Among the stipulations laid down in an exchange of official letters which resulted in establishment of diplomatic relations was one which banned subversive activity, including propaganda, by the Communist government or its agents in this country.

Foreign Commissar Maxim Litvinov stated it would be the "fixed policy of the Government of the Union of Soviet Socialist Republics" to refrain from "any agitation or propaganda" aimed at the very type of revolution they have been trying to encourage in this country ever since.

The actual wording of the guarantee from Litvinov was:

To refrain, and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its territories or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim, the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories or possessions.

3. Not to permit the formation or residence on its territority of any organization or group—and to prevent the activity on its territory of any organization or group, or of respresentatives or officials of any organization or group—which makes claim to be the Government of, or makes attempt upon the territorial integrity of, the United States, its territories or possessions; not to form, subsidize, support or permit on its territory military organization or groups having the aim of armed struggle against the United States, its territories or possessions, and to prevent any recruiting on behalf of such organizations and groups.

4. Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group, or of representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories or possessions.

It did not take the Communists long to violate this fixed policy. In 1935 the United States protested to the Soviet Government against violation of the antipropaganda pledge in the recognition agreements. The protest was based upon statements made by American Communist delegates to the Seventh World Congress of the Comintern relating to Communist subversive activities in the United States.

The Soviet Government, however, rejected the protest 2 days later, stating it "cannot take upon itself and has not taken upon itself obligations of any kind with regard to the Communist International."

Of course, this was just as phony as present-day Russian arguments. In just a few years, Earl Browder told an investigation conducted by the State of New York, June 30, 1938, that "the Communist Party of the United States is part and parcel of the Communist International in Moscow."

Ever since recognition was granted the Soviet Communist regime in Russia, that Government has used its Embassy—and through the years the embassies of those nations which are held by military force as Russian colonies—as the base of espionage and propaganda efforts in this country. The situation is true today as the Russian Embassy in particular sends out frequent mass mailings of Communist propaganda to libraries, businessmen, government officials, the press and other individuals and institutions.

Based on a broken agreement, carried out with a subsidy from the American taxpayer, this propaganda effort by the Russians is one sided and constant. Only the line is changed to keep up with the twists and turns of official Soviet policy.

SENATE

FRIDAY, JUNE 8, 1962

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

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

Our Father, God, midst all the busy shuttles of legislation, as here in this Chamber is woven the fabric of law and order, nourishing and shielding the life of our democracy, may we not be so enmeshed in the immediate mechanics of our tasks as to lose sight of the total pattern shown only in the mount of vision.

Pausing in this temple of a people's hope and prayer, we would not catalog the sins of others. We come not to exult that we are not as other men; but, rather, confessing our own sins, we would pray for Thy forgiveness and Thy cleansing. We would be the kind of persons to whom Thou canst trust Thy ageless purposes to our willing and eager hands.

We ask only for light enough for the next step, courage enough to face the present duty, and truth enough for today's decisions, as into Thy hands we commit our ways.

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 7, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 31, 1962, the President had approved and signed the following acts and joint resolutions:

S. 1915. An act for the relief of Orsolina Cianflone Iallonardo, Mrs. Chow Chui Ha, and Giuseppe Aniello;

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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5532) to amend the Armed Services Procurement Act of 1947, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5532) to amend the Armed Services Procurement Act of 1947, was read twice by its title and referred to the Committee on Armed Services.

LIMITATION OF DEBATE DURING MORNING HOUR

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

LEAVE OF ABSENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the senior Senator from New Mexico [Mr. CHAVEZ] be granted an official leave of absence from the Senate, due to official business.

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

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Small Business Subcommittee of the Banking and Currency Committee was authorized to meet during the session of the Senate today.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE COMMUNICATIONS, ETC.

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

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Watershed Protection and Flood Prevention Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON REVIEW OF POLICIES AND PROCEDURES FOR THE USE OF EXCESS STOCKPILED MATERIALS BY FEDERAL GOVERNMENT AGENCIES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of policies and procedures for the use of excess stockpiled materials by Federal Government agencies, Office of Civil and Defense Mobilization (succeeded by Office of Emergency Planning), Executive Office of the President, dated May 1962 (with an accompanying report); to the Committee on Government Operations.

