it would have reduced the number of acres to be planted thereafter to a little more than 40 million acres. That would have been somewhat more in keeping with our requirements.

In 1960 the Senate again acted favorably on a bill which provided for price supports at 75 percent of parity with a 20-percent cut in acreage allotments. Payments in kind were included in both bills. The House, however, was unable to act on a bill of its own in 1960 and refused to accept the Senate version.

However, as far back as 1956 the impossibility of controlling production with a minimum of 55 million acres in the law was recognized by Congress. Senators will recall that on April 16, 1956, the President of the United States vetoed a bill which incorporated the certificate plan for wheat. That plan is similar in nature to the proposal contained in the pending measure.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. One of the difficulties in dealing with wheat as distinguished from corn is that some varieties of wheat, as the Senator knows, are in short supply, while the surpluses are in only one or two varieties. Corn has pretty much the same feed value in any area of the United States.

What really ought to be done is to make the heaviest cuts in production in the types of wheat which are in the greatest surplus. Indirectly, this is being done in the bill now pending by cutting all wheat acreage and permitting an increase in wheat acreage for types of wheat which are in short supply. If the Secretary of Agriculture would use this provision wisely, then the producers of better quality wheat would probably get a little break in acreage.

The wheats which are in short supply and Durum Hard Red Spring and Soft Red and White Winter wheat. The wheat of which there is a tremendous surplus is Hard Winter wheat.

I repeat: We could indirectly get at the problem by providing some preferential treatment to the producers of better grades of wheat when it is in short supply.

A few years ago a price-support differential was provided for wheat of a better quality; but too high a price sup-

port is being provided for some wheats which are not in much demand for human food consumption and have little more value than for livestock feed.

Mr. ELLENDER. I realize what the distinguished Senator from North Dakota is speaking about. In the pending measure discretionary power has been provided for the Secretary of Agriculture to plan more desirably for the production of wheat in short supply. But when the Senator speaks about the Hard Red Winter wheat being produced in quantities in Kansas, Nebraska, Oklahoma, and Colorado, we might get into trouble if we tried to provide for curtailing the production of wheat severely in those areas.

Mr. YOUNG of North Dakota. One of the real problems confronting a person such as myself, who represents a major wheat-producing area, concern Hard Red Spring wheat. Because of the drought last year and the great demand for Hard Red Spring wheat, that type of wheat will not be in surplus another year. In fact, if farmers take as much as 40 percent of their wheat acreage out of production, as they are encouraged to do this year, there may be a shortage of this type of wheat, which is one of the best types produced in the United States.

Mr. ELLENDER. The bill makes provision for Durum wheat and for other types of wheat in short supply. Exactly how to meet the problem the Senator poses is one which is difficult to deal with. As the Senator from North Dakota has stated, one of the difficulties in dealing with the problem has been that the wheat problem is a little different from the problem of corn.

There are now other feed grains which can compete with corn.

Particularly is that true of sorghums. There are varieties of sorghums which are produced in abundance, and varieties of barley which are produced in abundance, and whose feed value is almost as great as corn. So there is a little competition now. That is why we are seeking to deal as we are with the feed grain producers, by trying more or less to control the production of corn, sorghum, and barley to conform with the requirements.

We do not ask the farmers not to plant those commodities; but if they desire to plant and do plant all they want to produce, they should not expect Uncle Sam to provide high price supports. That is all we say. If they want support prices, they should agree to acreage curtailment. That is all we are saying in the bill.

Mr. YOUNG of North Dakota. In recent years, farmers have greatly increased the yields of sorghums by developing new varieties. Sorghums now have almost the same feed value as corn. The same is true of barley. There are also new methods of feeding barley. Barley now has as good feed value as corn. There is great feed value in all these grains. So far as concerns wheat as a human food, some varieties of wheat do not rate very high, while others do.

Mr. COOPER. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I should like to pursue the question raised by the Senator from North Dakota. We who are members of the Committee on Agriculture and Forestry know that he has raised this point many times. It is a fact that some types of wheat are not in overproduction; for instance, Durum wheat in North Dakota and Soft Red Winter wheat in Kentucky.

Is it not true that the bill before the Senate grants the Secretary of Agriculture authority to deal with those types of wheat which are not in overproduction by providing acreage allotments which will permit the volume of production needed?

Mr. ELLENDER. The Senator is correct.

Mr. COOPER. Would the Senator from Louisiana, who is the chairman of our committee, interpret this provision to mean that the Secretary of Agriculture ought to make an adjustment to permit the production of enough wheat of the types which are in shortage?

Mr. ELLENDER. The desired types. That is what I am hoping will be done. Of course, farmers are prone to plant the kind of wheat which will grow more readily in, say, one area than in another, and provide a greater bushelage or tonnage, for which they will receive price supports. I am hopeful that some day it will be possible to deal with the problem by reducing price supports for the varieties of wheat which are not so desirable as others for human consumption. I now return to my prepared text in discussing previous efforts the Congress has made to solve this wheat problem.

Had these efforts taken by the Senate in 1956, 1959, and 1960 to remove permanently the 55-million-acre minimum not been in vain, I feel certain there would not now be such a tremendous accumulation of stocks in government hands.

Last year a so-called emergency wheat program applicable to the 1962 crop was enacted into law. Under this program farm acreage allotments are reduced 10 percent and farmers are required to divert the reduction to conserving uses. They may voluntarily retire up to an additional 30 percent of their acreage. Payments to farmers are to be made at the rate of 45 percent of the value of what might have been produced on the required 10 percent diversion and 60 percent of the value on any additional acreage diverted.

Under this program, farmers have signed up for the diversion of 15.1 million acres of wheat. If this materializes, payments under the program are estimated at about $333 million. If the prognostication referred to by me is correct, it will mean that the acres planted to wheat will be approximately 40 million, which should make quite a decrease in the wheat that will be gathered during the current crop, and of course it will result in a tremendous saving in storage and handling costs.

The committee recommendations give producers a choice between a new wheat program, which would be permanent, and a 2-year extension of the 1962 temporary program.

Madam President, it is my hope in the course of the consideration of this bill to submit an amendment to eliminate this producers' choice, and to let the permanent certificate program be enacted into law. In other words, I believe it would be folly and wasteful for the Senate to extend the present emergency program for 2 more years, and at the end of the 2 years resort to the old program which has given us so much trouble in the past. But that is what will happen—as I shall point out during the course of the debate. Madam President, if the optional plan remains in the bill, I am convinced that wheat farmers will vote for the optional plan—that is, to extend the emergency plan for 2 years more, and then resort to the present law, which would reinstate the 55 million acreage minimum.

FEED GRAINS

During the course of committee consideration of this bill, the committee also felt that it was imperative that action be taken in the case of feed grains. As of March 31 of this year, price-support investment by the Commodity Credit Corporation in feed grains amounted to $3 billion. Almost a half-year's supply of feed grains is in Government stocks.

The steady accumulation of feed grains in excess of our requirements is the result of unrealistic programs covering these commodities. I may add that, in my opinion, we have never applied realistic programs to the feed grains.

The permanent price-support law now on the books covering feed grains was enacted in 1958. It provides for price support for corn at 65 percent of parity, or 90 percent of the 3-year average, whichever is higher, with comparable levels for the other feed grains, and permits—I repeat—unlimited production.

Prior to 1958, price-support laws treated corn differently from the other feed grains. For grain sorghums, oats, barley and rye, price supports were permissive at from 0 to 90 percent of parity, as determined by the Secretary of Agriculture, and unlimited production was permitted.

Corn, however, which I have often referred to as "the little, blue-eyed girl of our program"—has always been considered a basic commodity, and, as such, has received mandatory price support in the same way that other basic commodities subject to marketing quotas under the Agricultural Adjustment Act of 1938, as amended, have been supported, except that marketing quotas have never been made effective for corn.

Acreage allotments were established for corn, except for war years, beginning in 1938; but marketing quotas were not proclaimed. Then in 1954, the law was amended so as to exempt corn from the marketing-quota provisions of the law.

Prior to 1956, price support was made available in the commercial area only to those who complied with allotments; but no marketing penalties were imposed on those who exceeded allotments. Of course, the fact that a large proportion of the crop was entitled to price support,

and could move into Government storage, provided a so-called umbrella effect on market prices, to protect those who did not comply. As a matter of fact, in 1954, about 40.2 percent complied with allotments; in 1955, 51.4 percent; and in 1956, 43.9 percent complied.

Under the program of acreage allotments, without marketing quotas, production of corn for grain increased from 2.8 billion bushels, in 1950, to only 2.9 billion, in 1955; but Commodity Credit Corporation holdings of corn increased from 487.5 million bushels to 1,109.2 million bushels in September of 1956.

In 1956 the Department of Agriculture, under Mr. Benson, further aggravated the situation in corn by providing price supports not only to those who complied with allotments, but to noncompliers, as well. This opened the floodgates; and production jumped from 2.9 billion in 1955 to 3.4 billion bushels in 1958, notwithstanding the fact that the acreage reserve program was in effect and that millions of acres were not put into production, but were diverted. Commodity Credit Corporation holdings also increased from 1.1 billion to 1.4 billion bushels.

As I indicated earlier, in 1958 the price-support laws for corn and the other feed grains were changed. Support prices for corn and the other feed grains were made mandatory at 65 percent of parity or 90 percent of the 3-year average, whichever was higher, and all restrictions on production were removed. Corn production soared to 3.9 billion bushels in 1960. In other words, the Government handed the feed-grain growers a blank check to grow all they wanted, with the assurance that any excess production would be taken over by the Government and would be stored. This program was in effect for the crop years 1959–60. During these 2 years, Government investment in feed grains—that is, corn, oats, sorghums, barley and rye—increased from $3,306 million to $4,008 million, an increase of $702 million.

Madam President, there is no real reason for anyone to want to continue such an expensive program. I repeat that the farmers who produce these commodities and expect their Government to give them price supports should be willing to reduce their production more in keeping with our requirements. That is all I am asking, and that is what I shall propose in time when the specific provisions of the bill are dealt with by us.

Last year, at the request of the administration, an emergency program for corn and sorghums was put into effect for 1961; and subsequently a similar program for corn, sorghums, and barley was enacted for the 1962 crop. The program was requested by the administration, so as to give time to develop a realistic long-range program for the feed grains.

This emergency program provided for a required 20-percent reduction in acreage in order to be eligible for price support, with the opportunity to voluntarily divert up to an additional 20 percent.

Under this program, farmers were to be paid for not producing at a rate of up to 50 percent of the normal production on the first 20 percent of acreage diverted and at a rate of up to 60 percent of the normal production of the additional 20 percent of corn and grain sorghums acreage diverted.

The so-called temporary program in effect in 1961 resulted in a decrease in the production of corn and grain sorghums of 421 million bushels below 1960 levels.

The most recent figures provided by the Department of Agriculture indicate that the costs of payments to farmers under the 1961 program amounted to—listen to this—$782 million, while about $43 million was the cost of administrative expenses, for a total of $825 million.

Estimates by the Department of Agriculture indicate that, based upon the final signup figures for the 1962 program, which, by the way, as I said, will be in effect during the current crop year—payments to farmers may run as high as $896 million if the intended diverted acres materialize and the total cost of the program may well be in excess of $900 million when administrative expenses are included.

Yet there are many Senators who want to continue this expensive program. I do not. I think it should be thrown out and a permanent program should be incorporated in the bill, by all means.

While there is no doubt that a substantial reduction in the production of feed grains will occur again this year and that there will be longrun savings to the Government the fact is that these temporary programs are extremely costly and cannot in good conscience be long continued.

The Committee on Agriculture did see fit to extend the so-called feed grain program for another year, but I am of the opinion that when the costs of the program are totaled, it will be clear for all to see that it would have been much better had the committee heeded the advice of the administration and worked toward the development of a program in line with their recommendations.

DAIRY PRODUCTS

The administration also recommended a control program for dairy products. While I personally was not in accord with their proposal, I felt that it could well be used as a springboard to stimulate discussion in this very broad area and as a means for the development of a sound future program.

I may say, in passing, the main objection was to fixing national quotas for milk production which would apply all over the country, whether there was milk production in excess of demands of local consumers, or whether there was a deficit area.

As Senators know, the present program for dairy products provides for price supports at from—it is in the law now—75 to 90 percent of parity with no restrictions on production. In other words, farmers are guaranteed at least 75-percent price supports for all the milk they can produce. Of course, the Government stands ready to purchase and has purchased all of the excess production.

While there is no dollar market for most of the stocks that the Government has acquired in the past, the Department of Agriculture has managed to get rid of its supplies of dairy products by giving it away at home and abroad.

For example—and I would like Senators to heed this—the Department of Agriculture estimates that sales during the 1962–63 marketing year will total only about $30 million, including Public Law 480 sales of about $19 million.

The cost of the dairy program, however, is very substantial. From the inception of the program through December 31, 1961, price support losses on dairy products amounted to slightly over $2.1 billion. In addition, the cost for the special milk program amounted to approximately $475 million.

In the last marketing year, the cost of dairy products acquired by the Government in supporting the price of milk amounted to $561 million. In addition, the military and school milk programs cost $121 million, for a total of $682 million for last year.

While the Government will realize about $11 million from sales, excluding Public Law 480, the Department also estimates that storage, transportation, and packaging of these acquired commodities will cost an additional $40 million.

Obviously, this program is also much too costly. I feel sure that farmers themselves would not want this program if all of the facts were placed before them.

I do not want it misunderstood. I am most certainly in favor of utilizing our surplus agricultural commodities for the benefit of those less lucky than we. However, I do not feel that this Government should encourage the expansion of agricultural production through unrealistic price-support programs in order to acquire stocks of commodities which then must be given away.

While the committee labored industriously with this problem, it became apparent that no program for dairy products could be devised which was acceptable.

I have said repeatedly in the past, and I say it again, that, unless realistic programs for these agricultural commodities are devised and enacted into law, it may well sound the death knell for all agricultural programs. As Senators know, if this were to occur, agriculture would be thrust into an economic vise that would be catastrophic. I would not want to see this, and I am sure that no one else in the Senate would like to see this. However, in my estimation, it can be avoided only if we adopt realistic programs which are less costly to the taxpayer and provide greater benefits for farmers.

EXPLANATION OF THE BILL

GENERAL

The bill, as it has been developed by the committee, is another step in our effort to reduce surplus stocks of agricultural commodities. It seeks to achieve this purpose through a reduction in wheat acreage, diversion of feed grain acreage and other cropland from production, expansion of surplus disposal

under Public Law 480, and research into new industrial uses for surplus commodities.

The bill consists of five titles, all of which are directed toward the reduction of our surplus stocks. Title I deals with land use adjustment, title II with surplus disposal under Public Law 480, title III with limiting feed grain and wheat acreage, title IV with loans to assist farmers in land use adjustment, and title V with development of new uses for our surplus commodities.

LAND USE ADJUSTMENT

The first title of the bill amends the Soil Conservation and Domestic Allotment Act, the Bankhead-Jones Farm Tenant Act, and the Watershed Protection and Flood Prevention Act to provide for more efficient and economic use of land resources. The Soil Conservation and Domestic Allotment Act would be amended to continue administration of the agricultural conservation payment program on a national basis permanently, and to provide for long term contracts for the diversion of cropland to more economic uses. The Bankhead-Jones Farm Tenant Act would be amended to provide for loans to State and local public agencies to carry out land utilization projects. And the Watershed Protection and Flood Prevention Act would be amended to provide for Federal assistance in public recreation phases of watershed projects, advances of land purchase costs to forestall encroachment of the project site by developments for other purposes, and a cost sharing basis more in line with similar Federal programs.

When the law providing for agricultural conservation payments was enacted in 1936, provision was made for administration of the program by the States on a grant-in-aid basis under State plans. National administration was provided for only on a temporary basis to afford the States an opportunity to enact enabling legislation. Only about half of the States have enacted such legislation, and only one State has ever submitted a plan. That was the State of Missouri. From time to time, through the past 26 years, the period of national administration has been extended, and it would appear to be time to recognize that the program should be administered permanently on a national basis.

VISIT TO THE SENATE BY DISTINGUISHED GOVERNORS OF THE JAPANESE PREFECTURES

Mr. BOGGS. Madam President, will the Senator from Louisiana yield that I may present to the Senate some distinguished visitors?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. ELLENDER. I am glad to yield to the distinguished Senator from Delaware.

Mr. BOGGS. Madam President, it is my great honor to announce that we have with us today a distinguished delegation of Governors of the Japanese prefectures. They are here at the Capitol as they near the completion of an exchange visit with American Governors. This morning they were cordially received at the White House by President Kennedy. Our guests include the following:

First. Gov. Iwataro Uchiyama, of Kanagawa Prefecture—vice president of the National Governors Association of Japan.

Second. Gov. Tokichi Abiko, of Yamagata Prefecture—vice president of the National Governors Association of Japan.

Third. Gov. Mikine Kuwahara, of Aichi Prefecture.

Fourth. Gov. Hitoshi Shibata, of Chiba Prefecture.

Fifth. Gov. Sunao Ikeda, of Saga Prefecture.

Sixth. Gov. Choemon Tanabe, of Shimane Prefecture.

(As their names were read, the distinguished visitors rose in their places and were greeted with applause.)

Mr. BOGGS. Madam President, since arriving in Honolulu about 2 weeks ago, the Japanese Governors have also visited Los Angeles, Calif.; Hoover Dam and Las Vegas, Nev.; Denver, Colo., and surrounding areas; Detroit, Mich.; Niagara Falls; Pittsburgh, Pa.; Knoxville, Tenn., and the Tennessee Valley Authority; and now Washington, D.C. They will visit the great State of New Hampshire later this week and then complete their stay in the United States with visits to Albany and New York City.

This has been a reciprocal exchange visit between the United States and Japan. At its annual meeting in Honolulu last summer, the Governors' Conference of the United States adopted a resolution which, among other things, made the following points:

First. The Governor's conference should help to solidify relations between the United States and Japan.

Second. Japan, as the stronghold of democracy in Asia and a great industrial nation, has contributed substantially to the cause of the free world by virtue of its economic growth, stability and prosperity.

Third. Exchange visits will serve to stimulate the interchange of ideas and the resolution of common problems, and to promote trade, travel, and culture between the various States, possessions, and territories of the United States and the prefectures of Japan, thus greatly fostering the cause of peace and democracy in the free world.

Accordingly, the Governors' Conference of the United States expressed its approval of a program providing for mutual visitations of Governors between the United States and Japan and directed its executive committee to implement the resolution which has now come to fruition.

I would like to say that this privilege of assisting in the visit of our distinguished guests here today was extended to me, as a former chairman of the National Governors' Conference of the United States. I also am pleased to report that the Department of State of the United States was most cooperative in making the exchange visit possible. The Department provided travel grants to the Governors of the United States, and, in addition, provided financial assistance to cover living costs of the Japanese Governors while here in the United States.

Last month a delegation of eight American Governors, headed by Gov. David L. Lawrence, of Pennsylvania, visited Japan. All of them were most impressed by what they saw. I am convinced that their visit to Japan and the visit to the United States by our friends in the Senate will greatly increase international understanding and cooperation between the United States and Japan.

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

Mr. BOGGS. I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. I am delighted to join with the distinguished Senator from Delaware in welcoming our guests, all of whom are Governors of prefectures in Japan. I also wish to compliment the able Senator from Delaware [Mr. BOGGS] for the great interest and activity he has shown in extending courtesies to our visitors and in making their visit a success.

We are delighted to have these chief executives of their prefectures here in this country. I hope that they will learn a great deal about us as they travel up and down our land.

I express only one regret. It seems to me they will visit every part of our Nation except the Northwest. I feel that in missing the Northwest they will have missed the best part of the country. Perhaps they cannot make a visit there at this time, but at some future date I hope they will be able to do so.

It is an honor and a privilege to have our friends, the distinguished Governors of the Japanese prefectures, among us. Again I join my distinguished colleague, the Senator from Delaware, in extending to them our best wishes and expressing the hope that they will thoroughly enjoy this country and get to understand us a little better, as we would like to enjoy their country and get to understand them a little better.

Mr. BOGGS. I thank the distinguished majority leader for those very splendid remarks.

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

Mr. BOGGS. I am happy to yield to the Senator from Illinois, the distinguished minority leader.

Mr. DIRKSEN. It was my happy pleasure to have a luncheon visit with our distinguished guests. I share the sentiments uttered by the majority leader in complimenting our distinguished colleague, the Senator from Delaware [Mr. BOGGS], in making possible the rather felicitous luncheon at which the hand of fellowship was so cordially and royally extended.

It is a great pleasure to have the Governors of the Japanese prefectures with us. In other years, we have been honored by visits from various Prime Ministers of Japan. But the Governors of the prefectures live close to the people. They will have an opportunity to observe while they are here, and will be

able to carry back many distinct impressions directly to the people of Japan. Such contact can only be conducive to good feeling and perpetual friendship. So I join with our distinguished friend, the Senator from Delaware, in extending to all of the Governors of the prefectures a warm hand of friendship. We are delighted to have you with us, and hope you will enjoy your visit in our country.

Mr. BOGGS. I thank the distinguished minority leader for his interesting and splendid remarks.

Mr. FONG. I should like to join in extending our congratulations and welcome to our visitors from that great Eastern empire, the Empire of Japan.

I have been in Japan four times, and I have always been impressed with the tremendous prosperity, industriousness, and growth of that country.

Approximately 30 percent of the people of the State of Hawaii are of Japanese ancestry. In our State during the past year we celebrated the 75th anniversary of the coming to that State of the first immigrants of Japanese ancestry.

The people of Japanese ancestry who live in the State of Hawaii—and most of them are American citizens—have contributed immensely to the prosperity, growth, and welfare of our island State. We are truly indebted to them.

I wish to thank the Governors of the Japanese prefectures for visiting us in my State and for visiting other parts of the United States. We welcome their visit. I know they will carry back with them a fine impression of our people and our American Government, as I have carried away from Japan on each of my visits a fine impression of the Japanese people and their Government.

I hope that they will have a very pleasant stay in our country.

FOOD AND AGRICULTURAL ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Mr. ELLENDER. Madam President, the agricultural conservation program provides for payments to assist in carrying out conservation practices on an annual basis. In order to provide for longer term diversion of cropland to more economic uses, section 101 of the bill authorizes such diversion contracts with farmers covering up to 15 years. This program would be somewhat similar to the conservation reserve program and the Great Plains program, but would permit the land to be diverted to purely recreational purposes or nonagricultural purposes, as well as soil-, water-, forest-, and wildlife-conserving uses. This program would be undertaken on a pilot basis, payments and other financial assistance being limited to $10 million in any calendar year.

Section 102 of the bill would amend title III of the Bankhead-Jones Farm Tenant Act, which has been dormant for many years, to provide for loans to State and local public agencies to assist them in carrying out land utilization programs. Such programs would provide for the more economic use of the lands covered by them, including recreational use and the protection of fish and wildlife, as well as for most of the very broad purposes now covered by the law. Title III of the Bankhead-Jones Farm Tenant Act at present is applicable only to submarginal lands, provides for acquisition and management of such lands by the Secretary, and provides for assistance to State and local organizations only in developing plans rather than in carrying them out. Under the bill, title III would be applicable to all lands.

Madam President, the acquiring of land was one of the most contentious parts of title I. Under the bill the Secretary's authority to acquire lands would be repealed, and assistance would be provided to State and public agencies to carry out as well as to develop plans. The program, therefore, would become a loan program rather than a direct action program. In line with the change in this authority to one of State and local aid, loans could be made only to agencies designated by the State legislature or Governor, and only with respect to plans not disapproved by the supervisory State agency. Loans in excess of $250,000 would require approval of the two committees of the House and Senate which deal with agriculture.

Under this authority rural renewal plans might be carried out under which land would be devoted to uses designed to benefit disadvantaged areas and make them attractive to private investment and enterprise.

Section 103 would amend the Watershed Protection and Flood Prevention Act to permit the Federal Government to bear up to one-half of the land costs for reservoirs or other areas in watershed projects to be devoted to public fish and wildlife or recreational development, or to facilities for public access and use of such areas. It would also permit the Government to bear a part of the installation costs in connection with recreational phases of such projects—as is now done in the case of fish and wildlife. Section 103 would also permit the Government to advance funds to project sponsors for the immediate acquisition of project lands before they can be diverted to other uses inconsistent with the project, and provides that installation cost sharing by the Federal Government and the project sponsor shall be based on national needs and on assistance authorized for similar purposes under other Federal programs rather than on direct identifiable benefits.

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

Mr. ELLENDER. I yield.

Mr. COOPER. I wish to comment on the provisions the Senator has been discussing, in title I of the bill, which I think a very valuable and constructive section as reported by the committee. The provisions of title I can be used to help develop the recreational resources and the natural tourist values of areas in eastern Kentucky and other States.

Is it correct that when the bill came to the committee the section provided that the Secretary of Agriculture could purchase land, or could even condemn and take land, and that the Department of Agriculture could operate recreational facilities?

Mr. ELLENDER. The Senator is correct. The Senator was one of those who led the fight before the committee, with others, to strike that provision from the bill and to require that the Federal Government would not be in a position to establish another bureau to develop recreational facilities.

Mr. COOPER. I think nearly every member of the committee agreed from the very beginning that the power of eminent domain, to take land by condemnation, should not be given.

Mr. ELLENDER. Yes. I did, too.

Mr. COOPER. I think it is important to point out, as the Senator has pointed out, that the programs to establish recreation areas—with the exception of the land-use agreements with farmers in section 101—would be operated by local agencies. The power to develop, approve and carry out these conservation, recreation and other land-use plans would be reserved to the local governmental agencies or to other agencies, under both sections 102 and 103, the Bankhead-Jones and small watershed amendments.

Mr. ELLENDER. The Senator is exactly correct. That, of course, made it possible for all of us to support it.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. I understood the Senator to say that the changes made in title I were such that all Senators on the committee could support it. I do not think the Senator intended to go quite that far. As I recall, three or four Senators would not support title I as rewritten.

Mr. ELLENDER. I am sorry; I had understood that everyone was for it, with that provision out.

Mr. HOLLAND. Madam President, if the Senator will yield further, the Senator from Florida was not for that provision.

The Senator from Florida would not object to the provision for the modification of the Watershed Protection and Flood Prevention Act, or of the Soil Conservation and Domestic Allotment Act, but would object to the modification of the Bankhead-Jones Farm Tenant Act.

The Senator from Florida felt, as he still feels, that to enlarge coverage of the Bankhead-Jones Farm Tenant Act so as to deal not alone with people—that is, tenants and farmers on submarginal farms, so as to allow them to become more economical producers and more stabilized producers—but also to include loans to States, loans to counties, and loans to public units of all kinds for recreational purposes would be a great

departure, and, in effect, would be doing something toward the accomplishment of rural renewal—that is what the learned Secretary of Agriculture called his first program—indirectly rather than through direct means, as first it was to be accomplished.

With all due respect to the distinguished Senator, who has made a very valiant effort in support of the bill, though there are many phases of the bill which the Senator from Florida can and will support, the Senator from Florida wishes to make it clear that he could not support the proposed amendment to the Bankhead-Jones Farm Tenant Act, because it seems to him it would depart entirely from the original, the worthwhile, and the established scope of that act, and would make it—though by a little less objectionable policy—the instrument of what the Secretary calls rural renewal, as much as would have been the case if the lands could have been acquired from individuals for recreational and fish and wildlife purposes.

I thank the Senator for yielding.

Mr. ELLENDER. In any event, the main burden of the argument against the provision was, as the Senator remembers, on the ground that the measure would give the Secretary of Agriculture unlimited power to purchase all the land he desired. This, then, would have laid the groundwork to create a new bureau charged with the administration of the Nation's needs. In fact, as I recall, we removed all of such provisions from the bill and left this matter entirely in the hands of the local agencies. By limiting the amount to be spent on the program to $10 million a year, the proposal would be more or less a pilot program.

I had really overlooked the fact that the Senator from Florida still objected. If he says he did, that is it.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. I certainly agree that the most objectionable feature of all was removed, because the changed bill would prevent the setting up of a large bureaucracy which would be controlled solely from Washington by one individual. He would be able to take over not only submarginal lands, but fine producing lands, residential lands and industrial property in order to develop recreational facilities.

But the Senator from Florida still thinks that the bill goes too far in permitting the taking over of lands other than marginal lands and in going into what is really a rural renewal program.

Mr. ELLENDER. Madam President, title II of the bill makes several changes in title IV of Public Law 480 of the 83d Congress. At present title IV of Public Law 480 provides for long-term dollar credit sales of surplus agricultural commodities to friendly foreign countries to assist in their economic development. The Secretary of Agriculture, under section 404 of the law, is required to take reasonable precautions to avoid replacing any sales which he finds would otherwise be made for cash dollars. Deliveries are made over periods extending up to 10 years, with payments being made over periods extending up to 20 years. The amendments made by the bill would make it clear that such sales might be made for the purpose of developing agricultural trade, and would authorize the making of such sales to financial institutions representing friendly countries, or, upon reasonable security, to the private trade. Payment terms would be relaxed to the extent of providing for reasonable annual payments, instead of approximately equal annual payments, and permitting the first payment to be deferred for up to 2 years after the date of the last delivery in each year. It is believed that this expansion of authority will provide additional opportunities to dispose of surplus commodities, and also make it possible to make some sales for dollar credit under title IV which otherwise could be made only for foreign currencies under title I. Where the law now requires the Secretary to seek participation by other exporting countries, which results in delays in completing agreement, the bill would provide authority to the President to permit participation by other exporting countries. The bill also requires the President, in carrying out title IV, to assure that private trade channels are used and to give special consideration to agricultural trade development in the same manner that he is now required to give with respect to agreements under title I of Public Law 480. Of course neither these amendments nor does the law authorize sales of surplus U.S. agricultural commodities to the private trade for its own use, or for resale, domestically.

COMMODITY PROGRAMS

Title III of the bill deals with feed grains and wheat. It extends the 1962 feed grain program for 1 additional year; and gives wheat producers a choice between extension of the 1962 wheat program for 2 additional years, and a new wheat program providing for more effective marketing quotas coupled with a marketing certificate program.

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

Mr. ELLENDER. I yield.

Mr. COOPER. I should like to turn back briefly to title II. The bill as it is reported permits the President to enter into sales agreements with "financial institutions acting in behalf" of other countries. I would assume that any kind of agreement which our country made with other countries would have to be made through the State Department.

Mr. ELLENDER. It would have to be handled through diplomatic channels.

Mr. COOPER. What is the point, then, of providing that this country can enter into an agreement with a financial institution of another country?

Mr. ELLENDER. The point is that it would provide additional flexibility in making dollar credit sales. The agreements provide that the proceeds of the sales can be used to help develop the country economically. The country's central bank could do this in behalf of the country. To my way of thinking that would make it possible for the bank to lend the proceeds to private individuals to build factories and other facilities within the country so as to develop more trade, and thereby get more dollars with which to pay us.

Mr. COOPER. I understand; but does not the Senator believe it would be rather difficult for our country to enter into an agreement with a private bank or financial institution in another country without the consent of the government of the friendly nation with which we deal? It seems to me it would be almost impossible, if not impossible, for the United States to enter into an agreement with a bank or a private financial institution in another country without the consent of the government of that country.

Mr. ELLENDER. I ask the Senator to refer to page 28 of the report.

Mr. COOPER. I have it before me.

Mr. ELLENDER. I read from page 28:

> Financial institutions acting in behalf of friendly nations: Section 402 of the act would be amended so as to permit agreements to be entered into with financial institutions of friendly nations acting in behalf of such nations.
>
> This will permit the President to enter into sales agreements with government banking institutions of other countries such as central banks or similar institutions and thereby give greater flexibility in negotiating title IV sales agreements.

The main purpose of the provision is to allow private enterprise of the country involved to engage in the development of their own country economically, rather than to depend on the government. It is my understanding that when governments build commercial facilities they are prone to nationalize them. The bill also would enable private individuals, either through banking institutions or otherwise, to purchase surplus agricultural commodities, sell them within their own country, and then use the proceeds to construct factories or other facilities, thereby creating more business. That will mean that we will need less foreign aid dollars. I believe that such a program as is envisioned in the pending bill, even though it would mean a lapse of several years before we would be repaid, is far more preferential to giving away surplus agricultural commodities and receiving nothing in return.

Mr. COOPER. I know that similar arrangements have been made with other countries through the governments themselves; but I do not believe the Senator is referring to the governments in this instance.

Mr. ELLENDER. The Senator is correct. The bill extends the law to provide for sales to financial institutions acting in behalf of friendly nations, and for sales to the private trade.

Mr. COOPER. In the same title, there is another provision which troubled me when it was embodied in the bill by the committee. It relates to sales agreements with the private trade, both in this country and in other countries. I shall not take time now to discuss it, but while the bill is under consideration I wish to have that item developed—to show why it is desired to permit the Department of Agriculture to enter into transactions with the foreign and U.S. private trade upon the same terms

and conditions that are now applicable to government-to-government sales agreements.

Mr. ELLENDER. That, again, is with the idea of trying to develop private business within the host countries. It is another effort to obtain dollar sales rather than to depend upon the soft currencies of the countries. Whenever we deal directly with those countries under title I of Public Law 480, they provide repayments in their own soft currencies, and the soft currencies are usually used within the borders of the host countries; they are of no use to us. So the more credit sales under title IV of Public Law 480 we can promote under which the payments would be in dollars, I believe the better off we shall be, even though the repayments are long-term payments, especially when the proceeds of the sales are used to develop the country economically. I would rather enable a banking institution or a private entrepreneur in some country to construct a factory or other facility there, or develop the economy of the host country, than to let the government itself do it. We should stimulate private enterprise. That is one of the main purposes behind the provision.

I have before me an explanation of the purpose of the provision. It appears on page 219 of the hearings on the Food and Agriculture Act of 1962. It is the first complete paragraph beginning near the top of the page. I ask unanimous consent that the paragraph be printed at this point in the RECORD.

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

Question (f). How will the proposed agreements with the private trade work?

USDA statement: The Department of Agriculture is currently considering various methods under which long-term supply and credit sales agreements with the private trade would be carried out. Under one of several alternative methods, the Commodity Credit Corporation could undertake to finance the exportation of U.S. surplus agricultural commodities through procedures generally paralleling Title IV Government-to-government sales agreements. Under this alternative, the principal differences would be that the sales agreement would be with a United States or foreign private trade organization and, in lieu of the guarantee or commitment of a foreign government to make dollar repayments of principal and interest, a United States or foreign bank guarantee would be required. The commodities, quantities, credit terms, uses of sales proceeds for specific projects, and other conditions involved in the private trade proposals would be reviewed by the Department of Agriculture to assure that the sale on credit terms will carry out the legislative purposes and that such sale otherwise constitutes a financially sound undertaking and will result in expansion of dollar markets for U.S. surplus agricultural commodities which would not likely be undertaken through private or other means.

In addition, the Department is considering an arrangement under which U.S. commercial banks rather than the Commodity Credit Corporation would finance the exportation of the commodities. Under this approach, commercial banks would be given the option of utilizing their financial resources for long-term oversea investment with the Commodity Credit Corporation participating through a guarantee of the bank against losses. The extent of the commercial bank and CCC's participation in such arrangements would be worked out with the banks.

The Department is also reviewing the possibility of extending long-term supply and credit terms to the private trade through appropriate modifications in the CCC export credit sales program. Under this program commodities in CCC inventories are sold to U.S. exporters on a deferred payment basis with the U.S. exporter passing along the deferred payment terms to foreign buyers.

Mr. HOLLAND. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Am I not correct in understanding that the right to deal with private trade, which has just been discussed between the Senator from Louisiana and the Senator from Kentucky, relates only to underdeveloped countries?

Mr. ELLENDER. The Senator is correct. As I said before, the goods must be sold, disposed of, and used in the underdeveloped countries of the world. That is the entire purpose of the provision.

EXTENSION OF 1962 FEED GRAIN PROGRAM

Subtitle A of title III extends the 1962 feed grain program for 1 year without material change. The support level for corn would be not less than 65 percent of parity, with price support for grain sorghums, barley, oats, and rye at fair and reasonable levels in relation to corn.

As a condition of price support for corn and grain sorghums, producers would be required to participate in a special agricultural conservation program for those commodities to the extent prescribed by the Secretary and not increase their barley acreage above their average for 1959 and 1960. As a condition of price support for barley, producers would be required to participate in a special agricultural program for barley and not increase their corn and grain sorghum acreage above their average acreage for 1959 and 1960. The same exemptions provided by the 1962 program for malting barley and for summer fallow farms producing barley on acreage fallowed for wheat are carried in the proposed 1963 feed grain program.

Under the special agricultural conservation program for corn and grain sorghum, payments would be made to producers for diverting acreage from those crops to conserving uses and not increasing their barley acreage. Correspondingly, under the barley program payments would be made to producers diverting acreage from barley to conserving uses and not increasing their corn or grain sorghum acreage. Payments in cash or kind at up to 50 percent of the normal production multiplied by the estimated support rate would be made for diversion of 20 percent of the average acreage planted to corn and grain sorghums, or barley, in 1959 and 1960, or up to 20 acres, whichever is greater.

Mr. YOUNG of North Dakota. Madam President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I understand the Senator from Louisiana proposes to offer an amendment as a substitute for the mandatory feed grain provision now in the bill.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. Does the Senator plan to provide an exemption for malting barley?

Mr. ELLENDER. I expect to do so.

Mr. YOUNG of North Dakota. Does the Senator plan to offer that amendment now, or later?

Mr. ELLENDER. I shall offer it at the conclusion of my remarks, or at some time before the Senate recesses today, so that the amendment may be printed.

Mr. YOUNG of North Dakota. May I ask the Senator if he would accept an amendment to his amendment at that time?

Mr. ELLENDER. When I offer the amendment?

Mr. YOUNG of North Dakota. Yes, at that time or when his amendments are considered by the Senate.

Mr. ELLENDER. Yes; I shall be glad to cooperate with the Senator from North Dakota, because the amendment relates to his area of the country, and he knows much more about the subject matter than do I. I shall be glad to cooperate with him in that respect.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. In connection with the amendment which the distinguished Senator from Louisiana proposes to offer, to substitute for the voluntary program a compulsory program, does the Senator expect to eliminate from the coverage of the compulsory acreage program deficit States, where not enough feed is produced to take care of the needs of cattle, livestock, poultry, dairying, and the like?

Mr. ELLENDER. There would be a provision protecting areas in which there was a shortage of feed. In other words, the Secretary of Agriculture would have the right to designate areas and regions in which deficits appear, and nonquota production might be allowed for local consumption.

Mr. HOLLAND. Madam President, if the Senator from Louisiana will yield further, let me ask whether, in connection with giving this power to the Secretary of Agriculture, he intends to require that such deficit areas shall be fixed by States, by counties, or in some other way.

Mr. ELLENDER. That is one thing the Senate will have to decide. It is rather difficult to say whether it will be by counties, or by regions consisting of a State, or perhaps one State and part of another State. It is rather difficult to define the "area." Up to now, we have decided to make the provision as broad as possible, without limiting the area to one or two counties. The "area" may be an entire State, or perhaps a State and a fraction of another State.

But the Senator from Florida is cognizant of the fact that in the committee we discussed this question, and there was considerable discussion in regard to what an "area" should be or how it should be defined. In the Senate debate on the bill, we may find some happy-medium solution in regard to deciding what an "area" shall contain.

Mr. HOLLAND. Madam President, if the Senator from Louisiana will yield further, let me say that I hope he will seriously consider limiting to States the "area" definition which may be determined by the Secretary of Agriculture—or, if not, at least provide that it must consist of a group of counties, so that no one county will be divided, because otherwise there would be a very disturbing problem.

Mr. ELLENDER. The Senator from Florida knows that that is a very difficult problem with which to deal, for, as he knows—in fact, I think he pointed this out several times in the committee—when there was in the law the commercial corn area provision, many counties of his State were included along with counties in Mississippi and Alabama. In the areas of his State in which the counties were included in the commercial corn area, it would be rather difficult to state that those are areas in which feed is in short supply. The Secretary of Agriculture would have to prepare or submit some regulation to justify any action he might take in dealing with feed, and stating that certain areas were really and truly areas with feed-grain deficits.

Mr. HOLLAND. I realize that that is a disturbing question.

Mr. ELLENDER. It is.

Mr. HOLLAND. But I invite the Senator's attention to the fact that the definition of "commercial corn area" in the old law, to which the Senator from Louisiana has referred, was not based on the question of whether corn was produced to be shipped outside; instead, as I recall, it was based on the percentage of the total production in the county which was devoted to corn production.

Mr. ELLENDER. Yes. It may be that the Secretary of Agriculture would find that although in a county, perhaps only 15 or 20 percent of the land might be planted to feed grains, yet that might be enough to supply the needs in that county.

The Secretary of Agriculture will be confronted with such problems in fixing the definition of the term "area"; and I hope we can devise some way to deal properly with them. So I invite the Senator from Florida to consider this problem before he sleeps tonight, in hopes that he can arrive at a decision as to what he desires to have done in that connection. I hope the Senate will provide that areas that are absolutely in deficit, insofar as the production of feed grains is concerned, should not be put in the same category with those in which there is an abundance, a good deal of which is exported to other States or to other counties of the same State.

Mr. HOLLAND. Madam President, will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am afraid the Senator from Louisiana is inviting me to have a sleepless night, because the problem is most disturbing.

Mr. ELLENDER. Yes; it is.

Mr. HOLLAND. However, I want the RECORD to show that various members of the committee, of whom I am one, come from areas in which livestock production has been increasing very rapidly—I refer to the production of hogs, dairy cattle, and poultry—and in which, notwithstanding the great increase in our production of feed grains, it is still necessary to import large amounts from beyond our State borders. So we are very much disturbed about the idea of reducing the present acreage, which as yet is not sufficient to take care of our own needs. I believe we are more disturbed about this one provision than about any other in the bill, as I am sure the Senator from Louisiana realizes.

Mr. ELLENDER. Yes, I realize that; and I am sure the discussions we have had indicate it.

Nevertheless, I do not wish to leave large loopholes through which "a big train" might run and proceed to make the program useless. Neither of us wishes to have that happen.

Mr. HOLLAND. Madam President, the Senator from Louisiana has been exceedingly fair and patient, and I commend him in every way.

Yet I want the RECORD to show that in our State, for example, which is very remote from the heavy feed-grain producing States, the added transportation cost for feed grains brought in from distant areas makes this problem much more difficult than it would be if we had an immense corn-producing area right next door to us. I am sure the Senator from Louisiana knows that Senators who come from various other States also have the same problem—although, I suspect, not quite as acutely as our State has had, because their States are not as far removed from the producing areas.

So I invite the Senator from Louisiana to remain sleepless with me tonight in trying to arrive at a solution of this problem; and I am hopeful of the results, because he generally arrives at excellent solutions.

Mr. ELLENDER. I thank the Senator from Florida.

Mr. BURDICK. Madam President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. BURDICK. I ask whether the amendment of the Senator from Louisiana in regard to the feed grains section would deal with corn silage.

Mr. ELLENDER. It would; and I am very hopeful of submitting that amendment sometime this afternoon. The silage provision would be more or less on a historic basis; in other words, we do not wish to deny it to those who used that method before; and I think it would do justice to what the Senator from North Dakota has in mind.

Mr. BURDICK. I thank the Senator from Louisiana.

Mr. ELLENDER. I believe it would also take care of the few objections on this subject which were raised by members of the committee when the bill was being considered.

We are trying to prevent the piling up of dry corn, as the Senator from North Dakota knows; that is the main objective. Yet we must be very careful not to make it possible for farmers to grow silage for their stock, but later sell it, and make Uncle Sam the chief purchaser. We do not want to leave gaping loopholes to remain. A workable provision is our thought. I now return to my prepared text in discussing the pending bill. Payments in kind only at up to to 60 percent of the normal production multiplied by the estimated support rate could be made for diversion of up to an additional 20 percent of such average acreage.

In the event of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of feed grains, the Secretary could limit the extent to which producers might participate in the program.

Madam President, this shows that we have not left anything undone. We are trying to provide for every kind of emergency; and I am hopeful that Senators will carefully study the bill, particularly the amendments I propose to offer, regarding both the feed grain provisions and the wheat provisions.

As in the program originally provided for 1962, producers could divert to castor beans, guar, safflower, sunflower, or sesame, with the Secretary's approval, instead of to conserving uses, and in such case they would not receive payments but would qualify for price support. Since the bill was reported from committee, H.R. 11413 was passed by the Senate to permit diversion under the 1962 program to non-price-supported field crops and flax and to permit payment for diversion to the specified crops at up to 50 percent of the rate for diversion to conserving uses. The amendments made by H.R. 11413 to the 1962 program have not been incorporated in the bill.

WHEAT: FIRST ALTERNATIVE

Subtitle B of title III gives wheat producers a choice between a new wheat program, which would be permanent, and a 2-year extension of the 1962 program. The new permanent program is covered by sections 310 through 325 of the bill. It would revise and strengthen the wheat marketing quota law, require the acreage diverted from wheat to be kept out of the production of surplus commodities or other commodities which might impair the program, provide for diversion of payments for the first 3 years of the program, and provide for a marketing certificate plan.

Under the revision of the wheat marketing quota law, the current 55-million-acre minimum national acreage allotment would be replaced by a minimum national marketing quota of 1 billion bushels, which would be converted into an acreage allotment on the basis of expected production. The 55-million-acre minimum allotment has been the principal source of trouble in the wheat program. It was enacted when average yields were 13.3 bushels per acre. In 1960–61 they were at 26.2 bushels per acre, so that the minimum allotment now produces about twice as much wheat as when it was first provided for. Quotas could be proclaimed and submitted to a producer referendum under the bill for 1, 2, or 3 years at a time. The amount of the marketing quota, however, for each year for which quotas are so made effective would have to be separately determined and proclaimed. In

converting the national quota into a national acreage allotment, allowances would be made for expected underplantings of allotments, increases in allotments for small farms, and expected production above allotments under the small farm exemption, to the end that the national acreage allotment would as nearly as possible result in the production of the national marketing quota.

The special provision for increasing Durum wheat acreage enacted last year would be made permanent. A somewhat similar provision would be added to the law authorizing the Secretary to increase the allotments of farms producing other kinds of wheat whenever necessary to provide for the production of adequate supplies of those kinds of wheat. In the event of any such increase, the entire farm acreage allotment would have to be devoted to the kind of wheat for which the increase was given. This will permit the Secretary to provide for adequate supplies of any kind or class of wheat having special properties desired by millers and others, whenever such action appears to be necessary to insure adequate supplies.

The 30-acre feed-wheat exemption, under which producers can plant up to 30 acres of wheat if the entire crop is used on the farm where produced for food, feed, or seed, would be repealed.

In lieu of the old 15-acre provision under which any farm could plant up to 15 acres of wheat even though it had no prior wheat history, the bill provides that any farm may plant up to its small farm base acreage. The small farm base acreage for any farm is its average acreage for the 3 highest years during a 5-year representative period—with adjustments for abnormal weather conditions, crop rotation practices, and other appropriate factors—but in no event more than 15 acres. Thus, if the farm's adjusted average 3-year acreage of wheat was 7 acres, the farm could harvest up to 7 acres of wheat without being subject to penalty even though that exceeded its allotment. In addition to providing this exemption, the bill provides minimum allotments equal to the same percentage of the small farm base acreage determined for the 3 highest years during 1957 through 1961 as the national allotment for the crop is of 55 million acres. This would tend to give all farms, large and small, allotments which represent about the same percentage of their plantings in the period 1957–61. Thus, in the example just given of a farm with a small farm base acreage of 7 acres, if the national acreage allotment were, for example, 80 percent of 55 million acres, the minimum acreage allotment for the farm would be 80 percent of 7 acres, or 5.6 acres. The operator of a farm entitled to an exemption could, if he so desired, elect to be subject to the marketing quota program and would then be bound by his acreage allotment. If he failed to make an election, his small farm base acreage, or his farm acreage allotment, whichever was larger, would be deemed to be his acreage allotment for penalty purposes; he would not be required or permitted to participate in the diversion program; he would not be eligible for price support; he would not be eligible for marketing certificates; and he would not be eligible to vote in the marketing quota referendum.

This provision would permit farms which have been taking advantage of the 15-acre exemption to continue to plant the same amount of wheat as they have in the past. It would, however, close a very considerable loophole in the law by preventing farms with no previous wheat history and no wheat allotment from planting wheat.

By giving farms which have been taking advantage of the 15-acre exemption allotments more nearly commensurate with their past wheat acreages, the bill would encourage them to comply with their allotments and reduce their acreage by the same percentage that other farms reduce their acreage. This would give the previously exempt farmer a realistic opportunity to participate in the program and become eligible for price support, diversion payments, and, most important, marketing certificates; and, of course, voting for or against the program. Since a portion of the support and market prices for wheat under the certificate program will be represented by the certificate, the exemption loses much of its value to farmers who intend to market their wheat, and the proposed minimum allotment will be of great assistance to them. It will also be helpful to the soft wheat millers, much of the soft wheat being grown on less than 15-acre wheat farms.

Wheat producers would be prohibited from planting acreage diverted from wheat to crops in surplus or to crops which might impair the program. The acreage considered to have been diverted from wheat would be the amount by which the farm acreage allotment is less than it would have been if the national allotment had been 55 million acres.

The penalty per acre for failure to divert such acreage from production would be 65 percent of the parity price for wheat multiplied by the normal yield of wheat per acre for the farm.

For the years 1963 through 1965 payments would be authorized for such diversion at not more than 50 percent of the basic county support rate on the normal production of the diverted acreage, and the Secretary could permit producers to divert an additional 20 percent of the farm acreage allotment and receive payments thereon. In addition, any producer could divert such further additional acreage as might be necessary to bring his entire diversion up to 15 acres and receive payments thereon.

In return for such payments, producers would assume the further obligations of devoting the diverted acreage to conservation uses approved by the Secretary; increasing the total acreage devoted to soil conserving uses on the farm by the amount of the diverted acreage; and keeping within the farm acreage allotment for each commodity produced on the farm and, except as the Secretary might otherwise prescribe, within each acreage allotment on any other farm in which the producer has a share. A wheat acreage allotment would not be considered as violated, however, if the entire amount of the farm marketing excess were delivered to the Secretary or stored to avoid payment of penalty, or if the farm on which the excess wheat was produced was exempt from marketing quotas under the small farm exemption.

The bill provides for more stringent marketing penalties in a number of respects. The farm marketing penalty would be 65 percent of parity, the same as for 1962, but higher than the 45 percent of parity provided by the existing law for 1963.

The farm marketing excess upon which the penalty would be paid would be twice the normal production of the excess acreage, or the actual production of the excess acreage if the producer establishes the actual production. This provision is similar to that in effect for 1962, but more stringent than the existing law applicable to 1963 under which, in the absence of any showing by the producer, the marketing excess would be equal to the normal production of the excess acres. Unlike both the law applicable to 1962 and the existing law applicable to 1963, the bill does not include the so-called Christmas amendment, under which the marketing excess cannot exceed the amount by which the actual production for the farm exceeds the normal production for the farm acreage allotment. The bill is therefore more stringent than either the existing law or the special law applicable to 1962. Until the penalty is paid or postponed in accordance with the law not only would the crop of wheat produced in violation of the allotment be subject to a lien for the amount of penalty as at present, but also all subsequent crops subject to marketing quotas in which the producer had an interest would be subject to such a lien.

If the buyer of the wheat failed to collect the penalty, as he is required to do by existing law, all persons entitled to share in the wheat would be jointly and severally liable for the penalty, and all persons liable for payment or collection of the penalty would also be liable for interest at 6 percent per annum.

MARKETING CERTIFICATION AND PRICE SUPPORT

In addition to tightening up the marketing quota program as just discussed, the bill provides for superimposing upon it a marketing certificate program. Under this program marketing certificates would be issued to producers for the estimated amount to be used for human food in the United States and such part of estimated exports as the Secretary determines necessary in order to achieve the price and income objectives of the bill. Wheat accompanied by certificates would receive price support at 65 to 90 percent of parity, while wheat without certificates would be supported at a level determined appropriate in view of world prices, feed value, and feed grain support prices. Marketing certificates would have a face value equal to the difference between these two support prices. Processors and exporters would have to obtain certificates for the wheat processed by them into food products or exported. They might obtain these from producers, from other persons who had

obtained them from producers, or from the Commodity Credit Corporation. Producers would have to market their certificates with wheat, but after the first sale the wheat and the certificates could move together or separately. The Commodity Credit Corporation could issue, buy, or sell certificates in order to facilitate operation of the program.

Thus producers would receive between 65 and 90 percent of parity on that part of the production from their allotments representing their share of the domestic and export market, and probably about the feed value for the remainder of the production from their allotments. The cost of wheat to millers for domestic food use, including the value of the certificate, would be maintained at a fair price, and the price of wheat for export could be kept competitive through a combination of marketing certificates and export subsidies. The certificate would assist in regulating prices so that part of the wheat might be allowed to move at a lower price for feed or other secondary purposes, while wheat for domestic food or export would be maintained at a higher level.

Each farm's share of certificates would be determined by multiplying its normal yield times its farm acreage allotment times a uniform percentage factor. However, no farm could receive more than the normal yield of its actual planted acreage plus the amount of prior crop wheat stored to avoid penalty which is released from storage on account of underplanting.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. How would the normal yield per acre be determined? Would that be on the basis of actual production in previous years?

Mr. ELLENDER. It would be the average yield of the last 5 years, adjusted for abnormal weather conditions and trends in yields. If on account of any uncontrollable natural cause, the yield for any of such 5 years is less than 75 percent of such average, 75 percent of the average shall be substituted for the actual yield for such year. Similarly, if because of abnormally good weather, the yield is in excess of 125 percent of such average, 125 percent of the average would be substituted for the actual yield for such year. After such substitutions the average would be recomputed and that would be the normal yield.

Mr. YOUNG of North Dakota. It would not be adjusted down to the county yield, if it were above, would it?

Mr. ELLENDER. The Senator is correct. It would not.

Mr. YOUNG of North Dakota. This certainly is quite a change from previous years. I think that using the best 3 out of 5 years is an improvement.

Mr. ELLENDER. As the Senator knows, we would not change the law with respect to the distribution of the national quota to States and to counties.

Mr. YOUNG of North Dakota. I thank the Senator.

Mr. ELLENDER. Marketing certificates and price support would be limited to producers complying with the wheat acreage diversion requirements of the bill for the farm and with all allotments on all farms for all commodities in which they have an interest; except that no wheat acreage allotment would be deemed exceeded if the marketing excess were stored to avoid penalty; a producer would not be denied eligibility for such benefits with respect to one farm by reason of planting wheat within an exemption on another farm; and the Secretary could provide additional exceptions to the requirement of cross-compliance between different farms where that appeared advisable. Also, if marketing quotas are not in effect, the eligibility requirements for price support would be as they are under existing law, without the mandatory cross-compliance features just described. If marketing quotas should not be in effect because of producer disapproval, the support level would be not more than 50 percent of parity. If they should not be in effect because a national marketing quota was not proclaimed, the support level would be, as provided by existing law, at between 75 and 90 percent of parity, the minimum within that range depending on the supply situation.

SECOND ALTERNATIVE: EXTENSION OF 1962 PROGRAM FOR 2 YEARS

At the quota referendum for the 1963 crop wheat producers would be given a choice between the wheat provisions just described and a 2-year extension of the 1962 program. If they chose extension of the 1962 program, the provisions of the bill just described would be of no further effect, the 1962 program would be extended for 2 years, and the existing permanent law would become effective again for the 1965 and subsequent year crops.

In other words, if the alternate plan is adopted it will result in an expenditure by the Government of over $650 million, and we would revert to the same old law which has been giving us so much trouble. That is why I said I believe that part of the bill should be stricken. I hope to present an amendment which would do exactly that.

Under the 1962 program, after the 55-million-acre national allotment is apportioned to farms, each farm allotment is reduced 10 percent. Price support is restricted to producers participating in a wheat-diversion program. Participants in the diversion program are paid in cash or kind at 45 percent of the support rate times the estimated yield of the diverted acreage for diverting the 10-percent allotment reduction to conservation, and at a 60-percent rate for similarly diverting up to an additional 30 percent.

I have been describing the alternate plan.

LOAN PROVISIONS

Title IV makes several changes in the Consolidated Farmers Home Administration Act of 1961 and the Rural Electrification Act of 1936.

The changes in the Consolidated Farmers Home Administration Act would specifically include recreational uses among the purposes for which real estate or operating loans for land and water development can be made; would include changes in land use, recreational facilities, and sewers in the purposes for which loans could be made to associations; and would increase the amount of direct loans which could be made from the agricultural credit insurance fund for immediate resale as insured loans from $10 million to $25 million.

The amendments to the Rural Electrification Act of 1936 are designed to provide for a more accurate presentation of the REA budget. Whereas at present the budget shows all of the funds authorized to be used for REA loans as a new authorization, and separately shows repayments and other receipts from REA loans, the procedure contemplated by the bill would make it clear that only the net excess of loans over receipts should be shown as new funds. The bill provides for a loan account into which all appropriations, Treasury borrowings, loan collections, and other funds of the REA would be placed. Loans could then be made from the fund only in amounts authorized in appropriation acts. Full congressional control over the fund would be maintained, but such control would be maintained through congressional authorizations to make loans from the fund, rather than through appropriations which appear to provide new money, but which actually may only replace loan receipts covered into the Treasury.

INDUSTRIAL USES

Title V of the bill provides for a new agency within the Department of Agriculture to coordinate activities directed toward the development of industrial uses for agricultural commodities and the development of new crops. It provides still another method of attack against surpluses. This title, except for a slight change in the name of the proposed agency, the omission of provisions for expansion of present industrial and commercial uses; and the omission of a section dealing with scholarships, is identical to S. 690 as it passed the Senate in the 86th Congress.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. CLARK. First, I congratulate the Senator from Louisiana on the very masterful presentation he has made of a most complicated question. The pending bill, with the amendments which the Senator has proposed, will make a very real contribution to the solution of a most difficult problem.

As the Senator knows, I come from a State in which the consumer interests in agriculture are largely paramount. Two agricultural problems concern us. First, we wish to make sure that the price of feed grains, while entirely fair to the growers, does not go so high as to put our poultry industry and, to a lesser extent, our dairy industry, in real trouble in terms of cost. As I understand, the proposed amendment on feed grains which the Senator is supporting is the administration proposal. It would not substantially increase the present price

of feed grains, and it would probably result in a substantial saving to the taxpayers through a smaller carryover. Is that generally correct?

Mr. ELLENDER. The Senator is generally correct. There is no doubt about it. The program I have advanced is sure to save on storage and other costs. As I pointed out, the program last year cost in excess of $780 million. It is true that we have the corn that has been taken over on hand, and on a long-term basis we may get some of that amount of money back. Some of the corn we may have for 4, 5, 6, or 10 years. The bill in effect would tell a farmer, "If you expect Uncle Sam to continue to support the price of corn, you must agree to curtail production in keeping with our national requirements."

I say that such a provision would be fair. Instead of an open-end law which would permit the grower to produce all he desired without restrictions, we seek that kind of curtailment.

Mr. CLARK. I agree that it is most important to preserve the position of the feed grain producers. We cannot have them going bankrupt. On the other hand, we must maintain the price of feed grains in some relationship to the agricultural users. Can the Senator estimate how much in the long run his feed grain amendment would save the Government on an annual basis, as compared to the present cost?

Mr. ELLENDER. I have no estimates at this time, but the payments for storage would be considerably reduced. For the next 3 years the savings would be considerable, but the payments would still be a little high, but lower than under the emergency program.

Mr. CLARK. As time goes on the savings would increase.

Mr. ELLENDER. Yes. Under my amendment the Government would pay the farmer on diverted acres for 3 years, that is, on all acres the farmer would take out of cultivation. He would be paid enough to maintain his income. That is the reason for it.

Mr. CLARK. That seems to be a sound procedure.

Mr. ELLENDER. As I said in my opening statement, the Government has paid out over $2 billion on corn, wheat, and milk programs this year. We are now proposing a way to reduce that amount of governmental spending. I hope it will work.

Mr. CLARK. I hope so, too.

What the Senator has been saying about feed grains is particularly true, is it not, about wheat? I realize that wheat is sometimes used as a feed grain, but that is not its usual purpose. Would the economic effect of the program on wheat be substantially the same?

Mr. ELLENDER. Exactly. It would reduce production, as well as the cost of storage and handling. I did not point out the fact previously, but the storage bill, paid by the American taxpayer for wheat, corn, and other feed grains owned by the Government is now over a half billion dollars a year.

Mr. CLARK. Mr. President, this is my last question. It is my understanding that the committee concluded to drop any provision in the bill having to do with control of dairy products.

Mr. ELLENDER. That is correct.

Mr. CLARK. I realize that my friend, the Senator from Wisconsin, and my friend, the Senator from Minnesota, have been engaged in active discussions on that subject. That is really the most interesting part of the whole farm program in my State of Pennsylvania. Can the Senator give me any indication as to what he thinks is likely to be brought before the Senate, if anything, on the subject of dairy controls at this time?

Mr. ELLENDER. I am sure that every member of the committee will bear out my statement that we made an earnest effort to try to report a milk provision. I suggested to all the milk producer representatives—I shall not call them lobbyists, of whom quite a few are hanging around Washington—that they try to agree on some kind of plan. They failed to do so. Most of them took the position that they are satisfied with the law as it now stands. The law provides 75 to 90 percent of parity. In essence, they have said, "Leave us alone and we will put our own house in order."

The statement remains as a challenge to them. So far as I am concerned, as chairman of the committee, I do not propose to present to the Senate any milk program this year. I may introduce a bill so that it can be considered for possible action next year.

In other words, unless the dairy industry puts its house in order, Congress will have to do something in order to save the rest of the program, because we cannot possibly continue to spend as much as a half billion dollars or more to maintain the milk program.

Mr. CLARK. I quite agree with my friend from Louisiana. I regret to state that some of the official farm organizations in the dairy business in my State take the position that they want high price supports and no production control. I have been telling them that we cannot go on forever in that way. It is not "in the wood." Does the Senator agree with me?

Mr. ELLENDER. Absolutely. There is no doubt about it.

Mr. CLARK. I commend my friend again for the action he has taken in bringing the two amendments before the Senate, and pledge to him my strong support for the position he has taken.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that if no new feed grains legislation were enacted this year, the existing law would go into effect next year in such a way as to allow a support price of about $1.04 to $1.06 a bushel?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. What objection would the Senator have to allowing that law to become operative?

Mr. ELLENDER. It has hurt us in the past. I believe the largest production in our history occurred under that law, in 1959 and 1960. It means unlimited production at a fixed price support without any penalty. We now have about four or five times more corn and other feed grains on hand than we ordinarily carry over from year to year. It amounts to about 85 million tons. The report I filed in connection with the bill indicates all of that.

I go back to the proposition that I do not want the Government to get control of the farmer. However, when the farmer expects the Federal Government to support his price—and I do not care what commodity is involved—he ought to be willing to curtail production and keep it within the amounts that we need. We are trying to do that with corn and also with wheat.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that even with the drastic effort that we made to effectuate a reduction of the acreages last year, in 1961, and with the high price supports enacted to be effective during that year, and which are effective again this year, the amount of feed grains including soybeans under loan went up substantially?

Mr. ELLENDER. That is true, but total CCC investment in 1962 is less than in 1961.

Mr. HOLLAND. But the surplus under loan went up.

Mr. ELLENDER. Yes, but that is only part of it.

The production of corn and sorghum decreased. It was bound to have gone down. The record shows that although the program cost a great deal of money, we had 421 million bushels less of corn and sorghum produced. If we had not placed on the statute books the emergency program to which my friend from Florida refers we might have had an increase of 700 million bushels of excess corn and sorghum over and above what we have now.