CONCURRENT RESOLUTION OF LOUISIANA LEGISLATURE

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Louisiana, which was referred to the Committee on the Judiciary, as follows:

HOUSE CONCURRENT RESOLUTION 29

Concurrent resolution relative to the Equal Rights Amendment for Women now pending before the U.S. Congress

Whereas the women of our Nation have enjoyed full civil rights since the adoption of the 19th amendment; and

Whereas all citizens of our Nation should not only share equal civil rights but also equal legal rights; and

Whereas there exist many statutes discriminating against women; and

Whereas such legal differentiations, merely because of sex, lower the Nation's prestige and status in the world community; and

Whereas both political parties announced support of equal legal rights in their respective platforms; and

Whereas such a discriminating situation is outmoded and intolerable: Therefore be it

Resolved by the House of Representatives of the Legislature of Louisiana (the Senate concurring), That the Congress of the United States is hereby urged and petitioned to adopt and propose for submission to the States for ratification an amendment entitled "Equality of Rights Under the Law Shall Not Be Denied or Abridged by the United States or by Any State on Account of Sex"; and be it further

Resolved, That a copy of this resolution shall be sent to each member of the Louisiana delegation in the U.S. Congress and to the Presiding Officer of each House of the Congress of the United States.

——— ———,
Speaker of the House of Representatives.

——— ———,
Lieutenant Governor and President of the Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 3244. A bill to amend section 1208(a) of the Merchant Marine Act, 1936, to authorize investment of the war risk insurance fund in securities of, or guaranteed by, the United States (Rept. No. 1577).

BILLS INTRODUCED

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

By Mr. MANSFIELD:

S. 3388. A bill for the relief of Evelyn M. DeJesus; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 3389. A bill to promote the foreign commerce of the United States through the use of mobile trade fairs; to the Committee on Commerce.

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

CONCURRENT RESOLUTION

CAPTIVE NATIONS RESOLUTION

Mr. HRUSKA submitted a concurrent resolution (S. Con. Res. 77) to express the sense of Congress on bringing before the United Nations the issue of denial of self-determination to the peoples of various countries, which was referred to the Committee on Foreign Relations.

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

PROMOTION OF FOREIGN COMMERCE THROUGH MOBILE TRADE FAIRS

Mr. ENGLE. Mr. President, I introduce, for appropriate reference, a bill designed to promote the foreign commerce of the United States through the use of mobile trade fairs in order to increase American exports.

We are all aware that the United States, the world's greatest trading Nation, has been losing ground in recent years in its share of the international market. It would appear that in the past we had been content with selling only a small share of our products abroad, since our domestic market was able to absorb a great percentage of our output. In point of fact, we have been exporting only some 4 percent of our gross national product. Maybe this was sufficient in earlier times, but with our expanding work force and increased productivity—capable of providing a considerable increase in output—we must explore and develop new oversea markets where we can sell our wares.

For years this Nation has been saddled with increasing debt caused in some considerable part by our own abundance. We have developed our agricultural resources to an extent undreamed of only two decades ago. Our surplus crops can, and often do, find ready markets throughout the world. But still there is an excess of food production, and these food products are now available for export. Moreover, our farmers stand ready to provide even greater amounts should new markets so require.

But, even more than our agricultural surpluses, we are now faced with what appears to be a glut in our most precious resource—manpower. Hard-core unemployment has reached astronomical levels—and in view of increasing labor-saving mechanization, the outlook is bleak. New jobs can only be provided if there is a demand for the output they produce. Thus, in order to make a frontal attack on the unemployment problem, we must find new and greater markets for American manufactured goods.

A third and interrelated area of our economy would similarly benefit from an increase in exports. Our great manufacturing plants are working at far under full capacity. As I stated a moment ago, this is partly due to the partial saturation of domestic markets. Yet, there are untapped markets abroad for many of the products of these semi-idle industries. The creation of an oversea demand would serve as the needed stimulus to increase production, spur new capital investment, reduce unemployment—in short, give a shot in the arm to our entire economy.

I well realize the strides the administration has taken to increase foreign commerce, particularly in the promotion of exports. The Trade Expansion Act, now before the House of Representatives, illustrates the importance and urgency of changing our patterns of trade. The improvements made by the Department of Commerce in the services provided to businessmen are most praiseworthy. The able work of the Small Business Administration in spreading the gospel of foreign trade to many small industries previously unaware of its possibilities has provided us with many new export products. And the new guarantee program of the Export-Import Bank of Washington has gone a long way toward placing our exporters on an equal footing with their foreign competitors.

Yet, there is more that can be done, and which should and must be done. While our participation in trade fairs and the maintenance of trade centers does sell American goods—these efforts are inherently limited because of their fixed locations. They obviously must be limited to one or two countries in any one area, and by necessity thus pass by or miss other nations in the same locale where markets for our goods lay untapped.

For this reason it seems apparent to me that a traveling or mobile trade fair could well serve our interests. Recalling that the early strength of our Nation was founded in large measure on an adventurous merchant marine doing business throughout the globe, I believe that we can today do much to recapture old markets and open new ones through use of mobile trade fairs carried across the seas by our merchant ships.

In point of fact, substantial efforts in this direction have already been taken by Isbrandtsen Co., Inc., one of our great American-flag merchant lines. Beginning in 1960, Isbrandtsen devised a means of demonstrating domestic products in a number of foreign ports at an extremely low cost to the manufacturer.