That is the trouble, and that is what we are trying to stop. The emergency program is in effect for this year. I regret to say that we should have had the law enacted in the early part of this year. But because of our inability to do it, we have agreed to let it go for another year. In the pending bill there is a provision to extend it for another year. That is what I am opposed to. That is why, I will say to the Senator, I am sending an amendment to the desk dealing with that situation, and I ask that the amendment be printed and lie on the table. I ask that an explanation of the amendment be printed in the RECORD at this point. This amendment tells the corn farmer and the sorghum producers if they expect the Government to provide price supports they must agree to curtail their acres. That is what we need. That is what the amendment provides. If anyone can devise a better method to do that, I am willing to listen, as chairman of the committee, and I am sure my good friend from Florida will also have that in mind. The point I am making is that we cannot afford to keep building surpluses under a program that costs the Government what it is costing the Government now. Unless some changes are made in the wheat and corn and feed grain program now, I predict that all farm pro-

grams for all commodities—no matter how well they may be operating now—may well be terminated by an aroused public.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Without objection the explanation will be printed in the RECORD.

The explanation will be printed in the RECORD, as follows:

EXPLANATION OF FEED GRAIN AMENDMENT

This amendment would strike out that portion of the bill which provides for a 1 year extension of the 1963 feed grain program; and would provide for a permanent marketing quota program for corn, sorghum, and barley. The minimum national quota would be 110 million tons. Acreage diverted from the feed grains covered by the program could not be planted to crops in surplus or which might impair the diversion program. For the first 3 years, 1963, 1964, and 1965, payments could be made for such diversion at not to exceed 50 percent of the support rate for the normal production of the acreage diverted. The price support level for corn would be 65 to 90 percent of parity if marketing quotas were not disapproved, and not more than 50 percent of parity if quotas were disapproved. Barley and grain sorghums would be supported at fair levels in relation to corn, and oats and rye could be supported at zero to 90 percent of parity.

This amendment is the same as the administration feed grain proposal contained in S. 2786, except for the following:

1. Under the amendment marketing quotas are limited to corn, barley, and sorghum, whereas the original proposal would have also covered oats, and, at the Secretary's discretion, rye.

2. The amendment provides for a minimum national quota of 110 million tons.

3. The provision for a commercial area to be fixed by the Secretary would be omitted but the program would be limited to the continental United States, excluding Alaska.

4. The farm normal yield for penalty purposes would be based on past farm production instead of past production in the local area.

5. Excess barley acreage could be disposed of by grazing up to 30 days before harvest.

6. The provisions of S. 2786 for substitution of wheat acreage for feed grain acreage and feed grain acreage for wheat acreage have been consolidated into a single provision, and the direction to the Secretary to permit such substitution has been given a slightly more mandatory color.

7. Diverted acreage payments would be limited to not more than 50 percent of the estimated support rate for the normal production of the acreage diverted, and producers would have the election to increase their diversion to 25 acres, instead of 20, if their diversion would otherwise be less than 25 acres.

8. The amendment permits price support for corn, sorghum, and barley at up to 50 percent of parity when quotas are disapproved, and in such case producers would have to comply with their feed grain allotments as a condition of price support, but would not be required to cross-comply with allotments for other crops, or on other farms, or with land diversion requirements.

9. A producer would not lose eligibility for price support or land diversion payments by reason of planting up to his wheat or feed grain exemption on another farm.

10. Instead of authorizing the sale for unrestricted use from Commodity Credit Corporation stocks of up to 10 million tons of feed grains and up to 200 million bushels of wheat at market prices if quotas for those commodities are disapproved, the amendment would authorize such sale at 102 percent of the current support price plus reasonable carrying charges.

11. An exempt feed grain producer would not lose history by taking advantage of his exemption.

12. The excess acreage planted to wheat in past years under the existing feed wheat exemption (which would be repealed by the bill) would be counted as feed grain acreage toward a feed grain allotment.

13. If the producer so elected, acreage harvested for silage up to the acreage harvested for silage in the base period would not be counted as feed grain acreage, and the base period silage acreage would not be counted in computing the allotment.

14. In deficit areas the Secretary could permit producers to plant their full base acreage, but they would then lose eligibility for the feed grain diversion program, feed grain price support, and the feed grain quota referendum.

15. An exemption has been provided for malting barley, modeled after the exemption contained in the 1962 feed grain program, but applied to quotas and allotments.

16. The amendment also makes minor corrections in the small farm exemption and other provisions.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that, considering the feed grain now under loan, together with the soybeans now under loan, the total loaned by the Government has gone up; is it not true, also, that the increase of the soybean price support was a part of the program last year—not agreed to by the Senator and myself—to divert acreage from corn production; and that the total on hand of corn and feed grains, plus soybeans, was greater than it was expected to be?

Mr. ELLENDER. Yes; if the Senator adds other crops than corn and the feed grains that we are talking about, that is correct. Insofar as corn and other feed grains are concerned, my recollection is that we produced 421 million bushels less of corn and sorghum.

That, of course, was a disappointment to me, because I thought that the decrease would be greater. As a matter of fact, I recall we said it might reach 700 million bushels less. However, the Lord was good to the corn farmer and to the sorghum producer. It rained at the proper time. Therefore, the yields were greater.

Mr. HOLLAND. The Lord was good to him and Congress was good to him, and the Secretary of Agriculture was good to him. As I read the figures, the total production of feed grains, plus soybeans, was greater than expected; and the total value for carrying them under loan has gone up.

I am sure the Senator will agree that we were told last year by the Secretary of Agriculture that the part of the program for the diversion of corn acreage was increasing the price support of soybeans.

Mr. ELLENDER. Yes.

Mr. HOLLAND. Why should not soybeans be included in this total for the purpose of discovering whether we have made any headway?

Mr. ELLENDER. For the first time since I have been in Congress, we have a Secretary of Agriculture who is trying to give the farmers a better break, by trying to increase their income. He has succeeded in some ways.

As the Senator well knows, past Secretaries have been trying to divide the farmer from the consumer, and have created a great deal of friction between them. I am happy to say that we now have as the Secretary of Agriculture a man who is trying to increase the income of the farmer. I am in favor of him.

I say to my good friend from Florida that the Lord only knows what would have happened in production with the same kind of weather that we had last year, if the farmers had been able to plant all that they desired, as was the case 2 years ago.

The special program that we provided for was intended to curtail corn and other feed grain production by about 700 million bushels. It failed to reach that goal. However, if we had not had the program, instead of having cut production by 421 million bushels, we might have had a surplus of 700 million or 800 million bushels of corn and other feed grains. It has worked fairly well, but at a great cost.

That is why I am unwilling to continue the emergency program almost indefinitely, because we have already extended it another year, and in the bill we extend it for another year. Soon someone will say we should extend it for 4 or more years. And the emergency wheat program, too. Some would rather have a permanent program on the statute books. That is what will happen if the amendment that I now send to the desk is adopted. I now send an amendment to the desk and ask that it be printed and lie on the table, and that an explanatory statement in connection with it be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. PELL in the chair). The amendment will be received and printed, and will lie on the table. Without objection the statement will be printed in the RECORD at this point.

The statement is as follows:

EXPLANATION OF WHEAT AMENDMENT

This amendment would strike out the provision for a 2-year extension of the 1962 wheat program.

S. 2786, which set out the President's program, provided for a strong, effective, permanent wheat-marketing quota program, with mandatory diversion of acreage, adequate payments thereon for 3 years, and a marketing-certificate, bushel-control program. This mandatory program is needed to reduce our surplus stocks, reduce Government costs, and provide a healthy farm economy in which the farmer may once again produce for the market.

The permanent, effective wheat program provided for by S. 2786 has been included in the pending measure with a number of improvements recommended by the committee. However, the committee saw fit to provide, in addition, for giving the producers in the 1963 crop referendum (which will be held shortly after the bill is passed) a choice between this permanent, mandatory program and a temporary, less mandatory program like that in effect in 1962. The 1962 wheat program was provided as an emergency measure. It was the best program that could be developed and passed in the time available,

but it was recognized as a stopgap until permanent legislation could be developed.

It gives the Secretary less authority to reduce acreage allotments, provides only for a voluntary diversion program, and contains no bushel-control feature. Being less mandatory than the proposed permanent program, it must offer the producer a better income for not producing than for producing. It cannot help but be less effective, and more costly for such effect as it achieves.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. I am sure that every member of the Committee on Agriculture and Forestry will agree at least in large part with what the Senator from Louisiana has said about the motives and the desires of the Secretary of Agriculture. He is a well intentioned man.

So far as the Senator from Florida is concerned, he is not willing to admit that we made progress last year, because he thinks that we fell back. The Senator from Florida is not willing to admit that the present Secretary of Agriculture is the first one who has tried to help farmers, because our great friend from New Mexico, the senior Senator from New Mexico, who was the Secretary of Agriculture only a few years ago, did a fine job in that direction; and his successor, a gentleman from Colorado, certainly was making every effort in that direction. So far as the Senator from Florida is concerned, he thinks that the Secretary of Agriculture under the prior administration was also moving in that direction.

The Senator from Florida believes we must consider the mounting costs of these surpluses. We must consider what farmers have already done. They know how to pick out the best acreage and pour on the fertilizer so as to increase the yield per acre. They did that just within the last year. Yet all the things we are trying to do to cut down the acreage are simply not getting us anywhere at all.

The Senator from Florida asks his good friend, his devoted friend, who has certainly done immense things for agriculture, how he regards the fact that it is not the industries we have tried to control that are in the most prosperous condition in the Nation; instead, it is the agricultural industries that do not have regimentation at the hands of the Secretary of Agriculture or as the result of acts passed by Congress which are in the best condition. I am sure the Senator from Louisiana knows that to be the case.

Mr. ELLENDER. I do not; not entirely. I do not want the Senator from Florida to put words in my mouth. The Senator from Florida has been very successful in getting marketing agreements for oranges and other products of Florida, as, under the law, he had the right to do; and he did a magnificent job.

But do not overlook this: That by having a fixed price—that is, a support price with the Government acquiring all excess stocks—we have made it possible for the feeders to know how much corn would cost in 12 months or 15 months from now. That has had the effect of stabilizing, to some extent, the prices of meat. I am sure the Senator from Florida will admit to that.

Mr. HOLLAND. I certainly will agree that it has had some part in that result. But it has not been only citrus fruits that have been prosperous; it has not been only livestock that has been prosperous; most of the vegetable producing industries have been prosperous.

The Lord knows, if anyone knows how much the acres will produce, it is the producers of highly seasonal produce that can be produced only in a few weeks or months and have to be marketed quickly. The Senator from Florida wants his friend from Louisiana to look at the agriculture of the Nation, with his usually fair eye, and to note that those industries which are the most prosperous, nationwide, are those that have not come here and dipped their hand down into Uncle Sam's wheelbarrow to ask for price supports, for regimentation, and for controls, which are as foreign to the traditional independence of American farmers as anything could be.

I say this without any reflection at all upon the distinguished Senator from Louisiana. If there is a good American in the country, it is he; if there is a friend of the farmers, it is he. I think he knows how I feel toward him personally and as my chairman; but I simply want the RECORD to reflect the fact, well-known to every Senator who is a member of the Committee on Agriculture and Forestry, that the industries which are not controlled by Uncle Sam are the ones which are the most prosperous in the field of agriculture.

I thank the Senator from Louisiana for yielding.

Mr. ELLENDER. I will not argue with my good friend from Florida. Vegetables cannot be grown nearly so well in other States as they can be grown in Florida. It is only in certain areas of the country where the conditions which the Senator describes obtain. Furthermore, the production of such crops is rather difficult. In 1937, when I first was sworn in as a Senator, I was one of seven Senators who held hearings throughout the country to prepare for the enactment of the present permanent laws pertaining to the basic crops, crops whose control we thought could be managed. The programs have applied to such crops. We felt then, as we feel now, that there is a possibility to manage their production if a proper law can be passed.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I believe there is a direct relationship between the price of feed grains and the price of meats of all kinds. That has been the purpose of feed grain legislation throughout the years. By stabilizing the feed grain price, we go a long way toward stabilizing meat prices.

Mr. Cushman S. Radebaugh, president of the American National Cattlemen's Association, a very fine gentleman from Orlando, Fla., made some pertinent comments when he testified before the Committee on Agriculture and Forestry this year. His testimony appears in the record of the hearings beginning at page 479. Among other things, he said:

Generally speaking, all cattle produced are fed and the pounds of beef produced in the feedlot approach the pounds produced on the range. For these reasons, whatever happens in the case of feed grain prices has a direct effect on what happens to beef cattle prices whether in the feedlot or on the open range.

I subscribe fully to those words.

Mr. ELLENDER. That is what I have been contending all the while. Stabilizing the price of feed grains has the effect, more or less, of stabilizing the price of the animals which consume the feed grains.

Mr. BURDICK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BURDICK. I commend the able Senator from Louisiana for his fine presentation this afternoon—and I have listened with interest most of the afternoon. I believe the approach he has announced is sound, reasonable, and, above all, necessary at this time. I assure him that he has my general support, and that I shall support his amendment. I hope we can hammer out a bill along the lines he has described this afternoon.

Mr. ELLENDER. I thank the distinguished Senator from North Dakota.

Mr. HART. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HART. I wish to compliment our chairman, as other Senators have done, not alone for his presentation this afternoon, but for the patience he displayed throughout the long and difficult hearings which were devoted to the consideration of the bill.

I believe that when the opportunity is given us to vote on the Senator's amendment with respect to feed grains and wheat, surely we who listened to him this afternoon must give the very serious consideration that the amendment warrants, because in the long pull it will be for the benefit of our entire society, not merely for the farmer.

Mr. COOPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. COOPER. I was glad to be here this afternoon to hear the Senator's statement on the Food and Agriculture Act of 1962. I commend the chairman for his fair presentation of the bill—and of the facts, as he sees the facts, which lead him to give the bill his support.

As a member of the Committee on Agriculture and Forestry, I would like to say that we are very fortunate to have the Senator from Louisiana as chairman of the committee. Whether one agrees or disagrees with him, we all agree that he is fair in his consideration of the bills and amendments which are presented to the committee.

The Senator from Louisiana is a great chairman and a hard worker. He is very fair to all of us. I know I feel that way about him, and I think all of the other members of the committee feel as I do.

I know the Senator from Louisiana is not partisan about farm measures. So I know he will not mind if I speak about

some of the programs which have been successful.

I recall that under the administration of President Eisenhower, legislation was enacted concerning wool, cotton, tobacco, and rice. I think the programs adopted under that legislation have been quite successful; they have helped farmers.

Mr. ELLENDER. The Senator from Kentucky has mentioned cotton and rice. We tried also to incorporate wheat in that legislation but were not successful in getting enough support.

Mr. COOPER. I know; but in the important fields of wool, cotton, tobacco, and rice, legislation was enacted or amended, and in those fields farmers have done very well.

Mr. ELLENDER. I agree.

Mr. COOPER. Public Law 480 was enacted under the administration of President Eisenhower. That law now has the support of everybody. I think it has been a great program.

If I recall correctly what the chairman has said, in the past wheat has been under compulsory controls, that is, under marketing quotas as well as acreage allotments.

Mr. ELLENDER. Very limited.

Mr. COOPER. And corn also has been at one time.

Mr. ELLENDER. There have been no marketing quotas at all—never.

Mr. COOPER. At least, there has been some experience with acreage allotments for corn, and with compulsory quotas and penalties for overproduction on wheat. What has concerned me has been the prospect of placing compulsory controls on feed grains and on many other products such as dairy products which have not been under compulsory controls. This point was made in questions addressed to the Senator, and I feel certain the question will be raised further during the debate. The root of the question is whether the farmer will be able to grow the feed which he needs on his own farm. I think that goes to a basic question—the extent to which farmers may produce the feed grains they need for their own use. I believe that is the issue with respect to the feed grain section which is not relevant to the other sections of the bill.

Mr. EASTLAND. Is it not true that 85 percent of the feed grains produced are consumed on the farms where they are produced?

Mr. COOPER. I would not be able to say; but if the Senator has that information——

Mr. EASTLAND. That is my impression; I do not know whether it is correct.

Mr. ELLENDER. Eighty-five percent is what they say is true. But we have accumulated over half a year's supply, and the Government now has it "in hock." It is valued at more than $3 billion. That is what I want to try to stop in the future, if we can.

Mr. AIKEN. Mr. President, it is not my intention to delay the Senate long this afternoon. But before we begin debate on the details of the bill, I wish to point out a few facts which I think should be considered in the course of our deliberations.

All of us recognize the great importance of agriculture as an industry of the United States, but I am afraid we do not realize how important it is. In the public mind, we are legislating for the benefit of 3 million or 4 million farm families who depend on the land and on the production of agricultural commodities for their living. There are others who live on the land; but as of today the total number of commercial farm families is probably only 3 million or 4 million. About 8 percent of our population is engaged in the production of agricultural commodities. However, what many of us fail to recognize is the fact that one-third, or perhaps a little more than one-third, of the total working force of the entire Nation is dependent upon agriculture for its living. Today, there are actually more people engaged in manufacturing farm supplies than the number of those who are using those supplies on the farms. And there are more people engaged in the transportation, storage, processing, and handling of agricultural commodities than the number engaged in manufacturing farm supplies. So, all in all, approximately 35 percent of the total working force of our Nation is dependent on farm production for its living.

The Senator from Louisiana has properly pointed out that today the cost of storing surplus agricultural commodities amounts to approximately $500 million a year. But that is only one example of a great industry which is dependent upon agriculture for its living. That amount may seem to be a total loss to the taxpayers; but, as a matter of fact, I doubt whether any of those engaged in storing farm commodities today are in a tax bracket lower than the 50-percent bracket—they may not even be in a bracket that low; and if they pay their taxes, and I assume they do—then a good share of that $500 million is returned to the Treasury.

Mr. EASTLAND. Mr. President, will the Senator from Vermont yield for a question?

Mr. AIKEN. I yield.

Mr. EASTLAND. Is it not true that a surplus of feed grains is an asset to the Nation?

Mr. AIKEN. Yes; I think so. But I was pointing out that the cost of the storage of these commodities is not entirely a loss, because a $500 million business, annually, is not to be lightly discounted.

I believe we should also recognize that there is no such thing as a perfect farm program. Ever since I have been a Member of the Senate—22 years, now; in fact, I believe that the Senator from Louisiana and I are the only Members now on the committee who served on it at that time, and he commenced his service 4 years before I did—people have constantly come up with "the last word on farm programs"—in other words, something to settle and solve all the difficulties. But we should know by now that there is no such thing as a perfect farm program; there is no such thing as a farm program which, if perfect today, would be perfect 2 years from now. We cannot look that far ahead.

It must be realized that farm production cannot be turned on or off in the way that the production of an industrial plant or a factory can be. We must also realize that when we finally arrive at what we regard as a satisfactory solution of one problem, we may thereby create two more problems, to take its place.

A reduction of production by one farmer may seriously affect the employment of several nonfarm people who perhaps do not live within miles of any farm.

So I believe we should consider this situation—first of all—namely, that any farm program which we may devise must be one which will maintain full employment by all persons dependent upon agricultural production; it must also maintain full farm purchasing power—for otherwise there will be unemployment.

A farmer's dollar is spent many times over before it comes to rest. Furthermore, we must have our programs devised in such a way that they can assure an adequate supply of these commodities for both domestic needs and foreign needs.

The effectiveness of a program does not always depend upon the wording used in the law; it depends in great degree on how the program is administered. By means of good administration, a program which in itself is not too good may "get by." On the other hand, if the administrators are incompetent or if they are not in sympathy with the program, the very best program in the world can be made to look as if it were rather disastrous.

I wish to consider briefly the provisions of this bill. I cannot now consider the amendments which I understand the administration will offer, because they have not yet been printed.

But, first, I should like to say a few words about the dairy industry. One might think the dairy program was terrifically expensive and was perhaps the black sheep of the entire program. However, I should like to point out our Government's present investments in the various agricultural commodities.

Our Government has an investment of $2,120 million in corn, on loans or purchases.

The investment in grain sorghums is $814 million.

The investment in soybeans is $234 million.

The investment in wheat is $2,516 million.

The investment in tobacco is $326 million.

The investment in dairy products is $260 million—or 3 percent of the total investment the U.S. Government has today in all agricultural commodities. Yes the dairy industry is far and away the largest agricultural industry which we have, and the products of the dairy farms of America have a value greater than that of all the wheat and all the cotton, combined.

So I do not believe we should complain too much that we have 3 percent of our total agricultural commodity investment in our greatest agricultural commodity—the one which produces the greatest income.

Of course, those are the figures for this year. Last year, the story was quite different—when the Government owned

no cheese, practically no butter, and only a fair amount of skimmed milk powder.

Mr. President, at this time I wish to discuss the various titles of the bill.

As to title I, let me say now, in line with the statement I made a moment ago, that any farm program should be devised in such a way as to maintain full employment and full farm income. So if the bill contained only title I and perhaps some of the features of titles V and VI, I could say that, taken together, it would be an excellent bill, and perhaps would go further toward solving any farm problems which we might have than would any other program we could devise.

Title I relates to the conversion of unneeded or uneconomic cropland to other uses. The main emphasis of this title is placed upon one of the most urgent needs of this Nation. We are a growing nation. When we consider our needs of today, we ought not to go back and compare the needs of today with the needs of 1940, because there are over 50 million more people in this country today, and the population is increasing at a rate of 3 million a year. We have a rapidly growing industrial productivity. It takes fewer hours to produce the same amount of goods than it did even 5 or 6 years ago. All those facts mean more leisure time, more vacations for more people, shorter work days.

What can they do with this time? Where can they go? What can they do when they get there? Most people like to go out in the country, where there is fresh air, and trees and grass are growing, where there are lakes and ponds. They like to get out there for picnics. They like to go hunting and fishing. These days particularly they like to go swimming, and engage in other sports and activities.

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

Mr. AIKEN. I yield.

Mr. EASTLAND. Is it true that under this title recreational facilities, including motels, golf courses, swimming pools, and dance halls, will be financed by the U.S. Government to be used by the public?

Mr. AIKEN. I do not know about the dance halls, but I was going to point out that under this title the Federal Government can assist farmers in converting cropland to recreational purposes.

Mr. EASTLAND. To be used by the public. Is that not what it says?

Mr. AIKEN. That is the intention of it; of course, it is.

Mr. EASTLAND. That means integrated recreational facilities; does it not?

Mr. AIKEN. They certainly ought to be. It is the intention that there will be no discrimination against any people at all in any public recreational facilities where Federal money is involved. I do not think it would be in conformity with the Constitution to do otherwise. But people living in the towns and cities should have places where they can have their picnics and have a good time in the country, either after work, if they can get there in time, or over the weekend. This title assists farmers in converting cropland to recreational purposes. It will be very helpful in New England. I believe it will be helpful all through the Central States, the South, and probably in the Far Western States as well, because we must make it possible for a growing population, particularly the urban population, to have an opportunity to rest and to refresh itself in the country. If we do not provide those areas, the time will come when they will move out, overwhelm us, and take them over anyway. So I am glad this title provides that farmers can be assisted under the ACP program in setting up private recreational areas. Perhaps, in connection with such an area, farmers could have small gift shops where products from the farm could be sold.

The title also—and this is important—assists communities, large and small, in setting up better recreational areas. I assume the areas could be as close as a mile from a town, if it were a small one, to perhaps as far as 50 miles away from some of the larger cities, where conveyances might be provided to get the poor people of the area there, where they could enjoy life, at least part of the time.

Further than that—and this is important, too—this title provides, under Public Law 566, the Small Watershed Act, recreational values may be taken into consideration in determining whether such small watershed development should be authorized or not, or whether Federal funds should be used for participating in them.

At present, as we know, watersheds can be established under the act only if they are based on flood control and agricultural benefits. This bill would permit recreational values to be taken into consideration. I can think of several areas in my own State that would qualify if recreation values can be taken into consideration, and cannot qualify under the present criteria.

This type of program would permit conversion of cropland or poor land to other purposes, without loss of employment or income. In fact, I know some places in my State where such land has resulted in greater income, instead of less.

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

Mr. AIKEN. I yield.

Mr. HOLLAND. I noted one statement of the Senator from Vermont to which I think there should be some reply. I believe the Senator said under the provisions of title I, unneeded and nonproductive—I think those were the two adjectives—land could be adapted to recreational use.

Mr. AIKEN. Yes.

Mr. HOLLAND. Is it not really more accurate to say any land that either the private farmer would want to adapt to recreational use or that the community or State might want to adapt to recreational use could be so used under the loans of the Farmers' Home Administration, even if they were highly productive agricultural lands, or residential or industrial lands? Would they not be available for loans for the purpose of turning them into recreational areas?

Mr. AIKEN. The Senator is correct, but I think that authority comes under title IV or title V of the bill, with relation to the Farmers' Home Administration. I may ask the Senator from Louisiana that question.

Mr. ELLENDER. Title IV, yes. They could borrow the same as they would for homes or other facilities.

Mr. AIKEN. I thank the Senator from Louisiana, although I was quite sure that was the case.

When I said unneeded or poor cropland, I did not refer to land that was worthless, but some of the farms get to the point where the acreage of the cropland is so small that it is uneconomic. I believe under the bill several farmers might unite or pool their interests to create a recreational facility. I can think of instances in my own area where that might be done, although that conversion has pretty much taken place in Vermont.

Mr. HOLLAND. I admit that some of the actions or activities the Senator has spoken of could come under the later title; but I also call attention to the fact that they are included under title I. If the Senator will look at line 15 and following, on page 5 of the bill, he will notice the amendment of the Bankhead-Jones Farm Tenant Act, which heretofore has been confined to dealing with marginal lands and nonproductive lands, and that now section 32 of that act is amended in such a way as "to cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization," without any limitation at all upon the kind of land being utilized or conserved.

My understanding is that that provision and also the later provision in title V mean that all lands, for the first time under the Bankhead-Jones Act, may be considered, no matter how productive, no matter even if they are not agricultural lands; residences may be taken by public units; and they then qualify for loans under the Farmers Home Administration; industrial lands may likewise be taken. The question is not at all confined to the handling of marginal or unprofitable agricultural lands, as they have been heretofore under the Bankhead-Jones Act.

Mr. AIKEN. The statement of the Senator is generally correct. I wish to make it clear that residences and land could not be taken under the terms of the bill as it was reported by the committee. As the proposed bill was sent to Capitol Hill by the Department of Agriculture, the Secretary of Agriculture would have been given the right of eminent domain and could have taken land or property under that right. However, the Secretary of Agriculture himself realized that this was going a bit too far, and agreed to have that provision taken out.

I think that before the Federal Government could help a community develop a rural area, unless the persons involved could buy the necessary land from a willing seller, there would have to be a State law to acquire the land from an unwilling seller.

Mr. HOLLAND. Mr. President, the Senator is of course correct that the original bill provided, without any limitation, the right to take private lands of all kinds—whether marginal and unprofitable agricultural lands or the most profitable, whether residential or industrial—at the sole discretion of the Secretary of Agriculture, for the purpose of developing recreational activities.

The Senator will recall that the distinguished chairman of the committee, and I think all other members of the committee, agreed that provision should be eliminated, and the provision was eliminated.

The point to which I call attention is the fact that while the most objectionable feature was eliminated, it still would be possible, under the terms of the bill—and it still is intended, under the terms of the bill—that if public units, whether they be States, counties, communities, townships or specially created districts for the purpose of developing recreational facilities, decide to move ahead, the lands which they can use and which they can acquire under State law, regardless of what means may be necessary to acquire them, may be the subject matter of loans from the Farmers Home Administration for the development of recreational facilities. I do not think there is the slightest doubt of that.

Mr. AIKEN. The Senator is correct. That is the intent of the title. The only limitation on the Government is that it would be limited to the making of a loan of not more than $250,000 to any one development, to any one town or city, in order to acquire and to develop the land.

I do not say that title I is perfect by any means. I presume it could be improved upon. The purpose is sound and good. The purpose is to enable a farmer who lives on a farm which is tending to become uneconomic, to find some way in which he can live on the land, can live in his own home, and can make a living better than he could hope to make from the production of farm commodities.

Mr. ELLENDER. Mr. President, if the Senator will permit an interruption, I should like to emphasize that under the amendment to the Bankhead-Jones Farm Tenant Act we propose to cancel out the right of the Secretary of Agriculture to further purchase lands under the act. All that would come out of the law.

Mr. AIKEN. The provision has been drastically modified since it was sent to the committee by the Department.

Mr. ELLENDER. Under the terms of the Bankhead-Jones Farm Tenant Act, as it now exists, the Secretary could purchase property, but if the amendment is agreed to, that right will be terminated. I should like to invite the Senator's attention to a fact the Senator probably had in mind, in discussing what could be done by the individual.

Mr. AIKEN. Under the ACP program.

Mr. HOLLAND. That is, under the ACP?

Mr. AIKEN. Yes, under the ACP program.

Mr. ELLENDER. Even in that program not any kind of land can be used by the owner.

Mr. AIKEN. Not under the ACP program.

Mr. ELLENDER. That is correct.

Mr. AIKEN. But in the development of community facilities, I do not think the persons involved would be restricted to unproductive cropland.

Mr. ELLENDER. That is correct. So far as the loans are concerned by the State agency, that is correct.

Mr. AIKEN. I think we are in agreement on the meaning of the language.

Mr. ELLENDER. Yes.

Mr. HOLLAND. Mr. President, if the Senator will yield further, I wish to make the RECORD crystal clear on this point, because I am sure I am correct.

Whereas under the earlier provisions of the Bankhead-Jones Farm Tenant Act, and those now existing, the limit in this field is the use of marginal and unprofitable agricultural lands, under the terms of the bill as now proposed, under the Bankhead-Jones Farm Tenant Act it is proposed that a community—from the State down to a local unit—could be loaned funds up to $250,000 for the purpose of recreational development regardless of the type of land involved, or even of the type of property to be included in the proposed development.

Mr. AIKEN. In all probability one could not find an area where it would not be necessary to acquire different types of land in order to have a substantial and adequate recreation ground. We will not disagree on that.

I wish to say a word about title II, containing amendments to Public Law 480, the law under which we dispose of surplus farm commodities overseas.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to make a correction of a statement. I am sure an error was not intended by my good friend from Florida, but there is no specific limitation as to the amount which could be borrowed by local communities. If the amount to be borrowed exceeded $250,000, the matter would have to be presented to the committees of the House and of the Senate which deal with agriculture.

Mr. AIKEN. The Senator is correct. That is what is provided by an amendment which was inserted in the bill at the request of the Senator from Kentucky.

Mr. ELLENDER. That is correct. That is the limitation. It does not limit the amount of the loan. If the amount of the loan is to be in excess of $250,000, the matter is to be presented to the two committees for adjudication.

Mr. AIKEN. The Senator is correct. Those are the conditions.

Mr. HOLLAND. Mr. President, of course the Senator from Louisiana is correct in respect to the item he has mentioned. I think the Senator will agree that it is also correct to say there is no limitation as to the type of land which may be included in the recreational facility. I think the Senator will agree that the limitation under the Bankhead-Jones Farm Tenant Act which has existed up to now is that the loans must be for the use of marginal and generally nonproductive lands; and that that limitation is to be done away with.

Mr. AIKEN. I agree.

Mr. HOLLAND. The purview of the bill now is to be vastly enlarged, compared to the previous act, not only as to the type of lands to be affected but also as to the type of borrowers who are to be brought into the picture.

Mr. AIKEN. The Senator is correct. We must remember that the need for recreational areas is far different from the need at the time the Bankhead-Jones Farm Tenant Act was written into law.

I should like to refer to title II. As I said, this relates to Public Law 480, which provides for the disposal of surplus farm commodities overseas.

Since 1954, we have shipped overseas under the terms of this law more than $9 billion worth of farm commodities. I might add that up to this year approximately 70 percent of the cost of those commodities has been recovered from the sales overseas.

Unfortunately, the cost of the commodities which are sold under Public Law 480 is charged to agriculture, but the receipts are credited to other agencies. Receipts are credited to the Treasury, to the State Department, to the Armed Services, or to other agencies of the Government which have the use of the income. Agriculture does not get credit for the income.

There is one thing which is quite significant about the program of selling surplus commodities overseas under Public Law 480. As we know, the law provides for selling on generous terms—selling for local currencies of other countries; and even for giving the commodities away, for relief. However, as the disposals under Public Law 480 have increased, the sales of our agricultural commodities for dollars in the open market have gone up proportionately with such sales.

The food we have exported has done a great deal of good throughout the world. It has prevented famine and inflation, which goes along with famine in other countries. It has helped to stabilize many governments on other continents. The program should continue. Production should be maintained. The title provides for amending the law in the hope of making it more workable. Again I say the wording may be open to question, but the purpose is good.

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

Mr. AIKEN. I yield.

Mr. COOPER. Does not the Senator from Vermont see an inconsistency on the part of the administration and sometimes among Members of Congress and the people of the country? I think everyone is agreed that the Public Law 480 program has been a valuable one. The program has been an important part of our foreign policy. Many newspapers, Members of Congress, and members of the administration wish to increase the use of food and fiber as a part of our

foreign policy. It is a great advantage to do so. Yet at the same time we hear complaints about surpluses which make this program possible. I think at least we ought to recognize that we would not have the Public Law 480 program, which is considered extremely useful for our foreign policy, if we did not have some surpluses. Must we not take that fact into account?

Mr. AIKEN. The Senator from Kentucky has pointed out a very glaring inconsistency on the part of the administration. By reason of our having large supplies of grains, cotton, wheat, powdered milk, and other commodities on hand we have been able to do things for other countries and retain their faith in us, which probably additional numbers of missiles and weapons of war could not have done.

Next, I wish to discuss title III of the bill, which, as we know, is very controversial. The first part relates to feed grains, corn, grain sorghum, and barley. As has been pointed out today, feed grains are the source of our supply of meats, poultry, and dairy products. Approximately 80 percent of the products are fed on the farm where they are produced. The remainder is used in industry and for export.

Not long ago the production and utilization of feed grains were put in balance. When I say "put in balance," I agree with the administration that we have available a 5- to 6-months' carryover of feed grains. At present it is on our hands, or on the taxpayer's neck.

The administration has said the amount is too much, that we must reduce it. They say we do not need a 5- or 6-month supply of feed grains ahead of need, that something must be done about it. A great furor is made over the surplus. We are told how it is breaking everyone's back.

All such talk is nonsense. Last year the administration came before the Congress and persuaded us to pass an emergency feed grain bill, which related to corn and grain sorghum. It went into effect. The latest report on the program, submitted 2 months ago, indicates that the carryover of corn in this country will be down 200 million bushels from what it was a year ago. The supply of soybeans is up 120 million bushels from what it was a year ago. In other words, we will have 200 million bushels less corn, which was supported at a price of $1.20 a bushel, and 120 million more bushels of soybeans, which were supported at $2.30 a bushel.

The administration now makes great claims for the improvement in farm income last year. We are informed that last year farm income was up $965 million over the year before. Let us see how that figure was arrived at. The administration does not tell us that $643 million of that increased farm income came in during the months of January, February, and March, before there was time to upset the program which was just coming into beautiful balance. The $643 million out of the $965 million total was due to the increased income from the sale of farm commodities for the first 3 months of the year.

After the first of April, then, virtually every month for the rest of the year showed a lower income from the sale of farm production than the corresponding month in the previous year.

Finally, in order to arrive at the $965 million, the administration had to include approximately $40 million of advance payments to winter wheatgrowers on the 1962 production of wheat for not producing it. I am estimating the amount of $40 million. Up to the first of December the amount was approximately $31 million and I am assuming that $9 million more was advanced to farmers during December.

We find that the rest of the total increase in farm income above the $643 million increase in cash marketings during the first 3 months of 1961 and $40 million advance payments to wheat producers came from payments made to farmers for not producing corn and grain sorghum. That amount came roughly to $750 million. But to that must be added about $50 million for administrative costs. Therefore there was a cost of $800 million to obtain an advance increase in income to the farmers and a slight decrease in the amount of feed grain on hand at the end of the year.

Meanwhile farm production expenses increased more than $500 million in 1961.

There was a substantial decrease in the amount of barley and oats during the year, but barley and oats were not included in that program. It included only corn and grain sorghum.

It has been said that had it not been for the program farmers would have produced 500 or 600 million bushels more feed grains. But those who made that statement forget that, according to a report showing the intention of farmers to plant issued by the Department of Agriculture in March, 1961, even before the program was enacted, farmers had announced their intention to plant several million fewer acres of corn than they had planted the year before. So I do not think the argument holds water very well. I do not think that program worked. Although we are providing for extending it for another year or two, it ought not to continue.

Another section of title III relates to wheat. Last year our production of wheat was less than the disappearance of wheat. By disappearance I mean the amount of wheat used in this country and the amount exported. We have only a 1-year carryover of wheat in this country today. According to the predictions of production this year there will be another heavy reduction in the amount on hand. So by the end of this year we shall have reduced our wheat carryover to not more than a 9 months' supply.

Wheat is a potent weapon. It is one of our most potent weapons in the cold war now in progress. I believe that if we let our supply of wheat get below 1 year's reserve, we shall actually be playing with the national security of our country.

No new wheat program is necessary. If we undertake to "monkey" with the present program it can actually be dangerous.

Title IV of the bill continues the emphasis on recreational development. It provides for Farmers Home Administration loans to farmers who perhaps wish to add a few rooms to the house in order to take care of people who come to the country for the weekend. It provides for a pool from which REA funds can be appropriated. This ties in well with title I of the bill, and can be very helpful indeed.

A few days ago the President said that if the present farm program continues, it will cost $4 billion over the next 4 years. If the present farm program continues, the cost will depend on how the program is administered. The farm economy was getting into balance in the spring of 1961. Our cotton exports went up to 7 million bales, getting to the point where that meant real money.

Then the Secretary raised the support 2½ cents a pound, and raised the export subsidy to 8½ cents a pound. Our domestic producers of textiles did not like that too well. They thought they were put to a disadvantage. The main thing is that after that was done, exports fell off. Now they are running 2 million bales less than they were a year ago. Instead of exporting cotton, we are now exporting gold. I do not believe it worked out too well.

Corn supports went up a year ago from $1.06 to $1.20 a bushel; yet when the farmers were selling corn last fall, the Government was dumping hundreds of millions of bushels of corn onto the market, so that the farmers could get only about 95 cents to a dollar a bushel. When the farmers had sold the corn, the Government stopped selling. The price has gone up something like 20 cents in some areas. But who is getting it now? It is not the farmers who are getting that price. It is the speculators.

That process has been going on for some time. It is not peculiar to this administration alone. It is a condition which we must take into consideration when we try to estimate the value of the emergency feed program of last year.

Soybean support was put up from $1.85 a bushel to $2.30 a bushel. The result may be really a 100-million-bushel surplus, created last year; and I believe that the price of soybeans is somewhat lower than it was a year ago.

The wheat support was increased from $1.79 to $2 a bushel. That was entirely unnecessary. There has not been a surplus of the better kinds of wheat in this country for several years. What this raise in the support price did was to encourage greater production of the varieties already in surplus.

We now come to milk. Just about a year ago this time, in April, the Department of Agriculture started to talk big about putting every dairy farmer under a quota. The upshot was that every dairy farmer tried to increase his production as quickly as he could. That had a greater demoralizing effect on the dairy industry than we have seen in any other period in modern history.

I do not know what the amendments to the bill will provide. I expect that they will be printed and that we shall be able to read them tomorrow. I hope

they will be good amendments. However, if they undertake to restore the extreme powers which the Department of Agriculture asked for in the original bill, of course there will be a real danger and a real threat to our agricultural economy.

I wish the administration would stop trying to get complete control of agricultural production and complete control over the food supply of this Nation. I think it could lead to disaster. Certainly it could lead to ration cards for city people. I wish they would give more thought to giving the farmer the right to bargain collectively, in the same way that other segments of our economy practice it.

Last year when we were considering an amendment to the bill for that purpose, a representative of the Department of Justice sat in the Chamber day after day to see that we did not give the farmers a break by enabling them to handle their own affairs. If the farmers could get the right to do that, they would do a much better job in bringing agricultural production and supply into balance than any small group of economists or theorists or politicians could possibly do to bring about that result.

THE LEAGUE OF WOMEN VOTERS

Mr. CLARK. Mr. President, many of us who are active in public life are keenly aware of the fine work being done across the country by the National League of Women Voters.

This fine group of unselfish and patriotic women is organized in some depth in my State. Their efforts in local matters are as effective as their efforts in national affairs have been for many years.

On Monday, April 30, 1962, an excellent article entitled "Women Voters To Support U.N. National League Is Shaping New 2-Year Program" appeared in the New York Times. The article was written by Edith Evans Asbury. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

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

WOMEN VOTERS TO SUPPORT U.N.—NATIONAL LEAGUE IS SHAPING NEW 2-YEAR PROGRAM

(By Edith Evans Asbury)

MINNEAPOLIS, April 29.—The League of Women Voters will begin tomorrow to shape the program to which it will devote its efforts for the next 2 years. The likelihood is that it will decide to pick up the cudgels again for the United Nations.

This is good news for the United Nations. It is also good news for bewildered citizens who do not know where they stand, now that the United Nations is under attack by its friends and the administration is split over its usefulness.

Past experience has shown that the repercussions of the choice the league makes here this week will be felt throughout the land and will be heard clearly in Washington.

For the dedicated league member, typically an educated, middle-class wife and mother, fights for her cause with the zeal of a missionary, as armed with information as a graduate student, and as aware of how and when to make a Congressman jump as the county party chairman.

The delegates here, representing 132,000 members in 1,120 communities, will be asked by the league's board of directors to declare active support of the United Nations.

LOCALS ARE POLLED

The convention is virtually certain to accept the recommendation, since the board drafted it after polling all local and State leagues throughout the Nation.

The league's support of the United Nations will not be an unquestioning one. It proposes to take a fresh look, in the light of changes that have aroused criticism and alarm to ascertain means of strengthening the United Nations under present-day conditions.

Adoption of what the league calls a U.N. item on the current agenda means that in cities, towns, and villages all over the United States, earnest, hard-working women will begin studying the United Nations, its record, and its role today. They will probe its weaknesses and discuss proposals for eliminating them.

In Washington, politicians who do not see eye to eye with the league on an issue consider them a "Plague of Women Voters."

FORMIDABLE INFLUENCE

But they do not say so except softly, and to each other. For they know that the nonpartisan league may well be on their side of some other issue next year, and they recognize it as a formidable influence, whether foe or friend.

"When the league speaks, you listen," says Senator CLAIR L. ENGLE, Democrat, of California. "And when they start asking questions, you'd better know your business. They can really put you over the hurdle."

"A lot of people overlook the fact that the league doesn't just appeal to women," says Senator GORDON ALLOTT, Republican, of Colorado.

"The poor male is also grateful," he continued. "The voter seldom has time or the incentive to see both sides of the question. He, as well as she, needs nonpartisan groups he can turn to with the assurance that he is getting nonpartisan information."

The league never takes a stand on a party or a candidate. It encourages members to be active as individuals in the parties of their choice, however. Many who learned about government and politics as league members have entered government by election or appointment—or sometimes by marriage.

OTHER NOTABLES LISTED

Mrs. Hale Boggs, wife of the Representative from Louisiana who is the House Democratic whip, is a league member. So, too, are the wives of Secretary of Defense Robert S. McNamara, and Secretary of Agriculture Orville L. Freeman, and other members of the White House official family.

Mrs. Katie Louchheim, Deputy Assistant Secretary of State, learned about politics as a league member. Other league women include Senator MAURINE B. NEUBERGER, and Representative EDITH GREEN, both Oregon, Democrats, and Representatives GRACIE PFOST, of Idaho, and LEONOR SULLIVAN, of Missouri, Democrats, and FLORENCE DWYER, of New Jersey, FRANCES BOLTON, of Ohio, and MARGUERITE STITT CHURCH, of Illinois, Republicans. The late Mrs. Robert A. Taft was national treasurer of the group in the 1930's.

The league cut its political teeth in the suffrage movement—learning how to persuade men to give women the vote. It was founded in 1919 by suffragettes as they were on the verge of winning their 80-year-old fight for the right to vote. Its first convention was held in February 1920, 6 months before final ratification of the constitutional amendment that enfranchised women.

BASIC OBJECTIVE KEPT

The league has made changes in its name, altered its course and revised its policy from time to time. But its basic objective remains the same: to inform the public so thoroughly concerning the issues of the day that citizens will be able to vote intelligently and political leaders will be able to govern wisely.

In its early years, the league concerned itself with obtaining legislation of special interest to women, such as restriction of child labor, limited working hours for women, improved maternal and child health care, food inspection and equal property and other legal rights for women.

When World War II broke out, the league supported the lend lease bill and the repeal of the Neutrality Act. When this country entered the war, the league concentrated on convincing citizens that they should pay more, not less, attention to what the Government was doing. It felt democratic rights might be lost in carrying out war measures such as price control, rationing and mobilization. It also sought to persuade the public that these war measures were necessary.

WORK ON FOREIGN TRADE

During the postwar years, the league worked to achieve U.S. membership in the United Nations, foreign aid to needy countries, and expanded foreign trade.

At home, it urged fair play and common sense in the administration of the Federal loyalty-security program.

In addition to the national program, league members work for legislative reform in their local and State governments.

In many States, they have been campaigning for constitutional revision and reapportionment. In Tennessee a member of the State league reapportionment committee is a party to the suit that resulted in the recent history-making decision of the U.S. Supreme Court that legislative districting was subject to Federal court review. In Michigan, where the Supreme Court last Monday ordered a review of the fairness of districting, the league has been pressing for reform for more than 10 years.

New York members have worked for judicial reform and continue to do so. They are credited with having had a hand in the fact that last fall a judicial reform amendment received 82 percent of the vote cast.

CHARTER REVISION AID

In New York City, league members have been working for charter revision since the thirties. They also campaigned for abolition of the country form of government and elimination of the residence requirement for city employees, both of which have been achieved.

New York City's is the largest local league in the United States. It maintains a paid staff of four in an office at 131 East 23d Street, and provides a year-round information service for voters.

The league has developed a method of adopting a platform at local, State, and National levels that enables it to act swiftly on pending legislation, with the assurance that it speaks for the majority of the membership.

Staff experts in Washington do research and prepare publications on subjects on which the members are concentrating their study and action.

However, the league's strength is in the thousands of unpaid, volunteer experts who are its dues-paying members. They keep their fellow citizens informed and aroused. They organize local and State forums, speak before local groups, and prod local public officials. They also testify at hearings of public bodies, always presenting well-documented, nonpartisan recommendations, and ready to answer questions competently.

One of the most dramatic demonstrations of the league's typical many-pronged attack on a domestic subject was its treatment of the Nation's water problem.

For years, members who lived in eroded, desert areas arose at national conventions to plead for attention and action.

"Must we wait until you turn on the faucet and no water comes for you to realize that the whole Nation faces a water shortage?" a delegate from Missouri asked at one convention. "The Mississippi River is washing away our topsoil."

Each year, women from other parts of the country rallied in greater numbers to her support, having become aware of water problems in their own areas. Finally, in 1956, the league decided to look into the water situation.

FOUR YEARS OF RESEARCH

Four years of intensive, expert research by the national staff followed. It issued publications that were carefully studied by the membership throughout the Nation.

Discussions began in towns, cities, and on a region basis to determine the best method of conserving water resources, eliminating pollution and achieving equitable, efficient distribution of water. As possible remedies emerged, the league began a public information campaign to convince fellow citizens and public officials of the gravity of the problem and the necessity for action.

In States where the local problem had been recognizably acute league members had already pressed for and obtained action.

Now they sought national awareness and national and regional action. A Senate Select Committee on National Water Resources held hearings in 22 States.

At each hearing, at least one league member from the area testified. At the hearing in Oklahoma City, the whole committee broke into applause after listening to the league witness speak from notes.

Mr. CLARK. Mr. President, I call particular attention to the fact that both articles were released by the same group of people.

FOOD AND AGRICULTURE ACT OF 1962

The Senate resumed the consideration of the bill (S. 3225) to improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purpose.

Mr. PROXMIRE. Mr. President, I submit a dairy income improvement amendment to the pending farm bill. I ask that it be printed and lie on the table; and I ask unanimous consent that the text of the amendment be printed in the RECORD.

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

The dairy income improvement amendment is as follows:

On page 66, between lines 6 and 7, insert the following:

"SUBTITLE C—DAIRY INCOME IMPROVEMENT PROGRAM

"Legislative finding

"SEC. 330. Milk is a basic source of the Nation's food supply. Dairy farming, which is carried on in every State of the Nation and is an important source of farm income, constitutes a vital segment of the agricultural and national economy. It is in the national interest that there be adequate and balanced supplies of milk. Surpluses of milk result in low prices to producers and impair their purchasing power; shortages result in unreasonably high prices to consumers and the loss of markets for producers. Recurring shortages and surpluses cause undesirable fluctuations in prices to producers and consumers, unstable farm income, and disorderly marketing practices. The general welfare requires that interstate and foreign commerce be protected from the harmful effects of imbalances in the supply of milk and dairy products. All marketings of milk and dairy products are either in the current of interstate and foreign commerce or directly affect such commerce. The intrastate marketing of milk and dairy products is in competition with the marketing of milk and dairy products in interstate and foreign commerce. Milk and dairy products which enter directly into the current of interstate and foreign commerce cannot be effectively regulated without regulating that part marketed within the State of production. The conditions affecting the production and marketing of milk and dairy products are such that, without Federal assistance, farmers individually or in cooperation cannot maintain a flow of an adequate and balanced supply of milk in interstate and foreign commerce at prices fair and reasonable to producers.

"General definitions

"SEC. 331. For the purposes of this subtitle—

"(a) The term 'interstate commerce and foreign commerce' includes the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia.

"(b) The term 'affect interstate and foreign commerce' means, among other things, to burden, obstruct, impede, or otherwise affect interstate and foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk, and dairy products for or in such commerce or after transportation therein.

"(c) The term 'Secretary' means the Secretary of Agriculture.

"(d) The term 'milk' means bovine milk, including any classification, type, or grade thereof.

"(e) 'Producer' means any person who is engaged in the production of milk or butterfat for market.

"(f) The term 'person' means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any other business entity.

"(g) 'First processor' means (1) any person, other than a retail store or establishment serving food for consumption on the premises, who receives, purchases, or acquires milk or dairy products from a milk producer for disposition in any form to others, and (2) any producer who disposes of milk or dairy products directly to consumers, retail stores, and establishments serving food on the premises.

"SEC. 332. In order to afford producers the opportunity and the means by which they can (i) on a compensated basis voluntarily adjust their marketings of milk during the marketing years ending March 31, 1963 and 1964, more nearly to equal demand, thus increasing their net returns and reducing Government purchases under its price support program, and (ii) receive prices for such marketing years at rates determined pursuant to section 337 of this Act for milk marketed within their normal marketing levels but receive prices which have been adjusted, through surplus marketing fees, to reflect a lower level of price support for milk marketed in excess of their normal marketing levels, thus stabilizing dairy farm income for milk marketed within normal marketing levels while reducing costs to the Government in supporting the price of milk marketed in excess of normal marketing levels and discouraging overexpansion in the production and marketing of milk, the Secretary is hereby authorized and directed, through the Commodity Credit Corporation and other means available to him, to carry out for the marketing years ending March 31, 1963 and 1964, a dairy income improvement program as set forth in the following sections of this subtitle.

"Surplus reduction payments

"SEC. 333. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in the continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods of the marketing years, ending March 31, 1963 and 1964, their marketings to a level not (i) less than 10 per centum, or (ii) more than the larger of 25 per centum, or seven thousand five hundred pounds of milk below their normal marketing levels established pursuant to section 334 of this Act for such quarterly marketing period or periods: *Provided*, That surplus reduction payments shall be made to a producer only with respect to the reduction in his marketings which are below the lower of (i) the producer's normal marketing level, or (ii) the level of marketings which the Secretary estimates would be marketed by the producer during the period covered by his agreement with Commodity Credit Corporation if he continued marketing at the rate of his marketings when he entered into the agreement, adjusted for seasonal variation: *And provided further*, That Commodity Credit Corporation shall, to the maximum extent practicable, limit such agreements so as not to effect reductions in excess of 10 per centum of the total normal marketing levels for the marketing year established for producers within any one dairy district. For this purpose, the Secretary shall divide the continental United States, excluding Alaska, into fifteen dairy districts each having therein approximately the same proportion of total milk production. Commodity Credit Corporation may utilize surplus marketing fees paid to it under this Act, together with any other funds available to it for the purpose of price support, for the making of surplus reduction payments pursuant to such agreements. Such payments (1) shall not exceed $2.80 per hundredweight of milk, basis 3.82 per centum butterfat content, or exceed such rates as the Secretary determines wil effectuate voluntary reduction in marketings by producers, and (ii) shall be less than the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by such agreement shall be entitled to the surplus reduction payment on the quantity by which he actually reduced his marketings, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the dairy income improvement program.

"Normal marketing level

"SEC. 334. If producers by referendum approve of the institution of a program as provided in this subtitle, the Secretary shall establish a normal marketing level for the marketing years ending March 31, 1963 and 1964, for each producer in the continental United States, excluding Alaska, who on the effective date of this Act was engaged in the production of milk for market. Such nor-

mal marketing level shall be the number of pounds of milk, or the number of pounds of milk fat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle, which the producer or his predecessor disposed of in commercial channels during the marketing year 1961–1962: *Provided however,* That in no event shall a normal marketing level be established for less than fifteen thousand pounds of milk. The Secretary shall make such adjustments in a normal marketing level established hereunder as he deems necessary for abnormal conditions affecting production or marketing including but not limited to flood, drought, disease of herd, personal health, and the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's marketing pattern in 1961, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 335. The Secretary shall prescribe such conversion factors as he determines necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, or other dairy products.

"SEC. 336. The quantity of milk reduced by a producer pursuant to his agreement under this subtitle shall be considered as having been produced and marketed by him for the purpose of determining his production of marketing history under any farm program in which such history may become a factor. A producer may, to such extent and subject to such terms and conditions as the Secretary may prescribe, transfer his normal marketing level, or any part thereof, to any other producer or prospective new producer who agrees to utilize such base for the disposition in commercial channels of milk, butterfat, or dairy products, produced in the same State as that in which the transferor engaged in production, or any State adjacent thereto. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level. The Secretary may utilize funds available for purchase or loans on dairy products under the price support program to purchase and cancel bases at a price not exceeding the amount of surplus reduction payments which Commodity Credit Corporation would make for an equal reduction in marketings.

"Producer referendum and price support levels

"SEC. 337. Not later than February 1, 1963, the Secretary shall conduct a referendum, by secret ballot, of producers who during the marketing year 1961–1962 marketed not less than fifteen thousand pounds of milk to determine whether producers approve the institution of a dairy income improvement program for the marketing years ending March 31, 1963 and 1964. Producers shall be deemed to approve such a program if the Secretary determines that two-thirds of the producers who voted in the referendum or that producers who voted in such referendum and who marketed not less than two-thirds of the total quantity of milk which was marketed during the marketing year ending March 31, 1962, by all producers who voted in such referendum approve the institution of a dairy income improvement program. If producers approve a dairy income improvement program, the level of price support during such marketing years for milk and the products of milk shall, notwithstanding any other provision of the law be at 90 per centum of the parity price therefor as of the beginning of the marketing year. If producers do not approve a dairy income improvement program, the level of price support for milk and the products of milk, notwithstanding any other provision of law, shall be at a level not less than 75 per centum of the parity price therefor as of the beginning of the marketing year.

"SEC. 338. Whenever normal marketing levels are established under this Act, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof may in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to marketing adjustment payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"Surplus marketing fees

"SEC. 339. (a) The marketing of milk in the continental United States, excluding Alaska, either in the form of whole milk or of a product of whole milk during any quarterly marketing period of the marketing years ending March 31, 1963 and 1964, by a producer in excess of his normal marketing level for such marketing period, or by a producer who has no normal marketing level if normal marketing levels are established pursuant to this subtitle, shall be subject to a surplus marketing fee at a rate equal to the rate of the surplus reduction payment for similar milk established pursuant to section 333 of this subtitle: *Provided, however,* That no marketing fee shall be due on any milk or product thereof marketed during a quarterly marketing period commencing before the effective date of this Act.

"(b) The surplus marketing fee shall be paid to the Commodity Credit Corporation by the first processor who acquires milk or milk products from a producer in excess of the producer's normal marketing level, but an amount equivalent to the surplus marketing fee shall be deducted from the price paid by the first processor to the producer: *Provided,* That in case any milk or milk product is marketed directly by the producer to any person outside the United States the surplus marketing fee shall be paid and remitted by the producer. For the purpose of this section, a first processor who is also a milk producer shall be deemed to have acquired that portion of his production which he markets in excess of his normal marketing level. Such surplus marketing fee shall become due and payable within fifteen days following the marketing period in which the first processor receives from any producer milk or dairy products in excess of his normal marketing level or at the end of such other period of time as the Secretary may prescribe. The first processor and the producer shall be jointly and severally liable for any default in the payment of the surplus marketing fee and for interest thereon at the rate of 6 per centum per annum from the date such fee becomes due until the date of payment thereof except that the producer shall not be liable for any such default if the amount of the fee was deducted by the first processor from the price paid to the producer.

"(c) The Commodity Credit Corporation shall refund to persons determined by the Secretary to be entitled thereto the amount of surplus marketing fees determined by the Secretary to have been erroneously paid to Commodity Credit Corporation.

"(d) In case any person who is entitled to a surplus reduction payment or a refund of surplus marketing fee dies becomes incompetent, or disappears before receiving such payment or refund or is succeeded in law by another, the payment or refund shall, without regard to other provisions of law, be made as the Secretary may determine to be fair and reasonable in all circumstances. The basis for, the amount of, and the persons entitled to receive a surplus reduction payment or a refund of a surplus marketing fee from Commodity Credit Corporation, when determined in accordance with regulations prescribed by the Secretary, and the amount of any surplus marketing fee established by the Secretary, shall be final and conclusive.

"Review and use of committees

"SEC. 340. The normal marketing level established for a producer shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in the county in which such producer resides and in the county or counties in which his dairy herd or herds are maintained. In establishing and apportioning marketing levels, the Secretary may utilize the services of local county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act and of agencies established to administer milk marketing orders issued under the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended. Notice of the normal marketing level shall be mailed to each producer as soon as practicable after its determination. Any producer who is dissatisfied with his normal marketing level may, within fifteen days after the date of mailing to him of the notice thereof, have such normal marketing level reviewed by a local review committee in accordance with standards prescribed by the Secretary. Such review committee shall be composed of three producers, appointed by the Secretary, from one or more of the counties in which the producer maintains his dairy herd or herds or counties adjacent thereto. Such committee shall not include any member of any other committee which determined the normal marketing level for such producers. Unless application for review is made within such period the original determination of the normal marketing level shall be final and conclusive.

"Miscellaneous

"SEC. 341. The provisions of section 364 (relating to review committee), section 365 (relating to the institution of proceedings), section 366 (relating to court review), and section 367 (relating to stay proceedings and exclusive jurisdiction) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1364–1367), shall be applicable to reviews and proceedings under this subtitle.

The provisions of subsections (a) and (b) of section 373 of the Agricultural Adjustment Act of 1938, as amended, relating to reports and records of processors and farmers shall be applicable to each first processor and to each producer, respectively, under this subtitle. The provisions of section 388 (relating to utilization of local agencies) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1388), shall be applicable in the administration of this subtitle. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this subtitle. If and when the Secretary shall so request, it shall be the duty of the several district attorneys, under direction of the Attorney General, to institute proceedings to collect surplus marketing fees provided in this subtitle. The remedies and surplus marketing fees provided for herein shall be in addition to and not exclusive of any other remedy under law.

"SEC. 342. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle, except section 338 hereof, shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation."

DAIRY INCOME IMPROVEMENT AMENDMENT

Mr. PROXMIRE. Mr. President, this amendment restores the dairy section of the farm bill which is now before the Senate. The Committee on Agriculture and Forestry killed the entire dairy section of the bill. I offered my amendment in committee but it was rejected.

My amendment is quite different from the dairy provisions offered by the administration, but it contains some of the same principles. My amendment is intended to improve the present provisions of the law as they now apply. In its language it closely resembles the emergency dairy plan submitted by the chairman at the request of the administration. But it is different on several key points.

As has been noted by the chairman and other Senators, it is certain that the Federal Government will have to expend this year a tremendous amount of money for dairy price supports. It is also certain that this year, if there is no change in the law, dairy farm income will be very low. My proposal is offered in an attempt to improve both situations.

WOULD INCREASE FARM INCOME

My amendment would make it possible to increase dairy farm income by giving milk producers the opportunity to vote in a referendum to limit production to 1961 levels and receive 90 percent of parity price supports. If this is done, the cost of the farm program will be cut sharply with respect to dairy price supports.

My amendment provides 90 percent of parity price supports for manufacturing milk if producers vote to stay within their 1961 to 1962 production base. The amendment could cut the Government costs substantially below the expected costs if the present law is not amended. It would do so by permitting dairy farmers to vote to limit output to their level of production in the marketing year 1961 to 1962.

ONE HUNDRED MILLION DOLLAR SAVINGS POSSIBLE

Depending on the percentage decrease resulting from the surplus reduction payments—for which I also provide—and on projections of output under the no-limit present law, the Proxmire plan could achieve a saving in the first year alone as high as $100 million. In future years, if my plan is continued, the savings would be much greater.

My plan provides, first, payments up to $2.80 a hundredweight to producers who voluntarily reduce their marketings of milk below their 1961 to 1962 base. This makes sense because it costs the Department of Agriculture about $4.50 a hundredweight to acquire surplus milk, including storage, handling, and so forth, on the average. This payment of $2.80 a hundredweight would reduce production, and the net saving to the Government would be $1.70 for every hundredweight of milk which was not produced.

Second, my plan provides surplus marketing fees to make the production of surplus milk above 1961 to 1962 bases substantially less profitable.

SUBJECT TO REFERENDUM APPROVAL

As required for all farm marketing quota proposals, the Proxmire program would be subject to approval by two-thirds of dairy producers nationally voting in a referendum.

If one-third or more of dairy farmers vote against the program, it would not come into operation, and milk price supports would remain at their present low level: 75 percent of parity, which is $3.11 a hundredweight for milk of average test, and $2.85 for 3.5 test milk, which is the usual test in Wisconsin. These are punishingly low prices.

The Proxmire plan makes it possible for dairy farmers to increase their income substantially by a fair, realistic program of supply management. It will cut costs to the Government significantly and will sharply reduce dairy surpluses. It provides a generous incentive to farmers who voluntarily reduce production below their 1961–62 base.

In the required referendum, the dairy farmers are offered a choice which is both fair and clear. I know that many dairy farmers feel that the choice in the administration's original proposal was not a fair choice because farmers had to choose between quotas, which many of them strenuously oppose on principle, and price supports that spell ruination. If one-third plus one of milk producers voted against the quota plan, price supports would fall drastically, and many farmers would face literal ruin.

The required referendum, under my plan, offers dairy farmers a choice that is both fair and clear: Either a 63-cent-a-hundredweight higher price at 1961 production levels, or 75 percent of parity, the punishingly low price-support level now in effect. Under no circumstances, however, under my amendment, would dairy income go lower than it is now.

This Senator, for one, will fight long and hard to preserve at least that bare minimum protection.

DISAPPROVAL IN REFERENDUM NOT IMPOSSIBLE

Dairy farmers must recognize the real possibility that any marketing quota program for milk could be voted down. Milk producers in some parts of the country who have the benefit of high fluid milk prices and lucrative negotiated premiums, along with the many milk producers who inevitably will vote against any quota plan, could well add up to the one-third plus one votes that would defeat the program. That is the fundamental defect in the plans offered by the Department of Agriculture. There might easily be one-third "no" vote, and defeat of the referendum.