To start with, they had specially constructed large aluminum containers, measuring 20 feet by 8 feet by 8 feet.

Within each container there is room for eight exhibits, four on each side, back to back. The sides are hinged at the top to serve as all-weather canopies.

All that the manufacturer who wished to exhibit had to do was prepare the exhibit, at a surprisingly low cost of from $300 to $1,000, pay the small installation fee, and provide for the marine insurance.

Isbrandtsen agreed to load and ship the exhibit containers to its various ports of call. The containers would be unloaded at a port, and the shipping line would arrange to have them transported to a local site for assembly, or set them up near the docks. The exhibit would run for approximately 2 weeks, when another Isbrandtsen ship would take it on to another port.

Over 160 American manufacturers have taken part in this remarkable service instituted by Isbrandtsen, and the reports received have been most satisfactory. Many exhibitors have created new markets for their products, and others have acknowledged vastly increased sales.

Isbrandtsen was recently awarded an E for Export award by the President in recognition of its efforts in developing mobile trade fairs—an honor they justly deserved. But Isbrandtsen has not been content to rest on its laurels and has recently helped in the formation of a new nonprofit corporation called Mobile Trade Fairs, Inc., to continue this work. Other members include Farrell Lines, Grace Lines, and American Export Lines. Support is also being offered by banks, insurance companies and ocean freight forwarders.

This is a wonderful example of what free enterprise can do. And, I want it to be understood that these people and organizations are not asking for Government handouts to support their program. They do want some technical assistance from the Commerce and State Departments, as well as from the Small Business Administration. There may possibly be a need for very limited funds—possibly counterpart funds—to be spent overseas to facilitate and promote these exhibits.

The bill I have introduced will make such services available to this nonprofit corporation. It will, I hope, give it added impetus, possibly enlisting a number of west coast lines in this endeavor, and significantly benefiting our export promotion program.

We have come a long way since Yankee Clipper ships plied the trade routes of the world, introducing America and its products to many strange and foreign lands. The time has come for us to return to our preeminent position in world trade, and I, for one, believe that the marriage of mobile trade fairs and our merchant marine will go far in aiding us to achieve this end.

Mr. President, I sincerely believe that this opportunity for expanding our export trade, particularly for products of small business and agriculture, cannot be matched by any other means. As I remarked earlier, mobile trade fairs would complement, not replace, our trade fair and trade center programs. I have every confidence that the Congress will quickly recognize the merits of this proposal.

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

The bill (S. 3389) to promote the foreign commerce of the United States through the use of mobile trade fairs, introduced by Mr. ENGLE, was received, read twice by its title, and referred to the Committee on Commerce.

THE CONTINUING NEED FOR A CAPTIVE NATIONS RESOLUTION

Mr. HRUSKA. Mr. President, 3 years ago Congress provided for the annual observance of Captive Nations Week. The third week in July of each year has been set aside for this purpose, and the President is called upon to issue a proclamation inviting the American people to observe this special week by appropriate ceremonies and activities. Congress also specifically requested the President to continue issuing similar proclamations each year until such time as all the captive nations of the world have achieved their freedom and independence.

We know, of course, that the events of the past year have not brought freedom and independence to any of the captive nations. Millions of people in the Communist-dominated countries continue to be enslaved by their Soviet masters. They are still shackled under the tyranny and oppression which they have known for so many years. Their individual liberties and fundamental rights as human beings are still being denied. And, the United Nations Charter which proclaims the principle of "equal rights and self-determination of peoples" continues to be flaunted.

We also know that the spirit of these oppressed peoples has not been broken. They have not given up their hopes for freedom. The recent events in Berlin and Hong Kong remind us of this. We have witnessed there the great lengths to which men are willing to go to shake off the Communist yoke. Neither concrete, nor barbed wire, nor armed threats have been able to stifle man's natural desire for independence.

In order to preserve this spirit and keep alive this spark of resistance, these people of the captive nations must know that they have not been abandoned. They must have the reassurance of the free world that they have not been written off as a lost cause. To this end, Captive Nations Week has made a vital contribution. It serves as an excellent means of focusing the world's attention on the plight of these peoples and gives the American people an opportunity to manifest their concern. I hope, therefore, that the President will see fit to issue a Captive Nations Week proclamation again this year.

Mr. President, the same reasons that prompted Congress to take the issue of the captive nations to the American people should also prompt it to take this issue to the United Nations. The Soviet Union has found the U.N. to be a useful sounding board for denouncing so-called Western imperialism and colonialism. It is important, therefore, that the world constantly be reminded that the Communist brand of colonialism is the most tyrannical and oppressive that history has ever known.