I must point out that milk producers in my own State, Wisconsin, should not forget that the grim consequences of lower manufacturing milk prices are visited with far greater severity on them than on producers in many other parts of the country—producers who are also entitled to vote in the producer referendum.

If approved in the producer referendum, the Proxmire amendment will reduce costs substantially below what they will be under the unlimited production, 75 percent of parity law now on the books, because it will hold output at a maximum to the 1961–62 level.

It is true that the proposal I make would not save quite so much money or cut costs so sharply as would the administration's original proposal. I think this is to the credit of the administration's proposal. There is no question that the cost of the farm program is high.

My proposal would reduce costs in a gradual way, a responsible way. Most important, it would give the dairy farmer a real, genuine choice between a higher income with controls, on the one hand, and a lower price and no controls on the other.

COSTS OF DAIRY PROGRAM NOT HIGH RELATIVE TO OTHER FARM PROGRAMS

I wish to underline what has been so well said by the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking Republican member of the Committee on Agriculture and Forestry, who stated that other farm programs have cost much more in proportion than the dairy farm program costs. Actually, most governmental expenditures for price supports in the recent years have cost more—the programs for cotton, dairy products, feed grains, rice, and wheat. There has been a wide variation in the costs associated with the individual commodities.

It is of interest to note how expenditures for the individual commodities would compare if they were proportional to the value of their marketings.

The average annual value of the marketings of these commodities and their proportional share of a $2 billion price support budget is as follows.

Mr. President, I ask unanimous consent that a table I have had prepared on this subject be printed at this point in the RECORD.

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

[Dollars in millions]

	Average farm marketings 1959–61	Percent	Allocation of $2 billion budget	1959–61 annual average Government losses or costs for price supports [1]
Commodity:				
Wheat	$2,112	13.8	$276	$233
Dairy products	4,753	31.2	624	252
Cotton and cottonseed	2,512	16.5	330	315
Rice	250	1.6	32	(2)
Feed grains	[3] 5,623	36.9	738	439
Total	15,250	100	2,000	--------

[1] Not including value of exports under public law 480, title 1.
[2] Not available.
[3] Value of crops produced.

Mr. PROXMIRE. The point I wish to emphasize very strongly is that on the basis of any fair comparison, the dairy program has not been expensive. It has been relatively less costly than the wheat or the cotton or the rice or the feed-grains programs.

GIVE CONSUMPTION A CHANCE TO CATCH UP

Mr. President, the amendment I have submitted covers the current marketing year which ends March 31, 1963, and the next marketing year, which runs from April 1, 1963, to March 31, 1964. It is reasonable to expect that by holding production at maximum to the levels during the marketing year that ended March 31, 1962, and preventing any production above the amount, while at the same time providing a substantial encouragement to individual producers to reduce their marketings below 1961–62 levels on a voluntary basis, it will be possible to close the gap between production and consumption.

The drop in consumption in the past year was as unexpected as it was unprecedented. Normal population growth alone should account for enough of an increase in consumption of dairy products nationally in the next 2 years to close that gap. Holding the Nation's total milk output to the 1961–62 level will permit consumption to "catch up" during the next 2 years.

CAN THEN CONVERT TO PERMANENT PROGRAM

It will then be feasible with little difficulty to convert the dairy income improvement plan to a permanent program. The experience of the first 2 years will provide guidance for the enactment of a program more perfect in specific details.

Mr. President, one of the reasons why I objected to the administration's original proposal was that it was for a permanent, brandnew program not based on any experience at all with the voting by dairy farmers in referendum, but would impose the program permanently on the dairy farmers. It seems to me we need to know first how the proposed program will work, before we devise a permanent program, so we can benefit by actual experience, particularly insofar as the details are concerned.

In the unlikely event that consumption of milk and milk products declines further so sharply that surpluses continue to pile up, even though output is below the 1961–62 level, it may be necessary in the future to reduce producer marketings below the 1961–62 level. There is every reason to believe this will not be necessary, and the experience of the coming 2 years covered by my program should show this. But if it does prove to be necessary, Congress can then enact legislation permitting the Secretary of Agriculture to reduce individual producer normal marketing levels by the necessary percentage below 1961–62 base.

That is a bridge that can be crossed when we come to it. The experience gained in operating a supply management program for 2 years will make it far easier to write constructive, sensible legislation providing for reductions in normal marketing levels, in the unlikely event that should prove to be necessary.

COSTS OF FARM PROGRAMS

Mr. President, I submit that this amendment should be adopted, because without it we have only the present program with low farm income and high costs. As the bill now stands, it provides nothing for dairy products, nothing for the dairy farmers, nothing for a dairy program; and virtually everyone agrees that the program we have this year is resulting in very, very low dairy farm income, but will cost a tremendous amount. Therefore, I submit that this amendment, or an amendment like it, should receive very, very serious consideration by the Senate.

Today, there is much talk—as there always is in regard to farm programs—about the cost of the farm program. In fact, I believe it fair to say that approximately 75 or 80 percent of the consideration being given the new bill by both the President and the Senators who have spoken here today has been based on views to the effect that the present farm program is too expensive and too costly. Indeed, it is, Mr. President. But despite that fact, and although any proposal before the Senate should result in reducing that cost, I believe all of us should recognize in good conscience that there is another problem far more important: It is low farm income. The fact is that farm income is too low. Unfortunately, Members of the Senate have not, it seems to me, had an opportunity to consider adequately this point; and at this time I wish to stress it.

LOW FARM INCOME THE ROOT PROBLEM

The facts on low farm income add up to a pathetic story. While there has been a moderate improvement in earnings in many parts of our farm economy since the Benson era, this has by no means changed the basic picture.

As the senior Senator from Minnesota [Mr. HUMPHREY] said a few days ago, if a patient is sick and dying, with a fever of 106, and if the clergy has been called in for last rites, and then the fever abates to 105, this may be a welcome improvement—but it does not mean the patient is well.

The fact is that farm income has increased about $1 billion during the last year. But the increase is modest, when seen against the history of pathetically low income in the previous 8 years. Nearly all of the gain will be lost in the coming year, insofar as the dairy farmers are concerned, since the support price was cut back to 75 percent of parity on April 1.

And I know from firsthand observation in recent trips through Wisconsin that though the patient was getting slightly better, he certainly was far from well.

SIXTY CENTS PER HOUR AVERAGE EARNINGS

Farm commodity prices are so low that, according to official Department of Agriculture statistics, farmers in my State average less than 60 cents per hour for their labor, although they invest an average $40,000 in their farms and have increased their efficiency immensely.

Sixty cents an hour. No sweatshop has been able to get away with that for years. Not long ago the steelworkers union was widely praised for "restraint" when a steel wage settlement was achieved. The lowest factory wage set in that "noninflationary" wage agreement is several times that figure—several times what the average dairy farmer in Wisconsin is able to earn. And I invite Senators to come to Wisconsin, to see the up-to-date efficiency, based on skill, initiative, and training, that characterizes our dairy farms.

I want to emphasize that any modest improvement in Wisconsin farm income was more than wiped out on April 1, when the support price of manufacturing milk fell from $3.40 to $3.11 per hundredweight for milk of average test. And the price for 3.5 test milk stands even lower—at $2.85.

As a consequence, able, efficient, skilled dairy farmers in Wisconsin, with huge capital investments in their farms, are today, right now, going broke. These are not marginal producers. At a 75 percent of parity support price, the cost-price squeeze is on with a vengeance. Gross receipts fall, costs stay right where they were, and net income vanishes to zero. In the remaining 9 months of this year alone, as a direct result of the milk price support drop, farm income in Wisconsin is dropping $35 million. The economic effect of this is being felt right now in widespread rural hardship, lagging prosperity in our towns and villages, and what could be the beginnings of a genuine farm depression.

CASE HISTORIES TELL THE LOW INCOME STORY

Overall averages of farm income figures may not be as vivid as actual case histories. A few days ago I received a detailed statement of the actual earnings and costs of operating 11 farms in one county in Wisconsin. These are typical, efficient, up-to-date dairy farms, with intelligent, skilled owner-operators.

As can be seen from the summaries, these are farmers who have the management ability to keep good books, a

requisite for profitable farm operations. They have kept close tabs on their costs and on their receipts. They have worked intelligently to maximize their incomes. Theirs are among the better and more prosperous and more efficient farms in Wisconsin. But with what results? Seven out of the eleven have an annual income below $4,500. In the Federal service, that is about a GS-5 income. In a factory, it is about the lowest pay grade offered.

Yet these are men who work 65 to 75 hours a week, and whose families also contribute much work to the farms. They have some $30,000 invested in their farms. They get nothing for their sharply increased efficiency, no profit as reward for their risk and management.

The other four, with investments in their farms ranging up to $62,000, have incomes between $5,591 and $7,191. The detailed statistics describing their farms add up to an equally grim picture.

It should be noted that in these summaries, no depreciation on machinery or buildings, or interest, is included in farm expenses. If this were added in, the actual net income would be substantially lower.

The total capital shown is the inventory value at the close of 1961. Machinery and equipment is included at depreciated value. Livestock is at an appraised value based on the general market of both slaughter value and breeding stock value. Feed, including hay, grain, silage, and other supplies are listed either at cost or at standard market value.

I ask unanimous consent that the table of farm analysis summaries describing 11 farms in 1 Wisconsin county, sent to me by a responsible local official, be printed at this point in the RECORD.

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

Farm analysis summaries, 1961

	Individual farmer										
	A.M.	R.M.	P.W.	E.W.	K.R.	W.H.	C.S.	G.G.	S.S.	G.S.	H.N.
Size:											
Total acres	[1] 180	258	412	260	210	268	178	220	120	247	100
Crop, acres	106	125	170	112	185	136	120	85	87	145	56
Authorized number milk cows	25	35	22	18	34	35	18	15	25	32	17
Milk:											
Total production, pounds	124,716	376,758	193,322	167,467	303,172	256,158	107,698	133,000	194,540	269,752	155,099
Authorized price per hundredweight		[2] $3.75	[2] $3.40	$3.25	[2] $3.45	[3] $3.25	[4] $3.50	$3.40	$3.45	$3.45	$3.35
Butterfat per cow	235	420	325	325	330	270	252	333	303	327	356
Income:											
Milk	$5,242.20	$14,043.02	$6,927.67	$5,347.42	$11,001.29	$8,949.99	$3,888.63	$4,513.33	$6,711.64	$9,269.62	$5,746.97
Cows, calves	401.55	1,801.51	1,622.08	1,517.68	1,595.02	901.07	760.19	972.53	768.81	1,120.60	1,918.70
Hogs	692.10	1,152.40			4,350.94					1,144.93	
Miscellaneous income	161.52	242.95	2,629.66	872.28	782.47	1,122.43	656.96	1,871.94	193.35	712.59	278.30
Total cash income	6,499.37	17,239.85	11,179.41	7,737.48	16,134.70	10,973.49	5,305.78	7,357.80	7,673.80	13,247.74	7,943.97
Expense: Total operating expense	4,291.52	11,509.48	3,988.38	3,332.34	9,747.68	7,349.48	3,314.15	5,348.49	3,205.53	7,656.32	3,580.81
Net cash income	2,205.85	5,732.40	7,191.03	4,405.14	6,387.02	3,624.01	1,991.63	2,109.31	4,468.27	5,591.42	4,363.16
Total capital (inventory) Dec. 31, 1961	26,733.00	62,079.35	24,800.45	20,203.11	53,003.99	41,056.90	16,034.85	27,182.71	17,973.90	46,165.82	19,136.00
Machinery and equipment (depreciated value)	3,447.00	19,710.39	4,946.45	1,987.68	15,121.99	10,543.00	3,036.85	8,947.48	6,670.74	4,659.26	3,356.00
Land (cost)	3,000.00	4,500.00	4,349.00	2,650.00	4,000.00	3,651.00	1,000.00	1,500.00	[5]	6,289.00	5,500.00
Buildings (depreciated value)	8,056.00	20,887.96	4,620.00	7,535.43	18,402.00	10,961.40	1,440.00	8,596.23	683.16	17,060.56	3,100.00
Livestock (appraised value)	7,795.00	13,165.00	7,865.00	5,775.00	11,330.00	11,850.00	7,220.00	5,370.00	7,710.00	11,105.00	4,680.00
Feed and supplies	4,435.00	3,816.00	3,020.00	2,255.00	4,150.00	4,051.51	3,338.00	2,769.00	2,910.00	7,052.00	2,500.00

[1] 92 acres rented.
[2] Grade A.
[3] Grade B bulk.
[4] 50 percent Jersey herd.
[5] Farm owned by his mother; his equity in building improvement.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent to have printed in the RECORD a chart showing the labor incomes of 542 New York dairy farms in 1959. Actually, the figures today are about the same, on the basis of the price of milk and the costs on the farm. In fact, they are probably a little less.

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

Labor incomes of 542 New York dairy farms, 1959

	Average of 542 farms
Total farm receipts	$22,548
Total farm expenses	$16,255
Farm income	$6,293
Interest on average capital of $47,840 at 5 percent	$2,392
Labor income per farm	$3,901
Number of operators	606
Labor income per operator	$3,489

The sum of $3,489 equals $67.10 per week at 72-hour minimum week divided by $0.93 per hour.

(Above interpolations taken from Bulletin AE Ext. 92, May 1960, Department of Agriculture Economics, New York State College of Agriculture.)

Mr. PROXMIRE. Mr. President, the table shows that the labor income from these New York farms—on which the labor income is higher than that in Wisconsin—is approximately $3,489 per operator, or $67.10 a week, at a 72-hour minimum week, which amounts to 93 cents an hour.

The hourly rate earned by the farmer shown in chart B was derived from a study prepared by the Department of Agriculture Economics of the New York State College of Agriculture—a unit of the State University of New York—Cornell University, at Ithaca, N.Y. The study—chart B—relates to 542 average New York dairy farms for 1959. This study reflects average investment, feed costs, supplies and miscellaneous costs, and residual annual earnings for the farmer.

These earnings have been reduced to a per man hourly basis for a 72-hour average week during 1959. And to determine average per hour yield to the dairy farmer shown in chart A, I have taken 1959 as a base year and then worked this backwards to 1946, adjusting the per hour wage according to the net—blend price—for milk received by the farmer. Admittedly, there are other factors that can be used in making up this chart—particularly involving the cost of living index—so that the dairy farmer's present plight is in fact worse off on real wages than shown in this chart. However, this interpolation offers a good guide to what has happened to the farmer's hourly wage.

THESE ARE A DAIRY FARM ELITE

These are not farmers who produce manufacturing milk, as many in Minnesota do, or as many in my own area do; these are farmers in milk shed areas that sell much of their milk as fluid milk, and sell it at a much higher price than the support price. These are farmers who, in spite of that fact, have a pitifully low income, an income substantially below the minimum wage, and yet who have very large investments in their farms, and who have put in modern equipment and increased their efficiency greatly in the past decade.

To explain "blend price paid to farmer," it should be noted that this is the actual price which the farmer received for all of his milk—class I and class II milk; and, in many cases this price is reduced even further by hauling costs from the farm to the co-op or processing plant. Class I represents all milk sold in fluid form for drinking purposes. And class II milk represents all milk sold for processing into cream, butter, ice cream, cheese, and similar products. The actual price for fluid milk—class

I—to the farmer averaged about 1 cent per quart higher than shown above. And the average price for class II milk—processing milk—was about 40 percent less than the above. What really matters, however, is the blend price—the amount which the farmer actually received for all of his milk. And this is precisely what chart A shows under "blend price paid to farmer."

The wages shown for the farmer do not allow for the toil put in by members of the farmer's family, such as his wife and children. The wages shown do not allow for time and a half or double time that factory labor would have received in the average 72-hour week that the dairy farmer puts in. The interpolated wage does not allow for unforeseen contingencies, animal sickness, uninsurable accidents, and similar conditions. Yet, he is paid less than wages received for the most unskilled labor today. In fact, all through the 16-year period shown above, his wages have averaged less than that of a sweeper or janitor in the steel mills and far, far less.

I ask unanimous consent to have printed at this point in the RECORD a table which shows the blend price per quart paid to farmers, the average home delivered price per single quart paid by consumer, the average hourly amount earned by farmer based on conversion of blend price to earnings per hour, the average hourly amount earned by sweepers and janitors in steel mill, the cost of living index, the annual sales by one of the large American dairy product processors, and the annual profit before taxes by dairy processor in the previous column.

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

Milk price—Cost of living—Sales and earnings chart

Year	Blend price per quart paid to farmers [1]	Average home-delivered price per single quart paid by consumer [1]	Average hourly amount earned by farmer based on conversion of blend price to earnings per hour [2]	Average hourly amount earned by sweepers and janitors in steel mill [3]	Cost-of-living index [3]	Annual sales by one of the large American dairy product processors [4]	Annual profit before taxes by dairy processor in previous column [4]
1946	$0.115	$0.181	$0.805	$0.965	83.4	$742,409,000	$46,829,000
1947	.120	.202	.893	1.09	95.5	897,323,000	39,226,000
1948	.135	.222	1.004	1.185	102.8	986,404,000	42,583,000
1949	.130	.227	.967	1.185	101.8	897,676,000	57,088,000
1950	.115	.211	.805	1.31	102.8	906,641,000	65,022,000
1951	.130	.239	.967	1.31	111.0	1,006,117,000	67,117,000
1952	.135	.245	1.004	1.435	113.5	1,141,300,000	71,150,000
1953	.125	.243	.93	1.52	114.5	1,232,100,000	81,370,000
1954	.120	.242	.893	1.57	114.8	1,210,300,000	76,890,000
1955	.125	.248	.93	1.685	114.5	1,260,200,000	79,690,000
1956	.125	.255	.93	1.82	116.2	1,352,900,000	76,470,000
1957	.120	.272	.967	[5] 1.89	120.2	1,432,300,000	83,760,000
1958	.125	.275	.93	[5] 1.96	123.5	1,548,400,000	90,490,000
1959	.125	[6] .283	.93	[5] 1.96	124.6	1,605,700,000	98,460,000
1960	.124	[6] .27	.923	[5] 1.96	126.4	1,667,200,000	101,950,000
1961	.12	[6] .281	.893	[5] 2.03	127.9	----------	----------

[1] Hartford area
[2] See "Labor incomes, chart B," below
[3] U.S Department of Labor.
[4] National Dairy Products Corp
[5] Does not include various fringe benefits and cost-of-living adjustments.
[6] These prices average 3 to 4 cents per quart higher than gallon jug prices. Similarly, though, if gallon jugs were available during 1946–58 these home-delivered prices would have been proportionately lower.

Mr. PROXMIRE. Mr. President, I have only a few more remarks to make. I wish to comment on the brilliant defense by the chairman of the Committee on Agriculture and Forestry of the emergency feed grain proposal, when he was discussing the situation with the distinguished Senator from Florida. I was impressed by the defense, because the Senator from Louisiana showed once again what a fairminded man he is. The fact is that later he introduced an amendment to the emergency feed grain section of the bill which he had defended in arguing the question with the Senator from Florida.

The point I make is that a 9-to-8 majority in the Committee on Agriculture and Forestry voted against the administration's mandatory feed grain program, which I have shown would be voted down in a referendum of farmers if Congress adopts it, and in favor of continuing the present emergency feed grain measure. I urge Senators to read my analysis of the referendum in the CONGRESSIONAL RECORD of May 17, pages 8722–8724.

The chairman of the committee did a fine job in defending the present voluntary feed grains program as one that reduces costs, as one which is practical, as one which has increased farm income, as one which the farmers like, and as one which is popular. I think all Senators should recognize that this is the sound alternative, which is in the bill now.

MANDATORY FEED GRAINS PROGRAM WILL LOSE IN REFERENDUM

If a mandatory feed grains program is enacted, I am convinced that a majority of the feed grain farmers—certainly more than one-third—will vote "No" in the referendum. If they do, it means no price supports and no controls at all.

I say that not because the farmers will do differently from what farmers have done in the past; I say it for the reason that most of the people voting in the referendum will not be farmers who grow feed grains for sale off the farm. Thousands of the dairy farmers in my State, for example, will be eligible to vote, and they virtually all grow feed grains to feed on their farms. They will have a logical reason to vote "No." Some will vote "Yes" out of a notion of the importance of it to the Nation as a whole, but any dairy farmer who sits down with a pencil and figures out how it is going to affect him will vote against a compulsory program, and for good reason. A compulsory program means that his own feed grain production which he feeds exclusively to his own dairy herd will be cut by as much as 20 percent or more.

"NO" VOTE IN FEED GRAIN REFERENDUM LOGICAL FOR DAIRY FARMERS

But since the dairy farmer grows feed grains only for feeding his own cows, it cannot affect the price he receives for milk at all. The price he receives is going to continue at the present low level of $3.11 unless we reverse the Agriculture Committee and change the law. So why should the dairy farmer do anything at all but vote against the compulsory program?

Many hog farmers and beef farmers will feel the same way. The majority of farmers who produce feed grain believe they have no obvious reason to vote for the program.

Sam Lubell, the professional pollster, has talked to thousands of farmers in his scientifically condensed poll, and concludes that farmers will vote against the program. If they vote against it, there will be no program. There will be no price controls. It will result in very low prices for beef and hogs, and eventually a very heavy surplus of milk.

ALTERNATIVE IS PRESENT SUCCESSFUL PROGRAM

Rather than take such a substantial, potentially ruinous risk, I urge that the present successful, popular involuntary feed grain surplus reduction program be extended. This has been recommended by a 9-to-8 vote in the Senate Agriculture Committee. It is not the Benson program. Rather it is an extension of the program proposed by the administration last year.

That is why I say President Kennedy was tragically misinformed when he said at his press conference Thursday that "We will go back automatically by statute to the Benson program" if administration mandatory farm proposals are not enacted. This is not a correct statement of the situation.

The feed grain section of the farm bill has been called its heart. My amendment, which was adopted by the Agriculture Committee, is not the Benson program.

The Proxmire amendment is an extension of the successful voluntary feed grain program proposed by the administration itself last year.

HAS REDUCED REAL COSTS

This program has reduced real costs to the taxpayer substantially and has increased farm income. It is popular and is working. With modifications I have proposed it can operate even more effectively to reduce surpluses and cut costs.

The President stated that rejection of the administration-backed mandatory program will cost taxpayers $4 billion more in the next 4 years. This assumes that the successful voluntary feed grain

program will be ended. This assumption is wrong. The bill before the Senate does not provide this. It extends the voluntary program.

If the voluntary feed grain program is extended, real costs will again be substantially reduced. Payments in kind use up huge amounts of surplus stocks which otherwise would be disposed of in programs bringing no dollar returns.

But if the mandatory program is enacted, it faces the near certainty of defeat in the required producer referendum. The adverse votes of hundreds of thousands of farmers who have little interest in feed grain price supports will strip this largest sector of our farm economy of any price support stabilization.

Of course if the mandatory program is rejected by farmers—a near certainty according to all independent observers—costs to the Government will temporarily drop. But in a few years they might be far higher. Meanwhile hundreds of thousands of farmers will go broke. We will have no feed grain controls of any kind, no price supports, and the certainty of a cruel Government-created farm depression with 9-cent hogs, huge dairy surpluses, and a future farm problem of even greater proportions.

BILL EXTENDS PRESENT VOLUNTARY FEED GRAINS PROGRAM

The President stated that rejection of the administration-backed mandatory program will cost taxpayers $4 billion more in the next 4 years. This assumes that the successful voluntary feed grain program will be ended. This assumption is wrong. The bill before the Senate does not provide this. It extends the voluntary program.

As the chairman of the committee and as the Secretary have said, the voluntary program is working: it has increased farm income and has reduced the cost of the farm program. If the mandatory program is rejected by the farmers—and this is a near certainty according to all independent observers—the result will be a real disaster for farmers and the Nation.

SIMULTANEOUS REFERENDUMS MIGHT HELP

I have suggested to the Secretary that we have simultaneous referendums for all marketing goods programs. This might help win approval for a mandatory feed grains program.

Unless a referendum is held on all or most marketing quota crops at one time, and each producer is required to cast one vote either for or against marketing quotas on all quota crops on his farm, it is a reasonable probability that a mandatory feed grains program will not be approved by a two-thirds majority in a referendum any time in the near future.

This conclusion appears warranted on the basis of the geographic distribution of the feed grain producers eligible to vote in a referendum.

Because of the ease of combining the referendums for wheat and feed grains, it is assumed in this discussion that this would be done. If wheat and feed grain marketing quotas were voted on simultaneously, would it be important also to realine the referendums requirements on cotton, tobacco, and peanuts to permit a single vote on marketing quotas on all quota crops grown on each farm?

The answer appears to be "Yes."

For a number of years the producers of cotton, tobacco, and peanuts have approved marketing quotas on these crops by wide margins. This is no indication, however, that those who also produce more than 25 acres of feed grain would approve quotas for feed grains.

One of the reasons for the high favorable vote on the cotton marketing quota referendums and to a lesser extent on the tobacco referendums has been the absence of restrictions on the use of the land diverted out of cotton and tobacco production. In 1961, 11,260,000 fewer acres of cotton and 606,000 fewer acres of tobacco were harvested than in 1951. Much of this land, diverted out of cotton and tobacco, has been utilized for the production of soybeans and feed grains to the advantage of the region. Livestock production has been expanded.

These farmers who produce feed grains as a supplement to their major money income crop of cotton or tobacco probably would vote quite differently in a separate and independent referendum on marketing quotas for feed grains. And the smaller the favorable vote in these States the larger the favorable vote that would be required in the surplus producing areas to achieve a national two-thirds majority favorable vote.

In the important cotton, tobacco, and peanut growing States, excluding Missouri, an estimated 292,000 farmers produce over 25 acres of feed grains. In these same States there are approximately 500,000 cotton producers with allotments of over 5 acres, 270,000 tobacco producers with allotments of over 1 acre, and 45,000 peanut growers with allotments of over 10 acres. In view of the large number of cotton and tobacco producers in relation to the 292,000 feed grain growers, it is highly probable that most of the feed grain producers in these States also produce either cotton or tobacco.

Since most of these States utilize more feed grains than they produce, and many of the producers buy additional feed grains, it is doubtful that they would approve marketing quotas on feed grains by as much as a two-thirds majority. Because of their regional economic interest, it is unlikely that they would approve marketing quotas in larger numbers even after intensive educational programs. Even though marketing quotas were approved by a substantial proportion of these producers the first year it is probable the favorable votes would decline in subsequent referendums.

If each of these producers were required in one vote either to approve or to disapprove of marketing quotas on all quota crops on the farm, however, feed grain marketing quotas would receive many more favorable votes in the Southern States than otherwise.

PROBABLE SMALL FAVORABLE VOTE IN DAIRY AREA

Feed grain producers in the surplus areas would not be as dependent on a large favorable vote in the Southern States except for the lack of support in the dairy area.

There are about 215,000 producers growing more than 25 acres of feed grains in the States beginning with Wisconsin on the West, including Michigan, Ohio, Pennsylvania, New Jersey, New York, and the New England States. All reports indicate that fewer than a majority of these producers will favor marketing quotas for feed grains.

SOME POSSIBILITIES

If 50 percent of the eligible feed grain producers in the southern and dairy area States approved a referendum on marketing quotas for feed grains, a 77 percent favorable vote would be required in the Corn Belt and wheat areas to achieve a national two-thirds favorable vote. This possibility seems to me to be slight.

If 60 percent of those eligible to vote in these two feed deficit areas approved marketing quotas, a 71 percent favorable vote would be required in the Corn Belt and wheat areas to achieve a two-thirds favorable majority of all producers.

If, however, no more than 40 percent of the eligible producers in the deficit feed producing States of the South and in the dairy area approved marketing quotas on feed grains—a distinct possibility in view of their regional economic interests—84 percent of those in the Corn Belt and wheat areas would have to approve quotas to achieve a two-thirds majority for the entire country.

SIMULTANEOUS REFERENDUMS ON FEED GRAINS, WHEAT, AND COTTON NEEDED

In view of the above facts, it appears that if a mandatory feed grain program is to be successful over a period of years with a majority of two-thirds of the eligible producers approving marketing quotas, simultaneous referendums should be arranged for at least the three major crops—feed grains, wheat, and cotton—with each farmer casting one vote either for or against marketing quotas on all quota crops on the farm.

DAIRY SURPLUS REDUCTION AMENDMENT

Mr. President, finally, I submit for printing under the rule an amendment to provide for a reduction in the dairy surplus by permitting dairy farmers to reduce production 10 to 25 percent, or 30,000 pounds, whichever is greater, in return for which the farmers would receive $2.50 per hundredweight. This is also incorporated in my main dairy income improvement amendment. However, in the event the other dairy amendment is not agreed to, I expect to offer this more modest amendment. The House already has included such a provision in the bill.

This proposal could save money for the Treasury. It could reduce the cost of the farm program, because for every hundredweight cut back the Federal Government would save $2. This would be true because it costs the Federal Government $4.50 to acquire each hundredweight of milk. If a hundredweight is not produced, the Government can pay $2.50 and save $2.

Mr. President, I submit the amendment, and I yield the floor.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The amendment will be received and printed, and will lie on the table.

INTERNATIONAL CASTINGS WEEK

Mr. DIRKSEN. Mr. President, on May 17, 1962, the Senate passed Senate Joint Resolution 149, which authorizes the President of the United States to designate the week of May 6, 1962, as International Castings Week. Inasmuch as that date has already passed, I ask unanimous consent that the joint resolution may now be reconsidered, so that I may offer an amendment to it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I now ask that the joint resolution be amended to read "The week of June 25, 1962."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 149) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Whereas the Twenty-ninth International Foundry Congress will convene May 7 through 11, 1962, in Cobo Hall at Detroit, Michigan; and

Whereas this International Foundry Congress will be attended by thousands of the leading metallurgists, technologists, engineers, and operating managers of cast metals plants in the United States and Canada, and in more than forty-eight other countries throughout the world; and

Whereas this international event is sponsored annually by the International Committee of Foundry Technical Associations, comprising the nonpolitical technical foundry associations of the following twenty-two countries: Austria, Belgium, Czechoslovakia, Denmark, Finland, France, Germany, Great Britain, Hungary, India, Israel, Italy, Japan, Yugoslavia, the Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, and the United States; and

Whereas the American hosts at this 1962 International Congress will be the American Foundrymen's Society and the National Castings Council, together comprising eleven major associations serving small, medium size, and the largest plants of the American castings industry; and

Whereas metal castings are essential engineering materials for the products of industry, the military, the space age, and all civilized nations; and

Whereas the importance of the metal castings industry has long been recognized by many United States governmental services, among them the Department of State, Department of Commerce, Department of Labor, Department of the Navy, Department of the Army, Department of Defense, Department of the Treasury, Atomic Energy Commission, Central Intelligence Agency, International Cooperation Administration, and Smithsonian Institution; and

Whereas it is fitting to recognize this event which will contribute to the principle of free and cooperative interchange of technical information between all nations in the interest of self-development and peace: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be requested to designate the week of June 25, 1962, as "International Castings Week" in recognition of the Twenty-ninth International Foundry Congress and its theme of "Castings Technology for World Progress."

The title was amended, so as to read: "Joint resolution authorizing the President of the United States to designate the week of June 25, 1962, as 'International Castings Week'."

ORDER FOR ADJOURNMENT

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Has an order for adjournment been entered?

The PRESIDING OFFICER. No.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment to meet at 12 o'clock noon tomorrow.

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

PROPOSED WITHHOLDING ON TAXES OWED ON DIVIDENDS AND INTEREST INCOME

Mr. DOUGLAS. Mr. President, last week I reported that I had received approximately 50,000 communications from my State in opposition to the method of collecting the income taxes already owed on dividends and interest by withholding a basic 20 percent at the source. I report today that the deluge of mail still continues.

I believe the vast proportion of the people who write these letters are misinformed about the nature of the problem and misinformed about the degree of difficulty which they would experience. So once again I take the opportunity of speaking about this subject not merely to the Senate, but also to the country through the medium of the CONGRESSIONAL RECORD.

AMOUNTS AVOIDED OR EVADED ARE HUGE

I do not believe the people generally realize the amount of money which is lost to the Treasury by reason of the failure of those who receive dividends and interest income fully to report the amounts which they receive. As we all know, there is a withholding tax imposed on wages and salaries, and the percentage of avoidance and evasion on this income because of the method of collection is very small indeed.

The Treasury has now issued revised estimates, taking account of all criticisms, with respect to the gap between the dividends and interest paid and the amounts which are reported by the recipients on their income tax returns.

For the year 1959 the gap is reported at $3.8 billion. The amount of taxes owed on the amount paid in dividends and interest, either evaded or avoided, is estimated at $880 million. The amount which it is estimated withholding would have collected is $700 million.

The estimate for 1960, which I hinted at in my statement of last week and which has now been confirmed, is that the gap between dividends and interest paid and the amounts reported on income tax returns came to $4.4 billion; and that the amount of taxes owed, either evaded or avoided, came to $1,040 million. The estimated amount which withholding would have collected is $830 million.

ABOUT $1,100 MILLION WILL BE LOST IN 1963

It is now estimated that for the year 1963 the gap will amount to between $4.9 billion and $5.2 billion; that the amount of taxes which will be owed and either evaded or avoided will come to $1,150 million; and that withholding would collect $910 million.

These are enormous sums. Because such large amounts are owed but not paid and because the tax is evaded or avoided, the burden upon those who pay their taxes becomes correspondingly heavier. I am frank to say that unless we close this great loophole or sluicehole any reduction in taxes sought by other portions of the tax bill really cannot be appreciable in amount. If withholding on taxes owed on dividends and interest income is killed, there will not be very much to share among other claimants for reduced taxation.

It will be virtually impossible then for the investment credit tax to go through. I am not very keen about that provision.

But even if we were not to have investment credit, we could not get any other reductions in the form of a decrease in the corporate tax, a decrease in the tax on small business, or a decrease in the excise taxes. So the very center of the tax bill is the question of withholding.

The Treasury's estimate that $1.1 billion in taxes already owed on income from dividends and interest in the calendar year 1963 will be evaded or avoided represents a scandalous situation.

COMMON MISCONCEPTIONS

I should like to emphasize that the Treasury's proposal to withhold the taxes already owed on dividends and interest income at the source is very simple.

First. It is not a new tax. I emphasize that point again. Although from one-third to one-half of the people who write me think it is a new tax, it is not a new tax. It is merely a better method of collecting an existing tax.

Second. It would not hurt the widows, orphans, low-income groups, or the old folks.

Third. It is not a tax on the principal or money in the savings account but only on the interest earned.

Fourth. The cost of administration would be very low.

Fifth. The Treasury's automatic data processing system is no substitute and would collect less, cost more, create more paperwork, and be far more burdensome.

Sixth. There is no reason why withholding should not go into effect.

WITHHOLDING IS TEST OF CONCERN FOR FISCAL SOUNDNESS

I am absolutely amazed that many of the same individuals and same groups who are constantly criticizing the size of our national debt, who are demanding that the budget be balanced, and who appeal for fiscal soundness are fighting this proposal.

The $1.1 billion in taxes avoided and the $900 million in taxes per year which withholding would collect may be small potatoes to them but it is a big amount to me.

The test of their real concern about fiscal soundness will come when we vote in the Finance Committee or on the floor of the Senate on the withholding provision.

AUTOMATIC DATA PROCESSING NO SUBSTITUTE

Before I go into the detailed program, let me say that some are alleging that the automatic data processing system should be used instead. But this would require every paying institution to send to the Treasury a record of almost every payment made. This would mean some 250 million additional reports per year.

Furthermore, automatic data processing would not collect the taxes owed. It would merely provide information to the Treasury. To collect the taxes which withholding would collect the Treasury would need to increase the number of their agents by 70 percent, and this would cost, with an average salary of $7,500, approximately $100 million a year.

To collect the taxes already owed on dividends and interest, automatic data processing would be more burdensome, would require more work, and would be many times more costly than the simple withholding proposal which many of those who are opposing it do not even understand.

Although these may seem somewhat repetitious, I wish to repeat again answers to some of the major misconceptions. Among these major misunderstandings are the following:

First. That this is a new tax. Of course this is not true. The taxes are now owed but $1.1 billion is escaping taxation.

Second. That it would hurt the widows, the orphans, the low-income groups, and the old folks.

Those under 18 would be exempt. Those who owe no tax would be exempt. Those who are overwithheld against—and this would be a very small relative number—could get quarterly refunds. This is a privilege which is four times better than that given to the 37 million wage and salaried people who are overwithheld against and must wait until the end of the year for their refunds.

Third. That it is a tax on the individuals, savings or principal rather than a tax on the interest or dividend.

This is not true. On a savings account of $100 with interest at 4 percent, the amount withheld would be 80 cents. That is 20 percent of $4. It would not be $20, as much of the information put out by the savings institutions have led people to believe.

Fourth. That it would cost too much to administer.

This is not true. It would cost the Treasury between 2 and 3 percent of the amount collected. It would cost the paying institutions about 30 cents per $100 withheld, or three-tenths of 1 percent.

Fifth. That the Treasury's automatic data processing system—ADP—would be an adequate substitute for withholding.

As I have said, This is not true. In the first place ADP would not go in effect fully until 1967. Between now and then some $4 billion in taxes owed would be lost. After that about $700 million a year would be lost, for ADP would collect, at best, only $200 to $250 million of the $900 million which would be collected by withholding.

Finally, ADP would merely provide information to the Treasury. It would not collect taxes. The paying institutions would have to provide the names, addresses, and amounts for 250 million payments. This would be much more paperwork for the institutions than would be required by withholding.

Of the 250 million reporting slips, the Treasury estimates that there would be about 15 million discrepancies when these were matched against the individual taxpayers' accounts.

Agents would then have to collect the amounts and check out the discrepancies. This would require an increase in the number of existing agents by about 70 percent.

Because of these facts, automatic data processing would cost more, recover less, and require more paperwork than would the very simple method of withholding proposed in the Treasury's bill.

There has been so much misinformation about the proposal to withhold at the source on dividends and interest that with the help of my administrative assistant, Mr. Shuman, I have prepared a question and answer sheet on this subject.

This answers in detail some of the major misunderstandings about withholding.

Mr. President, as I have prepared a sort of catechism on withholding, I shall ask myself a series of questions and then answer them.

WITHHOLDING ON DIVIDENDS AND INTEREST AT THE SOURCE—IS IT A NEW TAX?

Question: Is this a new tax?

Answer: No. Taxes are already owed on income from dividends and interest. It is merely a better method of collection.

Question: Why do we need withholding?

Answer: Because so many people are not paying the taxes they owe on interest and dividend income.

Question: How much is this?

Answer: The Treasury calculations show that the gap between dividends and interest paid out in the United States and the amounts which appear on income tax returns was about $3.8 billion in 1959, and is estimated at $4.4 billion for 1960 and between $4.9 and $5.2 billion in 1963.

Question: What is wrong about this?

Answer: This is tax evasion or avoidance. People who actually pay their taxes have higher taxes than they would have if those who evade or avoid them paid their taxes.

Question: How much revenue does the Treasury lose because of this?

Answer: In 1959 they lost about $880 million. In 1960, over $1.0 billion. For 1963 the estimate is $1.15 billion.

Question: Would withholding on dividends and interest at the source help?

Answer: Yes, it would. It would collect 80 percent or more of the taxes now evaded or avoided. In fact, the Treasury has furnished me with the following information about this:

Mr. President, I ask unanimous consent that a brief table, the substance of which I have already given, be printed at this point in the RECORD.

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

Year	Gap between dividends and interest paid and amounts reported on income tax returns	Amount of taxes owed on these amounts which are evaded or avoided	Amount which withholding would collect
	Billions	*Billions*	*Millions*
1959	$3.8	$0.880	$700
1960	4.4	1.040	830
1963 (estimate)	$4.9–5.2	1.150	910

Mr. DOUGLAS. Mr. President, I continue the questions and answers:

EXEMPTION CERTIFICATE, WIDOWS, ORPHANS, OLD FOLKS, LOW-INCOME GROUPS

Question: Would this system penalize the widows, orphans, the old folks, and low-income groups?

Answer: No. The proposal would provide exemptions from withholding for these groups if they owed no tax.

Question: How would it work for children?

Answer: Any child under 18 would be exempt from withholding merely by certifying to the paying institution that the child was under 18.

Question: What about those over 18?

Answer: Any person over 18 who "reasonably expects" to have no tax liability would also become exempt merely by filing a statement with the paying institution to that effect.

Question: Does this include those over 65?

Answer: Of course. Anyone over 18—including those over 65—could get an exemption if he owed no tax.

Question: How would one file the exemption certificate?

Answer: He files it with the paying institution—the bank, the savings and loan or building association, or the company paying dividends.

Question: What will the form say?

Answer: It will be an affidavit on which the person merely says that he "reasonably expects" not to be liable for taxes on these amounts.

Question: Will the exemption be permanent?

Answer: The Treasury is recommending that it be made permanent so that the individual need not file again in the second or third year. Of course, if his tax status changes and he becomes taxable, he could no longer claim exemption.

SPECIAL TAX PROVISIONS FOR OLD PEOPLE

Question: Do not older people now have a number of tax privileges in the law which mean that they have to have considerably more income than those under 65 before they owe any tax at all?

Answer: That is correct, and this means that virtually all the low-income

older people would be exempt entirely from withholding.

Question: What are these provisions now in the law which reduce the taxes of older people?

Answer: There are many of them.

Question: Would you be specific?

Answer: Yes. First of all, when one reaches age 65, the $600 exemption per person is doubled. Thus, a couple both over 65 would receive four $600 exemptions instead of two, and their total exemption on this score alone would be $2,400 instead of $1,200.

Question: Do they still receive the standard 10-percent deduction?

Answer: Yes, they do. They can subtract 10 percent of their adjusted gross income or a larger amount if they itemize their deductions.

Question: What about pensions and retirement income?

Answer: As you know, social security payments and railroad retirement payments are already tax exempt. In addition there is a "retirement income credit" for other retirement income.

Question: What does this include?

Answer: It includes income from other pension, interest, dividends, rent, and royalties.

Question: How much is the retirement income credit?

Answer: It amounts to 20 percent of retirement income up to $240 in taxes per person.

Question: Is this a deduction or a credit against the actual tax owed?

Answer: This is a tax credit. If an individual's taxes were $240 he could then apply the retirement income credit against this amount and he would owe no taxes at all.

Question: Does this apply to both man and wife?

Answer: Yes, it does, provided the wife's income is from these sources.

Question: This could mean a double credit or a total of $480?

Answer: That is correct; and this is equal to a deduction of another $2,400.

Question: What about other tax credits or deductions allowed in the law? Do the older people also get to take advantage of these?

Answer: They certainly do. In the case of dividends received, there is an initial deduction or exclusion of $100 per couple—$50 apiece—from gross income. Then there is a 4-percent tax credit of 4 percent of the dividends—up to a total of 4 percent of taxable income.

Question: Then a retired couple over 65 with all their income from dividends and interest would need a sizable income before they were taxable at all?

Note this, Mr. President,

Answer: Yes. They could get $6,100 in dividends or $5,333 in interest before they owed any tax whatsoever.

Question: Then withholding would not affect very many old people?

Answer: Not at all. Most of them would be exempt.

Question: How many would be exempt?

Answer: Approximately 75 to 80 percent.

Question: What proof do you have for making that statement?

Answer: Treasury figures show that of the approximately 15 million persons aged 65 or over in this country only a little over 3 million are subject or liable for any Federal income tax.

WHAT ABOUT MEDICAL EXPENSE DEDUCTIONS?

Question: When one is over 65, cannot medical expenses be deducted from one's income?

Answer: Yes. The medical expenses can be itemized. The 3-percent limitation which applies to those under 65 does not apply here.

Question: What is the 3-percent limitation for those under 65?

Answer: They can only deduct medical expenses if they exceed 3 percent of the taxpayer's adjusted gross income, and they can deduct only those expenses which exceed this 3 percent.

Question: What is the rule, then, for those over 65?

Answer: If either the taxpayer or his spouse is over 65, the 3-percent limitation does not apply. He can deduct the medical expenses for himself and for his spouse and his father and mother, including of course the amounts paid for medical insurance.

Question: Is there an upper limit to these medical deductions?

Answer: Yes. It amounts to $5,000 for a single taxpayer and $10,000 for those filing joint returns or returns as head of a household.

Question: What if they are disabled?

Answer: The limit is raised. If one person is 65 or over and disabled, the upper limit is $15,000. If both are 65 and over and disabled, the upper limit is doubled and would be $30,000.

These medical expenses, if incurred, are in addition to all the other deductions which I have mentioned.

Question: Who is considered to be disabled?

Answer: Under the law anyone is considered to be disabled for tax purposes if he is unable to engage in substantial gainful activity because of a mental or physical impairment.

Question: What proportion of the medical expenses of the aged is deducted?

Answer: In the latest year for which the figures were analyzed, about 90 percent of the medical expenses of those over 65 who itemized their deductions were deducted.

Question: How does this compare with those under 65?

Answer: Only about 65 percent of the medical expenses were deducted by those taxpayers under 65 who itemized their deductions.

COST OF ANTIWITHHOLDING CAMPAIGN

Question: Are not some of the savings institutions fighting this withholding provision very hard?

Answer: Yes. I have received about 50,000 letters and cards in a 3- or 4-week period opposing it.

These protests are still pouring in.

Question: Is this an inspired campaign?

Answer: It certainly is. Many letters say the savings institution told them to write. Others include the letter or literature the savings institutions have sent out to them. Some say they have received four or five letters from institutions urging them to write to me. I have collected many examples of full-page ads opposing withholding.

Question: Is not this campaign costly to the savings institutions?

Answer: Of course it is. It take a 4-cent stamp for each letter to hundreds of members of the institutions. In my judgment it is costing some of these institutions more than the administrative cost of withholding would be for 3 or 4 years in the future.

MISINFORMATION

Question: Are the letters you have received well informed?

Answer: No. From one-third to one-half of those who give a reason for their opposition to withholding believe this is a new tax.

Question: This would tend to show that many of these people probably do not now pay the taxes they owe if they think this is a new tax?

Answer: That is correct. In itself it shows why we need to withhold at the source on these amounts.

I do not know of any stronger argument, really, than that so large a proportion of the protestants on this issue think it is not taxed, which is in itself a confession that they have not paid the tax in the past.

Question: Is there other misinformation in these letters?

Answer: Yes. Many have been misled to think it will hurt the old people, or the children, or the orphans, or the widows, or the low-income groups, all of whom would be exempt if they owed no tax.

Mr. President, it is extraordinary how widows and orphans always appear in these piteous appeals, as do the low-income groups, all of whom would be exempt if they paid no tax.

Question: Do some think the 20-percent tax is 20 percent of the savings instead of merely 20 percent of the interest on their savings?

Answer: Yes. As you know, the tax already owed and which would be collected is only 20 percent of the interest or dividend paid, not 20 percent of the principal.

That is the third time that I have said this, but it is necessary to say it over and over and over again.

Question: Can you give an example?

Answer: Yes. If a person has $100 in a savings account and receives interest at 4 percent, he would receive $4 interest. The withholding would be only 20 percent of the $4 or 80 cents, not 20 percent of $100 or $20.

FARFETCHED EXAMPLES

Question: Some of the examples that have been used about how people might suffer from withholding are pretty farfetched?

Answer: Yes. We have been told over and over again how a retired couple, both over 65, receiving $5,000 a year in income from dividends, would be overwithheld against.

Question: Is this true?

Answer: No. As I pointed out, a married couple, both over age 65, receiving their total income from dividends would have to receive about $6,100 before they were subject to any tax. They would be exempt.

Question: A couple with $5,000 in dividends a year would not exactly be paupers in any event, would they?

Answer: No. With a 4-percent return they would have an investment of about $125,000. I doubt that anyone with investments of that amount would be harmed by withholding even if he were not exempt.

They tend to be exempt if they are married.

Question: But in this case, withholding would not even apply to them?

Answer: That is correct. They would not even come under the withholding provisions.

WAGE AND SALARY WITHHOLDING

Question: How would withholding on dividends and interest compare with withholding on wages and salaries?

Answer: Some 60 million people are now withheld against on their wages and salaries.

Question: How many would be withheld against on dividends and interest?

Answer: The Treasury estimates about 22 million people.

Question: Are many wage and salaried people overwithheld against?

Answer: Yes. About 37 million or over 60 percent of the total are overwithheld against.

Question: How many would be overwithheld against under dividend and interest withholding?

Answer: About 2 million altogether, or 10 percent compared with 60 percent under wage and salary withholding.

Question: What proportion of these would have large amounts overwithheld?

Answer: Only about 1 million of the 2 million who were overwithheld against under dividend and interest withholding would have more than $10 of overwithholding per year, and they could receive quarterly refunds. That is $2.50 a quarter, or a monthly amount of 83⅓ cents.

QUARTERLY REFUNDS

Question: Could they get refunds?

Answer: Yes; they could, and they could get them quarterly.

Question: How?

Answer: Those who are overwithheld against in the amount of $10 or more per year could apply in the first quarter for a refund to the District Internal Revenue office.

Question: Where would they get the refund forms?

Answer: The Treasury plans to distribute these as widely as possible. They plan to make them available at the offices of the Internal Revenue Service, at post offices, at banks, and at savings and loan, and other savings institutions.

Question: How long would it take for them to get their money?

Answer: About 3 to 4 weeks. That is the time required for the 37 million cases of overwithholding for wages and salaries.

Question: What about the other quarters?

Answer: In the second and third quarters, the Treasury would send the individual the form. It would be automatic and he would not forget to apply.

Question: What about the fourth quarter?

Answer: If he had money coming back, he merely would file his yearly income tax return as soon after January 1 as he wanted to and would get a check in 3 to 4 weeks.

Question: Would this continue in the following year?

Answer: The Treasury is proposing that the refund procedure be the same in the following years. The exemption certificates would be permanent.

Question: Do wage and salaried people get a quarterly refund?

Answer: No, they do not. They get it only once a year.

Question: Then the procedure for refunds for dividend and interest is better than for those on wages and salaries?

Answer: Four times better. Perhaps I should say four times easier. They would get preferential treatment.

Question: If the wage and salaried person is subject to withholding, why should it not apply to income from dividends and interest?

Answer: There is no just reason why the taxes now owed on dividend and interest income should not be subject to withholding just as the basic tax on income from wages and salaries is withheld.

Question: In fact, does this not make it easier rather than more difficult for the honest taxpayer?

Answer: Yes. Often people spend their income when they receive it and then have to borrow money to pay their taxes at the end of the year. The pay-as-you-go principle is certainly more convenient for most people. It would be more convenient on dividends and interest than on wages and salaries.

FARMERS' REFUNDS

Question: Do not farmers who buy gasoline and pay the Federal tax get a refund?

Answer: They do, if they use the gasoline and oil in their tractors or other farm machinery.

Question: How many of these refunds are there a year?

Answer: About 1 million.

Question: Have these people been inconvenienced or have they complained about this procedure?

Answer: Not to my knowledge. They get it quickly and have made no or few complaints.

Question: The number of refunds under dividend and interest withholding would be about the same number, would it not?

Answer: Yes. And after it was in effect, there would be few complaints about it.

Question: And what about the 37 million people who get refunds from wage and salary withholding?

Answer: They have certainly not complained to any extent. I do not believe I have received a single letter this entire year from anyone who has complained about this.

ADMINISTRATIVE COST SMALL

Question: Would it not cost more to collect the $900 million by withholding than it would be worth?

Answer: No. The Treasury estimates it would cost about $20 million to collect the $900 million or between 2 and 3 percent of the amount collected.

Question: But would it not cost the banks and savings institutions too much to withhold?

Answer: No. The best estimates, which were given by private bankers in our hearings, were that it would cost the savings institutions about 30 cents for each $100 of taxes withheld, and the taxes paid, of course, are only one-fifth of the amount of income received, or about three-tenths of 1 percent after the system was in effect.

MIGHT COST LESS THAN PRESENT EDUCATIONAL CAMPAIGN

Question: Some of the savings institutions say that their present system of informing their members that they actually owe taxes on dividends and interest is enough. They say that the present educational campaign will collect much of the $1.1 billion which will be lost.

Answer: Well, this campaign has been going on for some time and the results have been nil. In fact, the gap between the amount of dividends and interest paid out in the United States and the amount reported on income tax returns has been growing, rather than decreasing.

Question: If we had withholding this cost would be cut out?

Answer: Yes; it would. And even if institutions felt they should inform their members about how much they withheld—and that is not required by law—this would cost no more than the present ineffective educational campaign.

PROCEDURE FOR PAYING INSTITUTION SIMPLE

Question: Would not withholding mean a lot of extra work for the paying institution?

Answer: No.

Question: Why?

Answer: In the first place the savings institution would merely send 20 percent of the total amounts of dividends and interest withheld to the Treasury.

Question: Would they not have to list each person by name, address, and the amount withheld?

Answer: No. No names. No addresses. No individual amounts. If a company paid out $100,000 in dividends, it would merely send a check for 20 percent to the Treasury.

Question: What about posting the interest to the account of the individual saver? Would that not be troublesome?

Answer: No. The savings institutions would merely credit the savers account with 80 percent of the interest earned.

Question: So if a person earned $1 merely credit his account with 80 cents? Is that correct?

Answer: Yes; there would only be one posting, as there is now one posting—and this is done by machine.

Question: The cost to the institution would be small?

Answer: Yes. About 30 cents for each $100 of taxes withheld even if they performed other services in connection with the withholding.

SIMPLE GROSS UP PROCEDURE FOR TAXPAYER

Question: Would the paying institution have to send a notice to the individual giving the amount it withheld?

Answer: No. They might do this as a service but they would not be required to do it.

Question: Why not?

Answer: Because on the yearly income tax form there would be a new space which would make it possible for the taxpayer to compute the amount withheld without actually receiving a notice from the paying institution.

Question: How would this work?

Answer: Let us take an example of a person who earned $100 of interest from a bank. The bank, of course, would credit his account in the amount of $80.

Question: Is he now required to report the income he receives from dividends and interest?

Answer: Yes.

Question: Then would it be a new requirement that he list such income on his tax return?

Answer: No. He is required by law to do it now.

Question: How would he do it under withholding?

Answer: First he would enter $80 in the appropriate space on the tax return. On the next line he would take 25 percent or one-quarter of the $80. This would be $20 or the amount withheld.

Question: You mean he—the taxpayer—could compute the amount withheld actually being told the amount by the bank?

Answer: Yes. Merely by taking 25 percent of the amount he received from the bank he would find out the amount withheld. That is, 20 percent of the total amount of dividends and would equal 25 percent of the 80 percent distributed to the individual.

Question: Then he would know the amount received—$80—and the amount withheld—$20?

Answer: Yes.

Question: What would he do next?

Answer: He would include the $100 in the amount of income he received in that year along with the other income he had from salary, wages, et cetera.

Question: Would he get credit for the $20 withheld?

Answer: Yes. He would enter the $20 in the space already provided on the tax form for the amounts withheld from his wage, salary, interest, dividends, et cetera.

Question: What would this new space on his income tax return look like?

Answer: In the example I have given it would look like this:

Line 1. Enter amount received from dividends and interest	$80
Line 2. Take 25 percent or one-quarter of amount on line 1	20
Line 3. Add lines 1 and 2, total	100

Question: That seems simple enough.

Answer: It is simple and would make it unnecessary for the paying institutions to provide any information in addition to that they now provide.

WHY AUTOMATIC DATA PROCESSING WOULD BE NO SUBSTITUTE FOR WITHHOLDING

Question: Would not the new automatic data processing system of the Treasury be an adequate substitute for withholding?

Answer: No it would certainly not be.

Question: Why not?

Answer: In the first place, it will not come into effect fully until 1967. Even then it would collect only about $200 to $250 million of the $900 million which withholding would collect.

Question: Would this $900 million per year be lost to the Treasury in the meantime?

Answer: Yes; much of it would be. In fact, between now and 1967 the Treasury would lose about $4 billion in revenues which are owed if we relied on automatic data processing as a substitute for withholding.

Question: Would automatic data processing simplify procedures for the savings institutions?

Answer: No; not in the area of dividend and interest payments.

Question: Why not?

Answer: The savings institutions would have to report the amounts paid by them to their members, which they would not have to do under withholding.

Question: How much paperwork would be involved?

Answer: The institutions would send about 250 million different reporting slips to the Treasury each year with names, addresses, account numbers and the amounts withheld.

Question: What would the Treasury do with them?

Answer: The Treasury would then have to match them against each and every taxpayer's account.

Question: What would this show?

Answer: It would give about 15 million discrepancies which the Treasury agents would have to check out.

Question: Then automatic data processing would give information to the Treasury, but it would not collect the taxes?

Answer: Right.

Question: Would the Treasury need new agents to collect the amounts owed?

Answer: It most certainly would. It would need to increase its agents by about 70 percent, just to do this job alone—or a total—to collect as much as under withholding—of about 13,000 new agents. Mr. President, we can imagine the resentment which would be created when all those new agents began to call on the people, to make the collections.

Question: Would not the reporting requirements for savings institutions be greater if automatic data processing were used, instead of withholding?

Answer: Certainly. The paperwork would be many times as great for the paying institution.

Question: Would not Congress have to provide money for the new agents?

Answer: It certainly would; and in the past the Congress has been very reluctant to add anything like the number of new agents the Treasury has said it needed.

WITHHOLDING IS TEST OF TAX REFORM

Mr. President, this is one of the most important issues now before the Senate and the country. I hope Senators and the press and the public will inform themselves on the real situation. This is really the Rubicon. If we do not cross this Rubicon, we shall not collect much added revenue; we shall have very little to distribute in the form of decreased taxes; and any hope for a more comprehensive tax reform and loophole closing bill for next year will go down the drain.

How can we plug the other loopholes if we cannot put into effect a system which merely will mean that those who already owe taxes will pay them? This is the easiest of all methods.

APPROPRIATION FOR SURVEY AND STUDY FOR PROPOSED TRI-CITY OUTER HARBOR AND DEEPWATER PORT IN LAKE COUNTY, IND.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made before the Appropriations Committee's Subcommittee on Public Works. My statement is in support of the appropriation of a Corps of Engineers survey and study of the proposed tri-city outer harbor and deepwater port in Lake County, Ind.

In brief, the statement shows that I am not opposed to a fifth port for Indiana. I do not want to have the Indiana Dunes destroyed, in the process of building a port, in Indiana, which would bring in its wake two giant steel mills; but I believe the proper location for a port in Indiana would be in Lake County, Ind., which already is heavily industrialized. The detailed plan for the tri-city port is also endorsed by the mayors of Lake County, Ind.; by the Chamber of Commerce of Hammond, Ind.; and by many leading citizens. I do not know why most of the Indiana politicians insist on destroying their most beautiful natural area—the dunes—when the port and the steel mills can be located elsewhere in Indiana.

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

STATEMENT BY SENATOR PAUL H. DOUGLAS, OF ILLINOIS, IN SUPPORT OF THE APPROPRIATION FOR A CORPS OF ENGINEERS SURVEY AND STUDY OF THE PROPOSED TRI-CITY OUTER HARBOR AND DEEPWATER PORT IN LAKE COUNTY, IND., PRESENTED TO THE SUBCOMMITTEE ON PUBLIC WORKS OF THE COMMITTEE ON APPROPRIATIONS, U.S. SENATE, MAY 18

Mr. Chairman, I am grateful to you and the members of your subcommittee for this opportunity to express my support of Congressman MADDEN's request for an appropriation of $150,000 to initiate a Corps of Engineers survey and study of the proposed deep water harbor and port in Lake County, Ind. This appropriation was authorized by resolution of the House Committee on Public Works on August 24, 1961.

Inasmuch as it may appear somewhat unusual for a Senator to appear in support of

Federal assistance for a harbor to be located in a State other than his own, I wish first to make very clear why I am interested in this study and this proposed harbor.

In 1958, I was approached by a group of Indiana citizens who asked me to assist them in the effort they had been waging some 8 years to save from destruction the remaining unspoiled sections of the Indiana Dunes. The Indiana Dunes are located along the southern shore of Lake Michigan in northern Indiana about 40 miles from the center of Chicago. This is an area of beautiful long beaches, rolling sand dunes, warm and clean lake water, and a back-country containing an amazing variety of plant and bird life. In short, it is a wonderland of recreational and scientific beauties, much used by citizens of the Midwest, particularly those 7.5 million people of three States who are within an hour's travel time of the dunes. Forty years ago the entire 25 miles of shoreline running from Michigan City to Gary, Ind., was an undeveloped natural wilderness. But in succeeding decades some scattered industry and a few small communities crept in, until today only about 5 miles of unspoiled shoreline and a few thousand acres of undeveloped dunesland remain.

Pending commercial and industrial threats to these few remaining miles of beauty caused these Indiana citizens to establish the Save the Dunes Council in 1952, and it was representatives of this group who asked me to help them. At first, I refused, because I was not an Indiana Congressman, but I asked the senior Senator from Indiana if he would help to save this priceless heritage in his State. But he would not. After exhausting without success all possible means of securing leadership from Indiana Senators for saving the dunes, I finally agreed to assist in this effort. In 1958 I introduced a bill to preserve the remaining unspoiled portions of the area in a national monument. This bill has evolved to the present S. 1797, to create a 9,000-acre Indiana Dunes National Lakeshore, introduced by Senators GRUENING, MOSS, METCALF, LONG (Hawaii), HUMPHREY, and NEUBERGER, and by me.

S. 1797 is now before the Public Lands Subcommittee of the Senate Interior Committee, 3 days of hearings having been held in February. President Kennedy, in his conservation message of March 1, recommended enactment of legislation to create a national lakeshore park in northern Indiana. The National Park Service and the Department of the Interior have strongly endorsed S. 1797. In its letter of March 19, the Bureau of the Budget announced its agreement with the Department of the Interior views on this legislation, and reported S. 1797 as in accord with the program of the President.

The relationship of the question of the fate of the Indiana Dunes to this appropriation for study of a tri-city harbor is this: *the chief threat to the dunes is the proposal* to construct a federally assisted deepwater harbor and port near Burns ditch in Porter County, Ind. The proposed site for such a harbor is roughly 1 mile east of the small drainage channel known as Burns Ditch, and exactly upon the central and one of the most beautiful remaining unspoiled sections of the dunes which would be preserved under S. 1797. Location here of a harbor and port and the required steel mills and other industries would directly destroy a key section of the dunes. Moreover, the pollution of air and water resulting from heavy industry in the center of the dunes would destroy, in a few years, the recreational and scientific values of the rest of the dunes from Gary to Michigan City, including the existing small State park several miles east of the proposed Burns Ditch harbor site.

Carl Sandburg has succinctly made the point I wish to present to you: "The Indiana Dunes are to the Midwest what the Grand Canyon is to Arizona and Yosemite to California, they constitute a signature of time and eternity, once lost, their loss would be irrevocable."

Once destroyed, the dunes and their wonderful beaches and recreation areas can never be re-created. It is this elemental fact that has led me and others who wish to save the dunes to suggest that Indiana's port can be located elsewhere, and that sites other than the one which will result in destroying the dunes should be studied.

I wish to make it very clear that I do not oppose Indiana having a new harbor and port if it can be justified economically. I have repeatedly stated that I do not oppose a new Indiana port, but I do strongly oppose unwarranted destruction of the Indiana Dunes when it is certain that alternative sites exist, in Indiana, for the port. At least three alternatives exist: the tri-city proposal, deepening of the existing Michigan City harbor, and construction of a ship channel inland in Porter or Lake Counties such as was done so successfully for Houston, Tex.