Another valuable service which will be rendered by observance of Captive Nations Week and consideration of the proposed concurrent resolution is this: The more the plight of these nations and their peoples is discussed and is brought uppermost into our minds and consciousness, the less likely there will be attempts by potential peacemakers to temporize, compromise, or sacrifice their freedoms to gain a purported peace. Certainly the price would be too much for any so-called stabilization of peace conditions if, among its prices, would be a maintenance of the status quo or an adulteration of any of the liberties and independence to which these peoples are entitled. From time to time there are such suggestions. They should not only be discouraged, they should be vigorously denounced if they make their appearance. It is my belief that this cause will therefore be greatly advanced by a 1963 Captive Nations Week and by earnest advocacy of the proposed resolution.

Mr. President, I submit, for appropriate reference, a concurrent resolution which calls upon the President to take the steps necessary to bring before the General Assembly of the United Nations the issue of the denial of self-determination to the peoples of Estonia, Latvia, Lithuania, Poland, Hungary, Ukraine, Czechoslovakia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others, with a view toward the removal of all Communist controls, the return of exiles, and the holding of free elections in these countries. I ask unanimous consent that the concurrent resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 77) was referred to the Committee on Foreign Relations, as follows:

Whereas Estonia, Latvia, Lithuania, Poland, Hungary, Ukraine, Czechoslovakia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others have been deprived of their national independence by the imperialistic and aggressive policies of the Soviet Union; and

Whereas the tyranny and oppression of the Communist regime have enslaved the peoples of these captive nations and suppressed their individual liberties and freedom; and

Whereas the subjugation and domination of these peoples by an alien power constitutes a denial of their fundamental human rights and is contrary to the Charter of the United Nations; and

Whereas the captive peoples have never ceased to strive for freedom and the right of self-determination; and

Whereas it is vital to the security of the United States and the free world that the desire for freedom on the part of the peoples

of the captive nations be steadfastly preserved; and

Whereas the people and the Government of the United States share the aspirations of the captive peoples to be free and independent: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President is hereby requested to take such action as may be necessary to bring before the General Assembly of the United Nations the issue of the denial of self-determination to the peoples of Estonia, Latvia, Lithuania, Poland, Hungary, Ukraine, Czechoslovakia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam and others, with a view toward assuring—

(1) that all Communist troops, agents, colonists, and controls are withdrawn from these countries;

(2) that all exiles from these countries are returned from Siberia and released from prisons and slave-labor camps; and

(3) that free elections are held in these countries under United Nations' supervision.

AMENDMENT OF SMALL BUSINESS ACT—AMENDMENT

Mr. SALTONSTALL submitted an amendment, intended to be proposed by him, to the bill (S. 2970) to amend the Small Business Act, which was ordered to lie on the table and to be printed.

ORIGINAL COMPOSITION HONORS GLACIER NATIONAL PARK

Mr. MANSFIELD. Mr. President, recently the talents of my alma mater, Montana State University, and the community of Columbia Falls, Mont., were combined to pay honor to the most spectacular of our national parks, Glacier, with the premiere of an original composition "Glacier Fantasy."

Montana State University, at Missoula, Mont., has one of the finest music schools in the Nation. Eugene Weigel, who is on the staff at the music school, composed the original composition which pays tribute to the majesty of Glacier National Park. Mr. Weigel was a student at Yale under Paul Hindemith. The first performance of the "Glacier Fantasy" was performed by the Columbia Falls High School band and the Columbia Falls High School chorus. This high school also has a very fine music department. All in all, it was a combination of some very fine talent.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD a news story appearing in the May 11, 1962, issue of the Hungry Horse News and the contents of the program for the third annual musicale presented at Columbia Falls High School on May 18 and 19.

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

[From the Hungry Horse News, Friday, May 11, 1962]

AT MUSICALE: SLATE GLACIER FANTASY PREMIERE

("Glacier Fantasy," an original composition by Eugene Weigel, Montana State University School of Music staff member, will have its premiere at the Columbia Falls High third annual musicale Friday and Saturday, May 18 and 19.)

"Glacier Fantasy" will be presented by the combined Columbia Falls High Band directed by Don Lawrence, and the Columbia Falls High Chorus under the baton of Ron Bond.

Weigel, last year, went to Berlin for the "Berliner Festwochen," where his new "Concerto Festivo" was performed by the West Berlin artists who commissioned the work.

Weigel will be in Columbia Falls May 19 for the second performance of the musicale. He studied at Yale with Paul Hindemith, one of the outstanding living composers, and was a Guggenheim Foundation fellow for musical composition in 1954.

Lawrence commented: "Columbia Falls High is indeed fortunate to have Mr. Weigel write a Montana piece keyed to this area." He continued: "It is a distinct honor for Columbia Falls High musicians to be the performing group for this premiere performance."

Friday's 8 p.m. (May 18) show is primarily for grade school students and adults who wish to attend. Saturday's 8 p.m. performance is for high school students and adults. Admission is $1 for adults, 75 cents for high school students and 50 cents for grade school pupils. Proceeds are used to purchase music, equipment, robes, and uniforms for the Columbia Falls High Band and Chorus.

The performances will include numbers by the band, chorus, Sonifers and Columbians. There will also be a variety show, and Saturday, the Columbians will play for a dance to follow the musicale variety show. The Sonifers will sing during the dance.

Columbia Falls High has one of the outstanding high school music departments in Montana.

COLUMBIA FALLS HIGH SCHOOL MUSIC DEPARTMENT PRESENTS THE THIRD ANNUAL MUSICALE, MAY 18–19, 1962, WITH THE DON LAWRENCE BAND, AND RON BOND CHORUS

I

CONCERT CHOIR

Star Spangled Banner
Monotone ..... N. Lockwood
Shrimp Boats ..... Arr. Ades
Soloists: Alan Johnson, Shirley Walsh.
Come Dearest Lord ..... J. S. Bach
Soloist: Lynne Sunell.
Three Hungarian folk songs ..... M. Seiber
September Song ..... K. Weill, R. Hunter
A Bushel and a Peck ..... Loesser, Simeone

CONCERT BAND

Fantasy on American Sailing Songs
Clare Grundman
Marchmanship ..... Howard Cable
Student director: Sharlot Battin.
Adventure in Westland ..... Clair Johnson
Five Mellow Winds
Solo groups: Gene Massman, Larry Cada, Gary Luce, Ken Whelan, Bob Bigham.
Glacier Fantasy ..... Eugene Weigel
Choir and band finale.

"Glacier Fantasy" was written especially for CFHS Band and Chorus by Eugene Weigel, composer in residence at Montana State University. The introduction of the "Fantasy" depicts the early days of Glacier National Park when it was inhabited by Indians. The lumbering walk of glacier bears is heard in the march section which follows. The hymn portion of the composition, sung by the chorus, is in praise of the Almighty for his masterpiece in creating our Glacier Park. The chorale by the band and the finale by both band and chorus is the final and ultimate tribute.

We feel very fortunate and honored to be the first to perform a composition by Mr. Weigel. I'm sure the composer's ability is clearly demonstrated throughout the entire piece.

We thank you, Mr. Weigel.

II

VARIETY SHOW

III

The Columbians

Trumpets: Dennis Kimzey, Jay Cook, John Blinn, and Bill Marrett.

Trombones: Dick Fulton, Bradley Kenfield, and Larry Luce.

Saxophones: Larry Cada, Gary Luce, Gene Massman, Ken Whelan, and Bob Bigham.

Piano: Barbara Butters.

Bass: Larry McMillan.

Drums: Pat Murphy.

Vocalists: Lynne Sunell and Beth Williams.

Manager: Bob Holcomb.

The Sonifers

Sopranos: Beth Williams, Lynne Sunell, Lanie Lundgren, Kathy Latson, and Helen Bakshas.

Altos: Sandra Schilling, Sara Risse, Lois Cannavina, Shirley Walsh and Sharon Kelly.

Tenors: Roger Rowles, Jim Personett, Glenn Thacker, Alan Johnson, and Jeff Wulf.

Basses: Joe Voss, Joe Keck, Mick Gookin, Glen Aldrich, and Bill Liddicoat.

Piano: Ruth Rogers.

Bass: Doug Kenfield.

Drums: Mike Krall.

CONCERT CHOIR PERSONNEL

Officers: Roger Rowles, president; Bill Liddicoat, vice president; Marlene Werner, secretary; Beth Williams, student council representative; Barbara Anderson, librarian.

Sopranos: Barbara Anderson (senior), Helen Bakshas (sophomore), Vera Blinn (sophomore), Gay Byrd (sophomore), Lois Cannavina (sophomore), Sharon Kelly (senior), Jannice Knudson (junior), Kathy Latson (freshman), Lanie Lundgren (freshman), Laurel Lundgren (junior), Patsi Morris (senior), Terri Samuelson (freshman), Mary Shaver (freshman), Barbara Smith (freshman), Lynne Sunell (junior), Sue Sweeney (freshman), Margaret Tusing (junior), Margaret Walker (freshman), Marlene Werner (sophomore), Beth Williams (senior).

Altos: Lyndell Aubert (sophomore), Lynda Bowerman (senior), Carol Christman (freshman), Sharon Emerson (freshman), Shirley Fulton (freshman), Janice Kollenborn (sophomore), Sara Risse (junior), Sandra Schilling (freshman), Pat Seratt (junior), Glenda Stewart (freshman), Shirley Walsh (sophomore), Barbara Werner (junior), Renee White (freshman).