The tri-city proposal appears to be the best of the alternatives. Indeed, from present evidence the tri-city proposal appears vastly superior to the Burns Ditch proposal, and it is inconceivable to me that any Indiana official who seeks to represent the general interests of his State would oppose a survey and study of its merits.

It would be a crime against the Indiana Dunes and against the economic welfare of the State of Indiana to proceed with the Burns Ditch Harbor before a thorough study is made of the tri-city harbor proposal. I might add, Mr. Chairman, that the present report of the Corps of Engineers stating that the Burns Ditch Harbor is economically feasible is so deficient that I believe it will be impossible for the committees of Congress conscientiously to authorize, much less appropriate, any Federal assistance. This is not the appropriate time to discuss this matter, of course, but I may say that the reported benefit/cost ratio for Burns Ditch of 1.5 to 1 has been shown by authoritative engineering studies to be actually only 0.5 to 1. I shall prove this at a later date, but I merely wish to point out that even aside from the question of preserving the dunes, if the officials of Indiana want a new harbor for their State they will be doing their State a disservice if they fail to give urgent and full support to this study appropriation.

Mr. Chairman, the Indiana outer harbor would be created, as you know, by extending the existing Lake County breakwater of 1.7 miles an additional 4 miles to join the existing Calumet Harbor and Indiana Harbor breakwaters. Inside this breakwater about 3,000 feet back and running parallel to it there would be constructed a bulkhead 33,750 feet long, thus creating a harbor 3,000 feet wide and about 5.7 miles long. By filling in between the bulkhead and the existing shoreline about 4,800 acres of new land would be created for industrial and terminal use.

Mr. Chairman, because some fantastic assertions about the feasibility and cost of this proposal have been given out, I think it is important to call your attention to the fact that a private and authoritative engineering study has already been made of this proposal. A few years ago some eight companies doing business in the Lake County, Ind., area, sponsored a preliminary study of this proposal by the New York City engineering firm of Parsons, Brinkerhoff, Hall & Macdonald (now Parsons, Brinkerhoff, Quade & Douglas).

This engineering firm's final report filed with the sponsoring companies in February 1958, gives these estimates of the cost of this project: "Construction of breakwater: $63 million to $75 million; construction of bulkhead: $5.5 million; land reclamation (4,800 acres) $116,160,000."

It is important to note, Mr. Chairman, that the Federal share in this project would be limited solely to the cost of constructing the breakwater, an estimated maximum of $75 million, plus an estimated total maintenance charge over 50 years of $10 million. The bulkhead, terminals, and land reclamation would be paid for by local interests, as is customary.

There is a fortunate circumstance with respect to the cost of creating the new land by filling in the lake along the shore. The Chicago sanitary district, as a result of dredging operations in the Cal-Sag Channel which leads directly into the proposed outer harbor, will have available an estimated 20 million cubic yards of fill. The sanitary district has been seeking some way to dispose of this material dredged up from the channel because its accumulation along the banks of the channel obstructs the use of them for industrial purposes. Therefore it is quite possible the sanitary district will give this fill at little or no charge for construction of the new land along the lake shore. This should reduce substantially the cost of the new land. I have discussed this matter with officials of the sanitary district and find them favorable to the idea.

One more thing about the Parsons, Brinkerhoff, et al. study of the tri-city harbor proposal. This report says that a thorough economic study of the proposal can be completed in 9 months. In view of this estimate which seems to be in conflict with the Corps of Engineers' statement that their study would take 3 years, I respectfully request that your committee consider the possibility of providing this year more than the presently considered one-third ($50,000) of the authorized study funds. I think that all those who are in good faith seeking the best place for an Indiana deepwater harbor would be in favor of as rapid progress in this study as possible. I want to make it very clear that I do not oppose Indiana's having a federally assisted harbor, nor do I want to delay the progress of such a harbor; I do want to preserve the remaining unspoiled sections of the Indiana Dunes.

The potentialities for the tri-city harbor are magnificent. I will not take your committee's time to review the attributes of this tri-city harbor proposal, inasmuch as Congressman RAY MADDEN, of the First District of Indiana, has already submitted or will do so, the detailed testimony and justifications reflecting the almost unanimous support of this appropriation by private and public groups in Lake County, Ind.

But I would like to point this out, Mr. Chairman. This proposed tri-city harbor is superior in every way to the Burns Ditch Harbor proposal: It has vigorous and more varied local support from business and government; it offers a much larger harbor in an already industralized area; it would provide as much or more land for extensive industrial building; it would have access from Lake Michigan by the largest vessels which now or in the future will operate on the Great Lakes; it would provide convenient access to and from the inland waterway system by barges without the necessity of open lake navigation; it would be in a location already extensively served by rail and highway transportation systems, including 12 available railroads.

The two things a tri-city harbor would not do that a Burns Ditch Harbor would are: (1) It would not build at Federal expense a harbor for which 90 percent of the benefits would go to one steel company; and (2) it would not provide the enormous profits expected by land speculators in the Burns Ditch area.

But primarily, Mr. Chairman, a tri-city harbor would give Indiana a new deepwater harbor, and would still preserve the most remarkable gift of nature possessed by that State, and indeed, by the Midwest. I deeply hope that your committee will approve this appropriation item. It is justified on its own, but it is made mandatory by the threat to the dunes.

PROPOSED REVISION OF IMMIGRATION AND NATURALIZATION ACT OF 1952

Mr. HART. Mr. President, on March 21, 1962, 25 Senators joined me in the introduction of S. 3043, which provides for a complete revision of the national origins quota system of the Immigration and Naturalization Act of 1952. The introduction of S. 3043 has provided a much needed focal point for public consideration and discussion of our basic immigration policies. I am happy to say that the bill has stimulated much interest throughout the country and has generated widespread and thoughtful debate on a subject of vital concern and importance to the American Nation.

Copies of the bill with explanatory material are being circulated by the thousands by national organizations and local groups. Special conferences have been and are continuing to be called to discuss immigration revision. To date, I have participated in immigration and refugee conferences in New York, Philadelphia, and Kansas City. Similar meetings have been held and are in the planning stages in Los Angeles, Columbus, Ohio, Indianapolis, Indiana, Springfield, Ohio, and Boston. In addition, numbers of social agencies and religious groups have scheduled discussion of immigration reform as proposed in S. 3043 in their local, regional, and national meetings.

These demonstrations of interest in immigration reform throughout the Nation indicate clearly that Congress should prepare for consideration of immigration policy revision in the near future. Public discussion of S. 3043 has already crystallized support in several important sectors of the national community.

On April 14, 1962, Rabbi Maurice N. Eisendrath, president of the Union of American Hebrew Congregations, urged support of immigration reform as proposed in S. 3043 to a conference in Lakewood, N.J. Rabbi Eisendrath stated:

> In the coming weeks that struggle will enter a new phase in this country. We will be challenged to cleanse our American immigration laws of the stain of racism. How odd it is that, amidst the progress and ferment of recent years in tearing down racial barriers in education and housing and transportation, we have failed utterly to come to grips with our basic immigration law which has been correctly described as the most racist law in American history. It is based on the reprehensible national origins system which declares that some people are better, on racial grounds, than others. It is based on doctrines of racial supremacy which the people of the world deeply resent and which modern science has completely exploded. For our immigration policy is the face we present to the world. And, right now, it is a harsh, suspicious, patronizing, and supercilious face.
>
> In recent weeks a far-reaching, new proposal has been presented to the U.S. Congress by Senator PHILIP HART, of Michigan, and some 20 other Senators of both political parties. It would eliminate the national-origins quota system. It would restore our American humanitarian tradition of welcome and hospitality to the stranger. I call upon President Kennedy, who pledged himself before his election to basic liberalization of our immigration law, to throw the full weight of his prestige and moral leadership behind this effort. And please recall that both of our political parties and all three of our major faith groups in America have called for basic revision of the McCarran-Walter Immigration Act.
>
> Let our synagogues and churches alike, through effective social action now stimulate study, debate, and action on this vital issue in every community. For the stark truth is this: We cannot eliminate racism at home and continue to practice it, however subtly, abroad. We cannot dissociate ourselves from colonialism, as we are correctly seeking to do, until we dissociate ourselves from the smug and arrogant attitudes of superiority by which we draw invidious distinctions among the various colors, nations, and races of the world in our immigration quotas. And we cannot successfully compete with the Communists for the loyalties of the peoples of the world, until the United States stands before the world, as historically we always did, as a free nation of immigrants, a haven for the oppressed, an open society, generous and compassionate, which judges all human beings within and beyond our borders only on the basis of character and individual worth.

In a letter dated April 28, 1962, Bishop Edward E. Swanstrom, executive director of Catholic Relief Services of the National Catholic Welfare Conference, wrote me:

> I think you have already been given assurance that both of our organizations stand strongly behind S. 3043 and will do everything within our power to secure the grassroots support that it will undoubtedly require for passage.

On April 30, 1962, James MacCracken, director for immigration services, Church World Service, National Council of Churches of Christ in the United States of America wrote me:

> We are commending to interested Protestant church leaders across the United States the substance of S. 3043 for their study and possible active support.

Mr. President, I ask unanimous consent that the full text of Mr. MacCracken's letter be printed in the RECORD at this point.

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

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE UNITED STATES OF AMERICA,
CHURCH WORLD SERVICE,
New York, N.Y., April 30, 1962.

The Honorable PHILIP A. HART,
Senate Office Building,
Washington, D.C.

DEAR MR. SENATOR: My colleagues and I in Church World Service have been most impressed with your leadership action in introducing S. 3043 to rewrite the basic immigration statutes of our country. We have been interested in the interagency discussions which have led to many of the suggestions that found response in your proposed bill.

We are commending to interested Protestant church leaders across the United States the substance of S. 3043 for their study and possible active support. The National Council of Churches recently adopted a pronouncement calling for basic changes in our present law, most of which are spoken to in your proposed legislation.

When my denominational colleagues have had more opportunity to study your important proposals, I shall look forward to sharing with you their thinking.

Very sincerely,

JAMES MACCRACKEN,
Director, Immigration Services.

Mr. HART. Mr. President, editorial support for S. 3043 came from the Washington Post and Times Herald on March 26, 1962, shortly after its introduction. The Post described the bill as "a reasonable and realistic proposal for revising the immigration quota system" and concluded the editorial with the comment that "this reform of immigration policy is sorely needed."

Mr. Harry Golden, the nationally syndicated columnist and editor of the Carolina Israelite, wrote me recently that he has discussed the bill on a radio program and he proposes to devote several of his newspaper columns to discussion of S. 3043.

Life magazine, in the May 4, 1962, issue commented editorially on the state of the United States in the problem of refugees in Hong Kong. The editorial concluded with a discussion of the applicability of S. 3043 and how it offers some relief to the tragic refugees from Red China.

Life magazine states:

> There is pending before the Senate Judiciary Committee now a bill sponsored by Senator HART, of Michigan, which would increase the U.S. Chinese-origin quota to 5,335 a year (partly refugees)—and also admit separately 50,000 refugees a year from all over, some of them Chinese. Passage of the Hart bill would do much more than write a few happy endings to successful escape stories. It would be a strong example to other nations—e.g., Australia, Canada, Brazil. It would give the United States a respectable stance when we seek to persuade those nations to share the load. Let's pass the Hart bill—for humanity's sake.

Mr. President, these communications and editorial comments are only a small sample of the material which has been sent to me. From the hundreds of letters I have received, the most noteworthy fact to emerge is that many Americans are not in sympathy with our present discriminatory national origins quota system. Even those who wrote me in opposition to S. 3043 generally were not in sympathy with our present discriminatory national origins quota system. Even those who wrote me in opposition to S. 3043 generally were not concerned with the nationality or race of those who wish to immigrate to America. The objections were based principally on the mistaken fear that we proposed to open the flood gates of immigration or that immigration aggravates our unemployment problems. Still others were concerned about

whether the bill proposes to relax the individual qualifications of immigrants on such matters as their adherence to democratic government, their character or their ability to support themselves. S. 3043, of course, would maintain the same stringent individual qualifications of the present law.

Again, the introduction of S. 3043 has provided a focal point for discussion of our immigration policies. This discussion already has resulted in several endorsements of the bill. In the near future many other organizations and leading citizens will take a position on this bill. There will, of course, be differences of opinion on some of the provisions; there will, of course, be opposition. It is my hope that a representative body of opinion will soon be formed among those organizations and distinguished citizens most interested in this legislation.

Reasonable time for public discussion and consideration of S. 3043 should be provided. The bill is presently under intensive study in the executive departments concerned and when their reports are filed with the Committee on the Judiciary consideration can be given to an appropriate date for full public hearings. The able chairman of the Judiciary Committee has already discussed this matter with me and has offered his full cooperation in this orderly sequence.

NEW AMERICANS NO LONGER DISPLACED PERSONS

Mr. HART. Mr. President, since the end of World War II, the United States has welcomed to its shores some 800,000 displaced persons and refugees. Their arrival was not a new or novel experience for America. It was, in a sense, a reenactment on a larger scale of the arrival of our first refugees, the Pilgrims in 1620.

These more recent refugees, like those who had preceded them, have now become Americans. They are homeless refugees no more. They have become respected and productive citizens of our great country.

Typical of the groups is Pete Fedolak, born in Poland. Recently, when he was asked if he was happy living in Detroit, he responded:

> When I was 15 the Germans took me to Rudeshein. I worked for $2 a day. I lived in barracks. Am I happy here? * * * You kidding?

An article appeared in the Detroit Free Press on May 13, 1962, which reports on the present situation of a number of people who came to this country as refugees. The title of the article by Steve Kryvicky is "Refugees Are a Credit to Detroit."

I request unanimous consent to have the article printed in full as a part of my remarks.

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

REFUGEES ARE A CREDIT TO DETROIT—THESE NEW AMERICANS ARE NOT DISPLACED

(By Steve Kryvicky)

You do not call them DP's (displaced persons) anymore.

Although there about 45,000 formerly displaced persons in Detroit and surrounding suburbs, you would not recognize one as such if you met one.

They are typically American. They dress the way you do (no more flowing capes and belted German trenchcoats). They talk (with only a few exceptions, mostly the elderly) the way you do.

Their manners have changed considerably: No more kissing of hands or the clicking of heels upon meeting. If the middle-aged ones did not tell you that they arrived in this country a little more than 10 years ago you would assume that they were born here.

The United States took them in kindly, accepted them generously, and they are grateful.

They have become a great asset to Detroit.

"They are a credit to our community," said Inspector Joseph Nufer, of the Detroit Police Department.

According to Robert J. Temple, assistant superintendent of the Detroit Welfare Department: "The percentage of their cases on the welfare department rolls is almost nil."

They are a hard-working, ambitious people. Most of them own their own homes.

I know a meatcutter, 56, father of three (he does not want his name mentioned because he has parents still living in Russia) who works 15 hours a day, 6 days a week, for a dollar an hour and two meals a day. He paid for his home in 7 years.

They like nearly everything that is American-made. Hardly any of them buy a European car: "They look like bugs compared to our cars."

They have great faith in democracy.

Alex Zalopany, 7400 Montrose, mason-contractor, rough and hard and weather-beaten as the stones he works with, when asked his age: "I may be in my fifties, I look and feel 45, so you figure it out. In Russia I would have to tell you my age. But in our democracy," he smiled broadly, "I do not have to tell you anything. That's democracy."

Many of them had to change professions in their forties after they arrived in Detroit.

Wasyl Barnych, 48, 3846 Carpenter, father of two, was a bookkeeper in Germany. Because he could not get steady employment in his profession he learned the carpenter's trade. "I like this work much better."

I asked his daughter, Irene: "Would you like to to go Europe again?"

"That depends on how long."

"Permanently," I said.

"No" she said, startled.

Wasyl Chudor, 47, father of two, manager of the Self Reliance Credit Union (2,500 members, all Ukranians, assets $2.5 million) changed professions several times.

His background is typical of most of the professional people. He was studying law in Lemberg when the Communists occupied the western Ukraine. He fled with his parents to Poland. The Germans immediately packed him off to work in Berlin.

After the war, he studied in Goettingen, graduated with a doctorate in business administration. In Detroit, he worked as a salesman for an insurance company for a year and 2 years in the Chrysler Corp. cost accounting department. In his spare time he helped organize the credit union.

"We like it here very much," he said. "Most of our people are working in their professions. Some of the older ones, those who could not bridge the language barrier, are having a difficult time. We have old doctors and lawyers who are working in menial jobs but they are respected for what they know."

No matter where these people were born, Latvia, Estonia, Lithuania, Poland, the Ukraine, Hungary, Greece, Yugoslavia, in their teens, the girls 14 and up, the boys 15 and up, were forced into the labor camps of Germany.

Pete Fedolak, 11704 Mitchell, 35, father of four, a cocky-walking, cheerful-looking American-sort-of-a-guy is a window cleaner.

"I was born in Luka (Galicia), Poland," he said. "I am a Ukrainian. When I was 15 the Germans took me to Rudeshein. I worked for $2 a day. I lived in barracks. Am I happy here? You kidding?"

A Latvian woman, 37, lovely heart-shaped face, mother of three, who does not want her name mentioned for personal reasons was put to work in a factory in Hamburg when she was 14.

"I worked as a punch press operator," she said, looking at her fingers. (The trademark of a press operator is a missing finger.) I received 7 marks for 3 weeks' work. They gave us soup and bread during our 10-minute lunch period. We worked from 7 in the morning until 6 at night. We lived in barracks. That's where I met my husband."

I asked: "Do you like living in Detroit?"

She gave me an incredulous look: "Like it here?"

She worked and lived in Hamburg during World War II.

"In the daytime the American planes came," she said. "And we would run into the parks and try to hide from the bombs. The German people would not let us hide in their shelters. We had identification marks on our blouses, L for Latvia, P for Poland, etc., so they knew who we were. And then at night the English planes would fly over us. You know what happened to Hamburg."

After watching me a while, she lifted her face and laughed. It was sweet laughter, the kind that had the sound of crying in it. (She did not go back home, did not see her parents again: "They do not know whether I am alive or not.")

"Of course I like it here. I live like a little girl again. I go everywhere and just look at everything. I have a husband, my own home, children. When I was 14 I did not even dare dream that I would be walking free anywhere. * * * Does that answer your question?"

POSITION OF NEW JERSEY DOCTORS ON MEDICAL CARE PLAN

Mr. HART. Mr. President, a great deal of concern was expressed across the Nation when a group of New Jersey doctors resolved to refuse medical care to any person participating under a medicare plan established by the King-Anderson bill.

Yesterday in New York City the President commented upon this action, and I ask unanimous consent that an excerpt from his speech be printed at this point in my remarks.

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

> Well, let's hear what some people say. First, we read that the AMA is against, and they are entitled to be against it—though I do question how many of those who speak so violently about it have read it, but they are against it—and they are entitled to be against it, if they wish. In the first place, there isn't one person here who isn't indebted to the doctors of this country. Children are not born in an 8-hour day. All of us have been the beneficiary of their help. This is not a campaign against doctors, because doctors have joined with us. This is a campaign to help people meet their responsibilities.
>
> There are doctors in New Jersey who say they will not treat any patient who receives it. Of course they will. They are engaged in an effort to stop the bill. It is as if I took out somebody's appendix. The point of the

matter is that the AMA is doing very well in its effort to stop this bill, and the doctors of New Jersey and every other State may be opposed to it, but I know that not a single doctor if this bill is passed is going to refuse to treat any patient.

No one would become a doctor just as a business enterprise. It is a long, laborious discipline. We need more of them. We want their help and gradually we are getting it. The problem, however, is more complicated, because they do not comprehend what we are trying to do.

Mr. HART. Mr. President, responsible newspapers across the Nation have editorialized on the resolution by the New Jersey physicians. A selection of this editorial comment seems to me to reflect eloquently the reaction of the vast majority of the American people surely. The tactic resorted to by these few physicians is not representative of the medical profession. I ask unanimous consent that these editorials be printed at this point in my remarks.

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

[From the New York Herald Tribune, May 10, 1962]

SPANK THOSE DOCTORS

New Jersey's rebellious doctors have not added to their stature by their revolt, nor have they enhanced the dignity of the medical profession's opposition to the King-Anderson bill.

In pledging not to treat patients who use King-Anderson (or any similar bill), they make themselves look vengeful and petty. If they carried out their threat, it would be purely an act of reprisal against the wrong people.

King-Anderson, after all, would not pay doctors' fees; it would only pay a part of the patient's hospital bill. If it were enacted, patients claiming benefits under it would only be claiming their rights under Federal law. And it hardly falls within the attending physician's province to prescribe the means by which a patient must pay a debt owed to a third party—in this case, the hospital.

This is a matter between hospital and patient, not between doctor and patient.

Despite all the administration-backed efforts to picture the debate over medicare as one between needy old folks and greedy doctors, much of the medical profession—most of it, in fact—is seriously concerned about the intrusion of government into the doctor-patient relationship, regarding King-Anderson as merely an opening wedge. Many, too, are worried about the effect any move in that direction would have on the critical problem of recruiting enough first-rate men into medicine to maintain the quality of medical care. These are genuine concerns which need airing in an atmosphere free of political problems. But the New Jersey doctors have generated heat without light. Their behavior is reminiscent of a child's temper tantrum, and—in the medical profession's own interest—they ought to be spanked by the New Jersey Medical Society when it meets in convention this weekend.

The New Jersey society would do well to heed the president of the Suffolk County (Long Island) Medical Society, who commented: "We don't look kindly on this kind of tactic. It could be detrimental to the medical profession as a whole. * * * Of course we are opposed to King-Anderson and appalled at the bandwagon tactics of President Kennedy to push this over, but we feel that we should behave with restraint and dignity."

[From the New York World-Telegram, May 12, 1962]

BOYCOTTING THE SICK

Like most physicians, the doctors around Point Pleasant and Neptune, N.J., oppose President Kennedy's program of health care for the aged under social security.

Unlike most of their colleagues, however, those 200 physicians have announced that, if the President's proposal is enacted, they will refuse to treat patients whose hospital bills are to be paid through social security.

Such a boycott of the sick would amount to a medical atrocity. That patient-be-damned attitude would be even more unjustified than the public-be-damned tactics sometimes employed by labor unions.

As a matter of fact, physicans in the United States now treat thousands, perhaps millions of needy patients whose hospital bills and even doctor fees are paid through Government channels.

Of course, logical arguments can be advanced against placing health care for the aged under social security. But substituting strike threats for arguments smacks of legislative blackmail and serves only to discredit a segment of the medical profession.

[From the New York Times, May 7, 1962]

THE DOCTORS' POLITICAL STRIKE

The threat of a group of New Jersey physicians to boycott patients seeking care under the administration's proposed program of medical care for the aged is an attempt at political blackmail degrading to their profession. The explanation of the embattled doctors that they would continue to treat the medically indigent, as they have in the past, does nothing to mitigate the irresponsibility of their plan to withhold service from those who want to avail themselves of benefits when and if the bill is passed by Congress. Certainly physicians have a right to publicize their objections to any social security approach to the financing of medical care. They exercised this right in their meeting with President Kennedy at the White House last week. They have a right, too, to complain if they feel the administration is using unfair tactics to put across its program. The one thing they do not have a right to do is to threaten to make the sick the victims of their political dissent by depriving them of lifeguarding services. No legislative countermoves should be necessary to convince the doctors they are on the wrong tack.

[From the Nashville Tennessean, May 7, 1962]

NEW JERSEY DOCTORS SHOW LACK OF REASON, RESTRAINT

Opponents of social security financing for medical care of the aged appear to have reached the panic stage. Unable to dent the bill's public favor or to find an alternate plan matching its advantages, medicare foes now are threatening to take their ball and go home.

Some 200 doctors in New Jersey have announced a shocking decision. They say they will refuse to treat patients under the program if it becomes law. This jars the Nation's image of the medical man with his oath of service to humanity. The doctors' resolution to refuse to treat patients under the social security plan already has been condemned as incredible by one group of physicians. It deserves to be disavowed by every doctor in the country.

The revolting doctors' ire and AMA opposition would be more understandable if the medicare bill sought to regiment or restrict the doctors. It does not basically affect their services. It enables an elderly patient to pay his own doctor and hospital bills. Doctors have never had, and should not have, any right to determine the manner in which patients pay for their services—whether by cash, private plan, or public plan. Their right is to serve the people who come to them for treatment, and to receive pay for this service.

Yet the fight goes on, with the AMA and some medical groups and individuals leading the opposition. Their principal charge, lame and false, is that the social security plan would lead to socialized medicine. This charge erroneously implies that the King-Anderson bill would mean Government control over doctors and hospitals. It is hauled out every time the AMA opposes anything.

The social security system itself once was roundly condemned as socialism but was expanded by the Republican Eisenhower administration. When the bitter fight is over, the odds are great that the medicare plan will receive the same general acceptance, even by those who now oppose it.

[From the St. Petersburg Times, May 7, 1962]

WHAT WOULD HIPPOCRATES THINK?

One of the most shocking—and certainly the least tenable—positions any doctors' group has taken against social security medicare is that one which has stirred up so much controversy in Point Pleasant, N.J.

It is downright astonishing that all of the active staff of the Point Pleasant Hospital would sign a petition saying that they would not take care of patients who might be beneficiaries under the King-Anderson bill.

Since the King-Anderson bill would pay, under social security, only the hospital bill—not the doctor's bill—such a position is not rational.

Moreover, for any doctor to say that he would refuse to treat any person under such circumstances is the rawest kind of repudiation of the oath of Hippocrates that he has taken.

To come right down to it, it is none of the doctor's business who pays, by whatever means, the hospital bill.

Of course, they argue that something similar to the King-Anderson measure would lead to "socialized medicine."

The American public by now is weary of such arguments. When child labor laws were first talked about they were branded by some as "child control" and "socialization" measures. There was a time when programs for the dipping vat treatment of livestock to prevent anthrax were called "socialization" and "Government interference."

This tired sloganeering no longer can sway the public. The doctors should be the first to realize it. And no one has to be wedded to the King-Anderson bill to find fault with the Point Pleasant doctors and those who side with them.

Everyone—including doctors—must realize that one of our most pressing problems is the medical care of the elderly and needy. And everyone would welcome an alternative from physicians, themselves, should they finally offer one that seems practical.

It would be our guess—or at least our hope—that the Point Pleasant approach will not spread. Medical practitioners are among the most noble of professionals, and the Hippocratic oath is not taken lightly by them. All they need do is to be more "for" something to solve the problem than "against" someone else's proposal. We can't conceive of a doctor going on "strike" against a patient, in any case.

[From the Milwaukee Journal, May 8, 1962]

WRONG PRESCRIPTION

The 250 New Jersey doctors who threaten not to treat patients under the administration's proposed medical care program signed the wrong prescription. They are almost certain to get a result contrary to what they desire.

They won no friends for their cause or respect for their profession by announcing that they would refuse, under the Kennedy

plan, to treat a sick or injured person for any reason. Such a readiness to violate their professional oath because they don't like the kind of health insurance a patient carries is shocking.

This eruption seems all the more quixotic because the Kennedy proposal has nothing to do with paying doctor bills. The program would only cover bills for nursing and hospital care. Doctors in independent or group practice would be paid exactly as they are today. In fact, the Kerr-Mills program previously approved by Congress, under urging of the American Medical Association, goes further in the direction of "Government medicine" than does the administration program.

The ill-considered move in New Jersey will provide more ammunition for derogation of the medical profession by less restrained proponents of the Kennedy program. It diverts attention that should be centered on the actual merits and shortcomings of the proposal, largely obscured recently by the verbal dust cloud raised by both sides. There are weighty arguments that can be directed against the administration's plan.

The doctors' threat has been matched by one which makes no better sense. A bill has been introduced in the New Jersey Legislature that would take away the license of any doctor joining the proposed boycott. Growing New Jersey cannot afford to drive out more than 200 doctors nor to pit the State against the medical profession.

Some adversaries in this dispute are losing their heads. It is a sorry spectacle when the issue so deserves thoughtful, objective consideration.

[From the Denver Post, May 4, 1962]

THESE DOCTORS OFFER BAD MEDICINE

A group of New Jersey doctors has developed a strategy to fight President Kennedy's medicare program which could lower public respect for organized medicine sharply.

The doctors, 44 members of the staff at Point Pleasant Hospital, have announced simply that they won't treat anyone who tries to enter the hospital on Federal funds under the Kennedy program. This program is embodied in the King-Anderson bill.

The King-Anderson bill, currently before Congress, covers hospital expenses but not doctor bills. Nevertheless, the doctors have decided to make their stand against socialized medicine here and now.

So if the King-Anderson bill becomes law, no patient need show up at Point Pleasant Hospital with the expectation of having the Government pay his bills under social security.

The doctors say it isn't a strike; they'll dig into their own pockets to pay for anyone who can't pay, they say.

Nevertheless, the hospital's board of directors has issued a statement saying that if the doctors refuse to treat medicare patients the hospital will not be able to care for them.

The doctors admit frankly this is exactly what they want: to prevent the hospital from contracting with the Government to provide care under the social security system.

The action is highhanded. It is a promised attempt to dictate to the American people what kind of treatment they shall have—and what hospitals they can be treated in—despite whatever public wishes may be expressed through legislative action by Congress.

If the move is intended as propaganda—for consumption in the Halls of Congress during the legislative maneuvering—it isn't going to succeed at that, either.

The American Medical Association, which is firmly opposed to the King-Anderson bill, has not commented on the New Jersey action, as far as we know.

It should. It should say that such tactics presently constitute blackmail and potentially represent an attempt by a special interest group to dictate national policy to the American people.

A doctor has the right to practice or not to practice. He may pick his patients. But when he threatens to close the doors of a hospital to American citizens—because of his own personal feelings—then he has most certainly gone too far.

We think public opinion will take care of the New Jersey doctors. And we think the AMA ought to disassociate itself from such medical royalists, and their self-serving policies.

[From the Milwaukee Journal, May 11, 1962]

STATE DOCTORS' FINE STAND

Wisconsin physicians are not ready to join any boycott threat in an attempt to block passage of the administration's King-Anderson bill, which provides limited health care benefits under social security. The State Medical Society of Wisconsin house of delegates, meeting here, adopted this statement:

"At no time, under any circumstances, will we as physicians refuse to render medical care to any of our patients who need it, solely because of the mechanism of payment for such services."

This is the position that the public could expect conscientious doctors to take—even though they strongly oppose the "mechanism of payment" in the King-Anderson bill, as the Wisconsin doctors do.

The declaration was provoked by the criticism of 250 New Jersey doctors who have said they would "refuse to participate in the care of patients under the provision of the King-Anderson bill or similar legislation." On the other hand, their statement added, those doctors would participate in the national Blue Cross-Blue Shield plan and would continue to care for the medically indigent (those without means to pay) as in the past.

The wording seems clear and unequivocal. Since the King-Anderson bill deals only with hospital bills, and not doctor bills, the statement can only mean that the doctors threaten to withhold their services from patients hospitalized under the King-Anderson plan, if it goes into effect. The director of the New Jersey hospital where most of the doctors involved practice has said that if the threat were carried out his hospital would be unable to care for such patients.

Nobody can deny the right of these New Jersey doctors to reject patients for any reason. But their present action sullies the image of the selfless physician dedicated to ministering to all who need him, regardless of all else.

Doctors have every right to campaign vigorously against the King-Anderson bill, to which the Journal is also opposed. But an organized boycott threat is as bad a tactic as could be chosen. It plays right into the hands of the backers of King-Anderson.

The Wisconsin doctors do well to disassociate themselves publicly from any such move.

[From the St. Louis Post-Dispatch, May 7, 1962]

DOCTORS' OATH FORGOTTEN

Doctors are sworn by the oldest of professional oaths to care for the sick. In their training, they are reminded that the unselfish fight against disease and death is the unquestionable justification which commands for their art the respect of mankind.

How then could 200 doctors on the staffs of four New Jersey hospitals sign a resolution declaring that, if Congress adopts President Kennedy's social security health insurance plan, they will refuse to treat patients under the program?

A doctor has no moral right to refuse to treat any patient in need of his attention. It matters not whether the man be saint or sinner, whether he can or cannot pay for treatment, least of all how he may pay. The doctor is entitled to adequate payment, but this does not release him from his duty.