Tenors: Glen Aldrich (freshman), Mike Lyngstad (freshman), Jim Personett (junior), Roger Rowles (sophomore), Art Schafer (freshman), Jim Shaw (freshman), Glenn Thacker (freshman), Roxy Triplett (freshman), Jeff Wulf (junior).

Basses: Gene Anderson (junior), Milo Anderson (freshman), Mike Gookin (freshman), Alan Johnson (senior), Joe Keck (freshman), Bill Liddicoat (sophomore), Pat Ryan (senior), Troy Thacker (freshman), Joe Voss (sophomore).

Accompanist: Ruth Rogers (sophomore).

CONCERT BAND PERSONNEL

Officers: Dennis Kimzey, president; Bob Bigham, vice president; Ruth Rogers, secretary; Dick Fulton, student council representative; Rosemary Boyd, librarian.

Flutes: Donna Kelsey (junior), Ruth Rogers (sophomore), Barbara Butters (sophomore), Verlaine Barnhart (sophomore), Marilyn Trebas (senior), and Shelia O'Connor (junior).

Oboe: Ellen Corrigeux (junior).

E-flat clarinet: Robyn Konen (freshman).

First clarinet: Gene Massman (sophomore), Bob Moody (sophomore), and Gary Luce (sophomore).

Second clarinet: Richard Beach (freshman), Rhea Weir (junior), Cheryl Hill (freshman), and Sharon Greenwald (freshman).

Third clarinet: Charlotte Einarson (freshman, Darlene Winegar (freshman), Kathy Smith (freshman), Betty Arnold (freshman), Rosemary Boyd (sophomore), and Darlene Smith (freshman).

Alto clarinet: Carold Rude (sophomore).

Bass clarinet: Tom Morales (freshman).

Bassoon: Charlotte Battin (sophomore).

Alto saxophones: Larry Cada (junior) and David Spencer (freshman).

Tenor saxophones: Ken Whelan (senior) and Bob Kloetzke (freshman).

Baritone saxophone: Bob Bigham (senior).

French horns: Jay Cook (sophomore), Mike Darling (freshman), and Bruce McIntyre (freshman).

First trumpets: Dennis Kimzey (senior) and John Blinn (senior).

Second trumpets: Bill Marratt (sophomore) and Ray Callaghan (freshman).

Third trumpets: Bill McLain (freshman) and Tom Carlson (sophomore).

First trombones: Bradley Kenfield (sophomore) and Larry Luce (sophomore).

Second trombones: James Loy (freshman) and Bob Jones (freshman).

Third trombone: Doren Renfrow (freshman).

Baritones: Dick Fulton (junior), David Leitz (sophomore), and Don Gochanour (freshman).

String bass: Douglas Kenfield (freshman).

Tubas: Larry McMillan (senior), Bob Miles (junior), and Fred Forkin (freshman).

Tympani and bells: Jane Smith (junior) and Dixie Whelan (freshman).

Percussion: Pat Murphy (senior), Jim Coulson (junior), Jim Grist (junior), Mike Hoffman (freshman), and Mike Krall (freshman).

Musicale cochairmen: Larry Cada, construction; Bob Bigham, decorations; Patsi Morris, publicity; Sharon Kelly, refreshments.

Programs: Courtesy of Band Mother's Club.

ENDORSEMENT OF THE KING-ANDERSON BILL FOR MEDICAL CARE

Mrs. NEUBERGER. Mr. President, on April 19 of this year one of the fine newspapers in my State, the Medford Mail Tribune, published an editorial advocating the passage of the King-Anderson bill. The editorial quotes at length from the author of our perennial medical bestseller, Dr. Benjamin Spock.

Dr. Spock won fame as a pediatrician. But as a pediatrician he has gone into people's homes and has seen the shattering effects which the burden of an aged parent's medical costs may have on a married couple struggling to provide the best possible start in life for a growing family.

Should such a couple exhaust their savings, mortgage their home, and dip into the money put away for the higher education of a bright child? Or should they let an ailing father or mother suffer the added misfortune of becoming a public charge?

Mr. President, social security payments to our fast-growing numbers of retired persons have barely kept pace with the ordinary expenses of daily life. But hospital costs have soared far beyond them—from $9 a day in 1947 to $33 now in my own State.

The average annuitant's monthly check is $75, or enough to support him in a general hospital for a few hours more than 2 days. But the dread diseases—cancer, heart disease, or stroke—may necessitate 2 or 3 months of intensive care.

Who pays these huge bills for those already retired? The individual himself, for as long as his resources last, or his insurance company. But statistics show this accounts for slightly less than half the total expense incurred by persons over 65. The rest must be met by relatives or by the State. I wonder how long we shall tolerate this financial threat to three generations, this constant increase in welfare costs, when there is at hand a mechanism whereby a worker could obtain health coverage, not only for his own retirement, but, in the overwhelming majority of cases, for his aged parents, as well.

Mr. President, my State of Oregon is unusually fortunate in the number of its older citizens who have earned the right to some protection in their later years, through their contributions to either social security or railroad retirement. If we enact the King-Anderson bill in this Congress, 92.4 percent of all elderly Oregonians—nearly all who are not now receiving medical care through Federal employee retirement, veteran, or other public programs—would be covered when it went into effect.

As the editorial to which I referred earlier quite properly points out, the King-Anderson bill is far from all-inclusive. But for a vast majority of our citizens it would place the burden of the heaviest medical costs where it properly belongs—namely, under a system of prepaid, contributory social insurance. This should enable us, through the expansion of the Kerr-Mills program, now so woefully inadequate in my State, or by other means, to cover the individuals and needs not provided for in the present bill.

Mr. President, I ask that the editorial entitled "Medical Care Bill," from the April 19 issue of the Medford, Oreg., Mail Tribune, be printed at this point in the RECORD.

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

MEDICAL CARE BILL

Is the proposal for medical care for the aged, financed through social security, "socialized medicine," as the American Medical Association keeps trying to insist?

Not in the view of one of the Nation's best known doctors. He is Dr. Benjamin Spock, author of "Baby and Child Care," which has assisted so many young mothers in the care of their offspring.

Dr. Spock is a strong supporter of the King-Anderson bill, which would utilize the social security system to provide some care for older people.

And, in answering whether or not it is "socialized medicine," Dr. Spock has this to say:

"Socialized medicine is a system under which the Government pays for and manages all the health care for all the people, doctors' salaries as well as hospital costs. The President's program applies only to those who are 65 and over. It pays hospital and nursing home bills only. It does not pay the private doctor's bill. It guarantees the right of the individual to choose his own doctor and his own hospital.

"The King-Anderson bill clearly states that the health insurance plan will be carried out 'without interfering in any way with the free choice of physicians or other personnel or facilities by the individual, without the exercise of any Federal supervision or control over the practice of medicine by any doctor, or even the manner in which medical services are provided by any hospital.'"

Dr. Spock also addresses himself to the AMA charge that the plan would destroy the doctor-patient relationship.

To the contrary, Dr. Spock says, it will improve and strengthen it. He said:

"Take the case of an aged person who no longer has to fear that he will become a hospital charity case. He will go to his doctor more readily at the first signs of illness. If his doctor recommends hospitalization, he will not be embarrassed because of the lack of money. And, if he goes to his own doctor's hospital, he can feel confident that he will have the continuous supervision of his own physician, whose bills he will pay himself."

The principal question we have concerning the King-Anderson proposal is whether it goes far enough. It does not cover everyone—just those eligible for social security benefits. And it does not cover all costs.

Here, briefly, is what the benefits would include:

Hospitalization for up to 90 days for each illness, with the patient paying the first $10 per day for the first 9 days.

Nursing home services up to 180 days after transfer from a hospital.

Outpatient hospital diagnostic services, with the patient paying the first $20 for each diagnostic study.

Home health services up to 240 visits in one year; includes intermittent nursing care and therapy as ordered by physician.

Drugs as needed when in the hospital or nursing home.

Doctors' bills only if they are those of specialists in radiology, pathology, physical medicine and anesthesiology if they are part of the hospital bill.

Despite its drawbacks and shortcomings, the King-Anderson proposal, in combination with the various existing welfare medical assistance programs, comes closer to a practical approach to this problem than anything so far proposed.

There is also mounting evidence that a substantial majority of Americans who have thought about it have come to a similar conclusion. The Gallup poll indicates this. Congressmen's mail also indicates a widespread and vigorous interest in the proposal.

Observers in Washington are of the opinion that once the King-Anderson bill is allowed on the floor of the House, it will pass. The problem is in the Ways and Means Committee which is divided 10 to 10, with 5 "doubtful" members holding the key to passage. Senate approval is considered likely.

To us, the single most convincing advantage of the King-Anderson proposal is that it would be administered through the long-tested mechanism of the social security system, the same system which also was attacked as socialism when it was first adopted.

To older person—some of them—it would be assurance that they would be protected against massive medical bills. Eventually, as social security is extended, it would cover an estimated 95 percent of the population aged 65 or over.

To younger people, it would give similar assurance about their old age, and also guard against the threat of excessive medical payments on behalf of parents or grandparents.

It would be paid for during an individual's working life through his own contributions (about $1 per month for an average worker) and those of his employer.

The United States is far behind many other nations in the attention it has given to the medical welfare of its citizens. Pressure is mounting for some kind of program,

either in place of or in addition to the Kerr-Mills bill, which has not been adopted by all the States, has had wide variations in application, and which is too generous to some, to penurious to others.