As a matter of fact, the pending legislation has precious little to do with doctors' pay. It covers only the fee for diagnosis, essential to decide whether an individual should be in a hospital or nursing home. Yet Dr. J. Bruce Henriksen, mover of the resolution, says that under the plan "hospital beds will be filled with old people who think it is nice to lie in bed and have their backs rubbed and their meals brought to them." If that ever turns out to be the case, the fault will be a doctor's—not that of the old people so sneeringly described.

Little wonder that Dr. Caldwell B. Esseltyn, who favors the Kennedy proposal, commented: "It is incredible that physicians would deny a sick person the right to pay his hospital bills by contributing through social security a little every month during his working years so he won't have to accept charity in his old age."

Incredible is a mild word.

[From the Pittsburgh Post-Gazette, May 8, 1962]

NEW JERSEY JITTERS

When 250 New Jersey physicians adopted a resolution to refuse medical care to participants under the proposed King-Anderson bill they appeared to be succumbing to the hysteria of fear which is a blot on the professed humanitarianism of American doctors.

The King-Anderson bill, that would place medicare for the aged under social security, has not even left the House Ways and Means Committee—primarily due to the do-or-die lobby opposition of the American Medical Association—but these deluded Garden State medics are already building a dubious frontline at the risk of their individual reputations.

The bill's proponents unfortunately have seen fit to reply in kind which is hardly conducive to the public's weighing the proposed legislation (currently about six bills in addition to King-Anderson). Health, Education, and Welfare Secretary Abraham Ribicoff said the doctors were violating the Hippocratic oath; New Jersey Democratic Gov. Richard J. Hughes accused them of trying to blackmail Congress and the American people; and Assemblyman John J. Kijewski, Democrat, has introduced a bill in the New Jersey Legislature to revoke the license of any doctor who refuses treatment on the grounds of King-Anderson.

The doctors vigorously oppose Government regulation, but who can say that the Kerr-Mills law, dearly supported by the AMA, is not Government regulated with all funds coming from Federal and State Governments? They must think that dealing with two governments is better than having an all-Federal program.

We are sorry to see medicare for the aged reduced to the absurdities rampant in New Jersey. The doctors should repel adherents by their own silliness. But just to be safe, readers should let their U.S. Representatives know whether they want the King-Anderson bill and should not be confused by the flurries of its enemies.

[From the Des Moines Register, May 7, 1962]

WRONG WAY TO SHOW OPPOSITION

The resolutions signed by 200 New Jersey doctors, saying they would refuse to participate in the care of patients under the President's medical-care-for-the-aged plan, may be merely an expression of political opposition to the plan, but it hardly seems the right way to express it.

Many will not read past the first paragraph of the resolution containing the refusal.

They will not reach or will overlook the significance of later paragraphs in which the doctors say that they will participate in national Blue Shield and Blue Cross plans for the aged and will continue to care for the medically indigent, young and old, as they have in the past.

These later paragraphs indicate that the doctors are not refusing service but are only refusing to accept fees from social security funds which would finance the President's plan.

Even when this is understood the approach is the wrong one. It may not be meant as compulsion, but it has the sound of it. Americans think of doctors as being capable of unselfish service in behalf of their patients. The thought of advance threats to refuse to cooperate in a national program, whether properly financed or not, damages the picture which the average patient has of his doctor.

Too many persons will feel that they are being pressured. This will not increase the public's willingness to listen to the doctor's arguments against the plan. One of the resolutions signed by the doctors in New Jersey has disappeared. It may have been destroyed by someone who was sensitive to public reactions.

[From the Hartford Times, May 8, 1962]

TEMPER, TEMPER

It must surely be clear by now that the New Jersey doctors who jettisoned their judgment and tipped their bad temper about social security health care for the elderly committed a grave error.

It is inconceivable that they would have refused to accept patients who would be covered for hospital and nursing home care, were controversial Federal legislation to which they are opposed, be passed.

A subsequent statement that the aroused doctors would treat such patients "free" does not undo the damage done to the medical profession wrought by previous impulse. Nor is it relevant.

Many doctors are deeply fearful that the Government's entry into hospital, convalescent and nursing-home care via the social security system foretells socialized medicine. Subsequent legislation could, they reason, broaden coverage by lowering the age of eligibility and by extending it to include the physicians' fees. This, in our judgment is an understandable fear. And the doctors of New Jersey, as well as elsewhere, have every right to resist it.

But, opposing legislation and threatening defiance of it are two different things. The latter course invites public disillusionment and plays into the hands of extremists.

There are moves underway to make more flexible the Kennedy administration's version of social security health care, and to provide eligible recipients with options that honor existing health insurance mechanisms, public and private. Such amendments have found favorable response among people who are seeking moderation in bold social change. Whether such a middle course is practical in operation remains to be seen. But this much is certain: It will never receive serious consideration if other elements of the Nation's medical profession overreact to something they do not like—as some doctors have done in the State of New Jersey.

[From the New York Post, May 10, 1962]

THE TWO-HEADED DOCTORS

Secretary of Welfare Ribicoff delivered a quietly devastating blow to the New Jersey doctors who have threatened to rebel against the administration's medicare program if it is enacted by Congress.

"These doctors apparently believe it is all right for the Federal Government to help build the hospitals in which they practice, but that an insurance plan that would help their patients pay their hospital bills would not be good," the Secretary said.

Noting that the two New Jersey hospitals with which the protesting doctors are connected have received $572,246 in grants-in-aid for equipment and construction programs, he observed:

"Apparently they have no objection to practicing in hospitals that have received outright grants of Federal funds."

The same point could be made about the bland inconsistency of many AMA doctors in many other institutions which eagerly accept similar Federal help.

And the AMA has no real answer.

EXPERIMENTAL FOOD STAMP PROGRAM IN DETROIT

Mr. HART. Mr. President, it has been almost a year since President Kennedy's pilot food stamp program went into effect. Shortly after taking office, the President directed the Secretary of Agriculture to undertake a series of experimental food stamp programs to see if this method of providing the indigent with adequate diets from our Nation's food abundance was feasible and practicable.

At the time the pilot food stamp programs were under consideration there was considerable feeling that it would be unwise to include a major metropolitan area among those selected for pilot projects. I argued strongly that the reverse was true, and that the only way the Nation would have a fair test of the practicability of a food stamp program would be to include a large urban population center.

For a number of years the Food Industry Committee of Detroit, headed by W. E. Fitzgerald and Detroit's welfare superintendent, Daniel Ryan, had urged upon the Federal Government the use of food stamps in place of the surplus commodity distribution program. In 1959, as a member of the Senate Agriculture and Forestry Committee, I welcomed their appearance before that committee when, in an unusual example of cooperative effort between the local government and the retail food industry, Detroit offered to be a test city for a food stamp program. Our bill to establish such a program by law was unsuccessful at that time.

When President Kennedy last year moved through the Department of Agriculture to institute pilot food stamp programs, we were successful in convincing the Department that Detroit should be included in this initial test.

All concerned are more than delighted with the success of the first year's operation of this program in Detroit, and we are delighted with the decision of the administration to extend the program for an additional year through June 1963.

I ask unanimous consent that an article in the May 14 issue of the Detroit Free Press entitled "Detroit Food Stamp Program Makes a Hit," be printed at this point in my remarks.

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

DETROIT FOOD STAMP PROGRAM MAKES A HIT

(By Warren H. Stromberg)

A medical student with a family of 4, a detective lieutenant with a family of 12, retirees on social security, fatherless families, handicapped persons.

These are among the 20,000 households eating better and living better because of Detroit's food stamp program.

The Federal Government selected Detroit and seven other economically depressed communities when the experiment got underway last summer. There were doubts at the time. Now all of these have disappeared, according to an evaluation report recently released by the Department of Agriculture.

The glowing reception to the program in Detroit is significant because its 83,000 participants make up two-thirds of the program. It is the only large city involved.

Fifteen million dollars' worth of stamps have been distributed in Detroit in a 9-month period. This includes $5 million in bonus stamps—a direct gift from the Federal Government to improve the diets of low-income families.

The bonus, or supplement, works like this: For each $2 in stamps the recipient gets another dollar's worth as a present.

Unlike previous surplus food programs, stampholders can buy any kind of foodstuff grown and processed in the United States. This excludes coffee, cocoa and spices. Alcoholic beverages and tobacco are also excluded.

Purchases can be made at any one of 3,500 designated stores in Detroit.

"My business has picked up almost 20 percent," said Ben Rubens, president of King Cole Markets.

"Everybody likes the program. It's convenient for the consumer. There's no stigma attached to it. The Government is making its point, which is to make available an adequate diet for those who can least afford it.

Rubens operates a large market at Clairmount and Woodward in a low-income neighborhood. Biggest turnover of merchandise comes on the 2 days of the month when stamp books are issued.

High praise for the program comes from Daniel J. Ryan, Detroit's welfare superintendent, and W. E. Fitzgerald, secretary of the Food Industry Committee of Detroit.

For years, the two made periodic trips to Washington to testify before congressional committees. Ryan's stock statement was:

"I don't think the welfare department should be in the food business."

Detroit participated in the first food stamp program from 1939 to 1943. The needy could get rice, dry milk and other items which storekeepers kept in a separate department marked "surplus."

The idea of distributing surplus commodities to families was revived by Congress in 1955. Detroit soon found that this time the welfare department had the task of storing and packaging the foods.

At first, distribution to the consumer was handled by stores with the storekeeper receiving 15 cents a month for each family served. In recent years, the department operated its own distribution center at 8300 Woodward.

Persons who qualified made once-a-month pickups. The aged sometimes had difficulty with heavy packages.

The cumbersome process cost the city $363,000 in the last year of operation. During the year, there were 11 items on the list. Sixteen million pounds of food with a retail value of close to $5 million cleared through the warehouse.

The stamp plan will cost all branches of Government about a half million dollars or 2½ percent of the total value of the merchandise for 1 year of operation.

Robert Nelson, local representative of the Department of Agriculture, has the job of qualifying stores and policing the program.

"There has been little cheating," Nelson said. "If there is any question about it the store is immediately taken off the list."

The welfare department has the responsibility of qualifying the families. Welfare families are automatically eligible. All others are rechecked every 3 months. Largest group is aid to dependent children families. Next is low income families not on relief.

Those receiving unemployment and workmen's compensation, persons in military service, the blind, and the disabled may also apply.

Eligibility involves the size of one's liquid assets and size of family. For instance, a family of four could have a maximum monthly income of $264 and assets totaling $794 and still qualify.

This family could buy $24 worth of stamps every 2 weeks and receive $14 worth of stamps as a bonus.

"With this arrangement a person can do his shopping almost anywhere and when he chooses," Ryan said. "There's no storage problem and he doesn't have to carry home a huge package once a month.

"There's no inconvenience for the storekeeper. He merely takes the coupons to his bank and these are then redeemed through the Federal Reserve System."

Ryan pointed out that children and elderly persons now have access to all types of foods.

"Children can have real milk and fresh fruit," he said. "They can have eggs and meat. We're told that this has meant an improvement in the health of many families."

Ryan said Detroit was selected for the big city phase of the pilot program "because we had been banging on the door for so many years."

"Some said it would never work out but they're beginning to change their tune," he added.

The present cut-off date for the 1 year tryout is June 30. But the expectations are the program will be extended.

ADJOURNMENT

Mr. DOUGLAS. Mr. President, unless other Senators wish to speak at this time, I now move that in accordance with the order previously entered, the Senate adjourn until tomorrow, at noon.

The motion was agreed to; and (at 6 o'clock and 6 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, May 22, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 21, 1962:

DEPARTMENT OF THE ARMY

Cyrus Roberts Vance, of New York, to be Secretary of the Army, vice Elvis P. Stahr, Jr., resigned.

DEPARTMENT OF DEFENSE

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense, vice Cyrus Roberts Vance.

DIPLOMATIC AND FOREIGN SERVICE

Mrs. Eugenie Anderson, of Minnesota, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Bulgaria.

Adm. Alan G. Kirk, U.S. Navy, retired, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to China.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR PERMANENT PROMOTION

To be medical directors

Patrick J. Sullivan
James A. Hunter, Jr.
Theodore E. Hynson
James A. Finger
Arthur R. Dahlgren
Louis S. Gerber
Bernard F. Rosenblum
Lucy D. Ozarin
William F. Mayes
Wayland J. Hayes, Jr.
Leonard T. Kurland
Thomas A. Burch
Alan D. Miller
Louis B. Thomas
Robert B. Dorsen
Wilton M. Fisher
Kazumi Kasuga
Paul S. Parrino
Richard S. Yocum
Murray C. Brown
Roy P. Lindgren
Vincent E. Price
Robert E. Greenfield, Jr.
Robert M. Farrier
Stuart M. Sessoms
Sheldon Dray
Donald Harting
Henry D. Smith
Henry C. Savage
Charles Edward Smith
Willie G. Simpson
William L. Bunch, Jr.
Henry H. Kyle
Louis J. Oropallo
Gert L. Laqueur
Robert L. Bowman
John J. Brennan
Dominick J. Lacovara
Kirkland C. Brace
Vaso L. Purlia
Alvin L. Cain
Fred W. Love
Raymond W. Herrmann
Charles M. Gillikin
Edward B. Lehmann
Wilfred D. David
Charles E. Horner
Ruth E. Dunham
Holman R. Wherritt
Ralph S. Paffenbarger, Jr.
John P. Utz
Robert L. Price
John M. Vogel
Milo O. Blade
Gerald R. Cooper

To be senior surgeons

Bert N. La Du, Jr.
Phyllis Q. Edwards
Frank W. Mount
Maurice F. Herring, Jr.
William L. Ross, Jr.
Henry K. Beye
Kehl Markley III
George R. Adam
Edward L. Kuff
Marguerite L. Candler
Lyman C. Wynne
John H. Waite
Robert L. Brutsche
Carl F. T. Mattern
Clifford H. Cole
William J. Zukel
Carl F. Essig, Jr.
Simon P. Abrahams
Chen Tung Sun
Jarvis E. Seegmiller
De Armond Moore
Leon Levintow
Harry S. Wise
Philippe V. Cardon, Jr.
H. Wayne Glotfelty
Charles A. Monroe

To be surgeons

Charles A. Davis
Cuvier D. McClure
Eugene T. van der Smissen
James H. McGee
Allen C. Pirkle
K. Lemone Yielding
Frank E. Lundin, Jr.
Willard P. Johnson
Frederick Dykstra
Peter V. Hamill
John R. McKenna
William C. Mohler
Lloyd Guth
Stanley Graber
Daniel C. Beittel
Joseph A. Barnes
Hilde S. Schlesinger
Raymond F. Smith
Samuel Baron
Robert N. Butler
Charles G. Lewallen
George G. Glenner
M. Walter Johnson
Frank R. Mark
Patrick J. Hennley, Jr.
Stewart H. Mudd
William K. Carlile

To be dental directors

Seymour J. Kreshover
Isadore J. Jarin
John J. Satarino
Peter J. Coccaro
Richard P. French
Peter B. Drez

To be senior dental surgeon

Robert W. Bonds

To be dental surgeons

John C. Greene
James R. Lambrecht
Edward J. McCarten
Kenneth T. Strauch
James J. McMahon

To be senior assistant dental surgeons

Bryant G. Speed
Robert J. McCune
Richard E. Adams
James D. Ashman
Darrel D. Lee
Maurice A. Correy
Norman L. Clark
Merwyn C. Crump
Steve D. Hunsaker
Philip M. Lightbody
Lloyd K. Croft
Wayne E. Stroud
Gerald C. Stanley
Kenton E. Nesbit
David R. Madsen
Robert A. Cialone

To be sanitary engineer directors

Elmer J. Herringer
Frederick F. Aldridge
E. Carl Warkentin
Paul W. Reed
John H. Ludwig
Harry W. Poston
Donald J. Schliessmann
James H. Crawford
Samuel R. Weibel
Curtis E. Richey
Gerald Dyksterhouse
Alfred E. Williamson, Jr.
Jerome H. Svore
Edwin L. Ruppert
Clarence J. Feldhake
Bernard E. Saltzman
Harry P. Kramer
Andrew D. Hosey
Daniel J. Weiner

To be senior sanitary engineers

Frank W. Noble
Vernon R. Hanson
Guy L. Hubbs
Jack H. Fooks

To be sanitary engineers

Leo Weaver
George F. Mallison
Ralph K. Longaker
David H. Howells
Robert L. Harris, Jr.
Eugene T. Jensen
Frederick A. Flohrschutz, Jr.
Harold W. Wolf
Edward R. Williams
Hugh H. Connolly
Francis L. Nelson
Richard D. Vaughan
John E. Munzer
John E. McLean
Bernd Kahn
Garry L. Fisk
Albert E. Bertram
Jerrold M. Michael
Ernest D. Harward
John M. Rademacher
Dean S. Mathews
Gene B. Welsh

To be senior assistant sanitary engineers

Lloyd A. Reed
Marvin D. High
H. Lanier Hickman, Jr.
Alfred W. Hoadley
Milton W. Lammering
James K. Channell
John N. English
James H. Eagen
Anton J. Muhich

To be assistant sanitary engineers

Robert P. Hangebrauck
Phillip L. Taylor
Lawrence J. Perez, Jr.
Samuel B. McKee
Russel H. Wyer
Louis J. Breimhurst
Robert H. Reeves
Max E. Burchett
John K. Carswell
James V. Waskiewicz

To be pharmacist directors

Boyd W. Stephenson
Joseph P. Crisalli
Victor F. Serino
Arthur W. Dodds
Robert L. Capehart

To be senior pharmacist

Dwight D. Wendel

To be pharmacists

Carl H. Brown
George J. Gruber
Peter L. Bogarosh

To be senior assistant pharmacists

Charles A. Branagan, Jr.
Donald H. Williams
James E. Slough

To be assistant pharmacists

Edward C. Brennan
Laurence D. Sykes

To be scientist directors

Willard T. Haskins
Ruth Sumner
William M. Upholt
Herbert F. Schoof
Leon O. Emik
Francis M. Middleton
Richard P. Dow
Simon Kinsman
Richard A. Ormsbee
Lewis J. Sargent
Robert H. McCauley Jr.
Archie D. Hess
William H. Ewing
John C. Wagner
Harry A. Saroff
George W. Pearce
Alfred S. Lazarus

To be scientists

John F. Sherman
Louis A. Cohen
Gerald C. Taylor
Aubrey P. Altshuller
William D. Sudia
Earl S. Schaefer

To be sanitarian directors

Leslie D. Beadle
Noah N. Norman
Joseph F. O'Brien

To be senior sanitarians

Robert B. Carson
Stephen Megregian
Robert D. Murrill
James A. King
Loyal C. Peckham
Harvey B. Morlan
C. Bradley Bridges
Reuel H. Waldrop
George R. Hayes, Jr.
Peter Skally

To be sanitarians

Eldon P. Savage
Donald C. Mackel

To be senior assistant sanitarian

Charles R. Porter

To be veterinary officer directors

Raymond J. Helvig
Willard H. Eyestone

To be senior veterinary officers

Francis R. Abinanti
James Lieberman

To be nurse directors

Clarice M. Russell
Anna M. Matter
Genevieve S. Jones
Lola M. Hanson
Elisabeth H. Boeker
Louise C. Anderson
Marjorie W. Spaulding
Catherine M. Sullivan
Gladys C. Guydes
M. Lois Power
Anne H. MacNeill
Margaret Denham
Mildred Struve
Grace I. Larsen

To be senior nurse officers

Margaret T. Delawter
Henrietta Smellow
Winifred M. Mendez
Bernadette T. Mesi
Jessie M. Scott
Emma J. Strachan
Vivian L. Gibson
Tirzah M. Morgan
Ovelia Winstead
Mary M. Bouser
C. Vistula Lancaster
Helen L. Roberts

To be nurse officers

Hazel Kandler
Lena F. Turner
Ruth P. Tweedale
Lucille T. Fallon
Elizabeth A. Mullen
Antoinette M. Anteton
Marcella R. Hayes
Mary G. Eastlake
Florence M. Seidler

To be senior assistant nurse officers

Jennifer Boondas
M. Ethel Payne
Kathryn G. Ames

To be assistant nurse officers

Ray Cameron
Sidney S. Louis

To be dietitian director

Janet E. Stroupe

To be senior dietitians

Margaret L. Smith
Anna O. Reimer

To be senior assistant dietitian

Anne E. Requarth

To be assistant dietitian

Carol Diffenderfer

To be senior therapist

Vida J. Niebuhr

To be therapists

Howard A. Haak
John R. Desimio

To be senior assistant therapists

Ronnie E. Townsend
Robert D. Skinner

To be health services directors

Milton Wittman
Mary C. Gillis

To be senior health services officers

Philip P. Simon
Ernest V. McDaniel
Edward S. Weiss
Barbara A. Murphy
Ellen J. Walsh
Rachel S. Simmet
George Landsman
Albert E. Rhudy
Emma M. Wiest

To be health services officer

Robert E. Peay

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Thomas S. Althouse
Robert M. Byrne
Edward J. Crowley
Carl D. Garrison

Ronald L. Daley (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the line of the Navy, subject to the qualifications therefor as provided by law.

The following-named graduates from Navy enlisted scientific education program to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Raymond L. Belanger
Howard A. Boshers
John A. Buche
Malcolm D. Calhoun
James A. Church
Everett D. Clemmer
Joseph L. Doyle
William C. Egg
James W. Freeman
George R. Gay
Hoyt R. Good
Lawrence S. Gray
Laurence R. Hansen
Arthur Kislack
Richard W. Kruger
Floyce M. Lynch
Charles B. Martin
Vincent I. Michel
Warren A. Norman, Jr.
John E. Ritter
Ara Sagerian
Harry W. Schetter
Paul D. Sutton, Jr.
Jimmie C. Tyner
Walter L. Wagner
Thomas W. Weisenburger
Robert A. Young

The following-named graduates from Navy enlisted scientific education program to be permanent lieutenants (junior grade) in the line of the Navy, subject to the qualifications therefor as provided by law:

Walter M. Carl
Robert M. Jones

George E. Balyeat (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

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:

John W. Curtis
Robert I. Kramer
Burton M. Onofrio
Julio C. Rivera

John C. Mullen (civilian college graduate) to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law.

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:

John R. Anderson
Emil J. Bardana, Jr.
Tom R. Birdwell
Wesley Boodish
Willard A. Bredenberg
William F. Cavender
John C. Council, Jr.
Jay S. Cox
Judson L. Crow
Ernest P. D'Angelo, Jr.
Raymond O. Davies, Jr.
James P. Drinkard
Richard S. Flagg
Peter A. Fleming
John E. Hoye
Clyde G. Jeffrey, Jr.
Harry G. Kennedy, Jr.
Ronald G. Latimer
Ronald J. Lentz
Henry B. Lowsma
Thomas J. Murnane
John E. O'Connor
Joseph E. O'Donnell
Robert L. Piscatelli
Albert K. Rogers
Thomas C. Rowland, Jr.
Bradford B. Schwartz
William C. Silberman
Arthur Y. Sprague
Robert L. Thompson
Christian E. von Doepp
Don J. Wagoner
John W. Westcott
Joseph T. Wilson, Jr.
Martin A. Woodall

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

John D. Cagle
Henry J. Sazima
Edward G. Zapski

The following-named (Naval Reserve officers) to be permanent lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Charles R. Gibson
Ronald M. Gomer
George M. Rupp
Harry E. Semler, Jr.
William C. Sullivan

The following-named (civilian college graduates) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Bruce E. Johnson
Lee F. Knoll
John D. Murphy
Robert A. Todd

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Franklin M. Barber
Mark O. Brose
John D. Beisner
Thom H. Chapman
Robert E. Cassidy
Walter T. Dunston
Sanford A. Glazer
David F. Greer
Louis B. Gilham, Jr.
Roland C. Hardy
Sherry M. Hamilton, Jr.
Samuel V. Holroyd
Daniel L. Hall
William A. Kimpel
Kenneth R. Kimball
Theodore T. Krysinski, Jr.
Jack V. Lowman
James S. Lekas
Paul C. Lehman
Robert J. McCreery
George M. McWalter
William J. Morrissey, Jr.
Marvin Nissenson
William Z. Roper
Hershel G. Sawyer, Jr.
John J. Tully
Alfred C. Uveges
James E. Yacabucci

The following-named officers of the Navy for permanent promotion to the grades indicated:

To be captains, Dental Corps

Marvin Carmen
Carl L. Wilhelm

To be commanders, Medical Corps

Frank R. Preston
Robert R. Gillespy, Jr.
George E. Cruft

To be commanders, Dental Corps

Perry C. Alexander
William H. Cook, Jr.
William G. Hutchinson
Jay D. Shaw

To be lieutenant commanders, line

Bertram R. Carraway
Harland B. Cope

To be lieutenant commanders, Medical Corps

Glenn F. Kelly
James E. Turner, Jr.

To be lieutenant, Chaplain Corps

Carl E. Ruud

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualifications therefor as provided by law:

LINE

Barnes, Fletcher J. III
Betts, Richard J.
Bowers, John M., Jr.
Delpercio, Michael, Jr.
Fogle, William J.
Gingles, Donald D.
Jones, Howard R., Jr.
Tracy, Leslie R.

SUPPLY CORPS

Cook, Bennie W.
McClurkin, David K.
Sherman, Byron G.
Tribbie, Arthur S.
Vevoda, George L.
Wallace, Edwin R.

CIVIL ENGINEER CORPS

Jacobsen, John R.
Muir, Michael D.

NURSE CORPS

Lockwood, Lavon R.
Mann, Elizabeth M.
Stravinsky, Joan F.

IN THE MARINE CORPS

The following-named (Naval Academy graduate) for permanent promotion to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Melvyn H. Chang

The following-named officers of the Marine Corps for temporary promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Alfred R. Bergstrom, Jr.
Howard J. Bowden
William F. Cerney

John W. Guy
William F. Hurley
Antonio Mediavilla
Philip R. Morris
Edward O. Reusse
Robert P. Sypult

CONFIRMATION

Executive nomination confirmed by the Senate May 21, 1962:

DIPLOMATIC AND FOREIGN SERVICE AMBASSADOR

William P. Mahoney, Jr., of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

WITHDRAWAL OF A TREATY

Treaty withdrawn May 21, 1962:

The Cultural Convention between the United States of America and the United States of Brazil, signed at Washington on October 17, 1950 (S. Exec. X, 81st Cong., 2d sess.).

HOUSE OF REPRESENTATIVES

MONDAY, MAY 21, 1962

The House met at 12 o'clock noon.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

MAY 21, 1962.

I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.

JOHN W. MCCORMACK,
Speaker of the House of Representatives.

Rabbi Judah Cahn, Metropolitan Synagogue of New York, offered the following prayer:

Oh God, who rulest over all mankind and presidest over the destinies of nations, we invoke Thy continued blessing on our Republic, which Thy grace called into being and Thy love has sustained to this day. Keep us from all manner of oppression, persecution, and unjust discrimination; save us from religious, racial, and class conflicts; preserve our country as a haven of refuge for the victims of injustice and misrule. Give us the wisdom to choose honest and capable leaders who will govern us according to Thy law of righteousness. And may we so love our country that we shall withhold no sacrifice required to safeguard its life and to fulfill its promise.

THE JOURNAL

The Journal of the proceedings of Thursday, May 17, 1962, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1372. An act for the relief of Rocco Cambrea;

H.R. 1435. An act for the relief of Jacinto Machado Ormonde;

H.R. 1533. An act for the relief of Lee Kyong Ja;

H.R. 1588. An act for the relief of Fong Kai Dong;

H.R. 1604. An act for the relief of Spencer E. Hewitt;

H.R. 1650. An act for the relief of Irene Kemeny;

H.R. 1697. An act for the relief of Viola Borwick Warbis;

H.R. 1701. An act for the relief of Mrs. Kikue Yamamoto Leghorn and her minor son, Yuichiro Yamamoto Leghorn;

H.R. 1.03. An act for the relief of Maximo B. Avila;

H.R. 1918. An act for the relief of John D. Morton;

H.R. 2687. An act for the relief of Miss Helen Fappiano;

H.R. 3005. An act for the relief of Sister Mary Aurelia (Chiara Di Gesu);

H.R. 3148. An act for the relief of Maddalena Haas;

H.R. 3696. An act for the relief of Gertrude M. Kaplan;

H.R. 4365. An act for the relief of Sp5 Daniel J. Hawthorne, Jr.;

H.R. 4380. An act to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana;

H.R. 4563. An act for the relief of Abraham Gelb;

H.R. 5610. An act for the relief of Pierino Renzo Picchione;

H.R. 5686. An act for the relief of Mrs. Willie Mae Brown;

H.R. 5689. An act for the relief of Felicja Saulevicz;

H.R. 6344. An act for the relief of Mon (Fred) Young;

H.R. 6464. An act for the relief of Cecil D. Rose;

H.R. 6772. An act for the relief of Hendrikus Zoetmulder (Harry Combres);

H.R. 6773. An act to repeal the act of August 14, 1957 (Private Law 85-160);

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7671. An act for the relief of Louanna L. Leis;

H.R. 7752. An act to amend the District of Columbia Alcoholic Beverage Control Act, as amended, and for other purposes;

H.R. 7777. An act for the relief of Elisabetta Marcheziani;

H.R. 8030. An act to amend the act admitting the State of Washington into the Union in order to authorize the use of funds from the disposition of certain lands for the construction of State charitable, educational, penal, or reformatory institutions;

H.R. 8195. An act for the relief of Ronald L. Mutter;

H.R. 8482. An act for the relief of Paul J. Pericle;

H.R. 8515. An act for the relief of James R. Banks;

H.R. 8628. An act for the relief of Joseph A. Tedesco;

H.R. 8916. An act to authorize grants for planning and carrying out a project of construction for the expansion and improvement of the facilities of George Washington University Hospital in the District of Columbia;

H.R. 8941. An act to authorize acceptance of the gift made to the United States by the will of Esther Cattell Schmitt;

H.R. 9060. An act for the relief of Rhea G. Burgess;

H.R. 9097. An act to authorize the Secretary of the Interior to sell certain public lands in Idaho;

H.R. 9188. An act to relieve Theodore A. Anderson from loss of agricultural conservation program benefits;

H.R. 9409. An act for the relief of Mrs. Iris Ann Landrum;

H.R. 9596. An act for the relief of Daniel E. Moore;

H.R. 9597. An act for the relief of James N. Tull;

H.R. 9752. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in Greece in 1963, and for other purposes;

H.R. 9753. An act to amend sections 3(7) and 5(b) of the Internal Security Act of 1950, relating to employment of members of Communist organizations in certain defense facilities;

H.R. 9805. An act to change the name of Whitman National Monument to Whitman Mission National Historic Site;

H.R. 9830. An act for the relief of John B. Hogan;

H.R. 10098. An act to authorize the exchange of certain lands at Antietam National Battlefield site;

H.J. Res. 576. Joint resolution to designate calendar year 1962 as Cancer Progress Year; and

H. Con. Res. 438. Concurrent resolution to provide for a joint committee of the Congress to represent the Congress at ceremonies celebrating the 375th anniversary of the landing of the Lost Colony and the birth of Virginia Dare.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 1347. An act for the relief of Adolf M. Baller;

H.R. 1348. An act for the relief of William Burnice Joyner;

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation;

H.R. 5652. An act for the relief of Kevork Toroian;

H.R. 9647. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes;

H.R. 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes;

H.R. 10062. An act to extend the application of certain laws to American Samoa; and

H.J. Res. 638. Joint resolution for the relief of certain aliens who are serving in the U.S. Armed Forces.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10788. An act to amend section 204 of the Agricultural Act of 1956.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON, Mr. HOLLAND, Mr. EASTLAND, Mr. TALMADGE, Mr. JORDAN, Mr. AIKEN, Mr. YOUNG of North Dakota, Mr. HICKENLOOPER, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills, joint resolutions, and a concurrent resolution of