The King-Anderson bill (S. 909 and H.R. 4222) is the best answer now in sight.

It should be adopted by Congress this session, and if you agree, we suggest you let your Congressman (Dr. EDWIN R. DURNO) and Senators (MAURINE NEUBERGER and WAYNE MORSE) know about it.—E.A.

ANTIMEDICARE RALLY AT PORTLAND, OREG.

Mrs. NEUBERGER. Mr. President, in contrast to the article I have just now submitted, which supports the administration's bill on medical care, I wish to call the attention of my colleagues to a straightforward report of a meeting held recently in my home city of Portland, Oreg., by a group which does not support the President's program for medical care. I thought it was interesting to note the tactics which were used by the Multnomah County Medical Society in presenting its honest viewpoint in opposition.

The group at the rally held at the civic auditorium contained one woman who moved from her place in the auditorium area toward a woman who was picketing outside the building and was supporting President Kennedy's health care for the aged program, and called her a Communist. Then she turned and walked back inside.

The feature of the evening seemed to be the appearance of a former radio and television personality by the name of Harry von Zell, who is described in the article as a "sidekick of Eddie Cantor and George Burns."

As my colleagues will note when they read the article, which I hope to have printed in the RECORD, the statement made by Mr. von Zell, who was sponsored by the medical society, has nothing to do with the proposed medical-care program. Instead, in his statement he referred to the John Birch Society as a "patriotic, well-motivated group," although he stated that he disagrees with its line of approach to the solution of problems. The article states that "he called for a more informed public, for political 'middle-of-the-roaders to get off their heads,' and for President Kennedy to ask for a vote of confidence from the people."

Mr. President, I hope the Multnomah County Medical Society, which is said to have paid Mr. von Zell's way to come to the area and lend his support to the opposition to President Kennedy's medical care program, will feel that it got its money's worth.

I ask unanimous consent that two articles be printed in the body of the RECORD.

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

MEDICARE FOES RALLY

(By Jack Roberts)

Rain failed to dampen the spirits of a crowd at an antimedicare rally at the civic auditorium Monday night—nor did it keep away some 50 pickets who walked in front of the big meeting place, carrying signs, supporting President Kennedy's health care for the aged program tied to social security.

With the exception of a few snide remarks, both pickets and rally goers were fairly polite and orderly. One woman from the rally group, moved by her emotions, however, walked from the auditorium toward an elderly woman picket, and said, "You Communist." She turned and walked back inside.

The placard-carrying object of this comment was taken back. "Did she mean me?" she asked in astonishment.

Inside, to the smooth strains of Sheldon Brooks' orchestra, and the smooth elocution of Harry von Zell, radio and TV personality, the rather large crowd, obviously partisan, ate up 2½ hours of the program, which included doctors, the wife of a physician, an elderly woman who had broken her hip, her daughter who had been a lifelong invalid, an insurance executive, a Hood River farmer, a registered nurse, and entertainment by Red Dunning and the Shrine Chanters.

Principal speaker was JAMES B. UTT, Republican Congressman, from Orange County, Calif., and a member of the House Ways and Means Committee, who predicted the committee never will let the King-Anderson bill out of committee for action on the floor of Congress.

UTT said: "To say that I am opposed to the King-Anderson bill is putting it rather lightly. I have been referred to as a conservative, an extremist, a Fascist and a Neanderthal man. I am a little bit right of McKinley and a little bit left of Alfred the Great. I am opposed to the welfare state. I say to the medical profession, 'You cannot remain an island in a welfare state.'"

UTT said the public's mail, heavy on the subject of medicare, has been running "more than 10 to 1" against the Kennedy proposal.

The King-Anderson bill would increase social security payments and would provide for hospital payments in part. It would not pay doctors' bills.

MEDICARE OPPOSED BECAUSE OF TREND TOWARD SOCIALISM

(By Charlie Hanna)

Close brushes with communism in the early 1930's is the reason Harry von Zell emceed the "rally for realism in medical care" Monday night.

For the past year, he told reporters, he'd spoken to groups "like this rally" because of his concern over the Communist threat internally.

The radio and TV performer, who for years played straight man for comedians Cantor and Burns, spoke in length and earnest about "disunity, chaos, and confusion" created in this country to the benefit of communism.

He called for a more informed public, for political "middle-of-the-roaders to get off their heads," and for President Kennedy to ask for a vote of confidence from the people.

Von Zell said the medical society paid the expenses of his Portland trip, but that he charges no fee for this type of appearance. He claims no allegiance to any political group with exception of the American Education League, for which he serves as a member of the board. The league was founded in 1927, he said. Its purpose is to promote Americanism.

Asked his opinion of the John Birch society, von Zell commented he considered it a "patriotic, well-motivated group" whose line of approach to solution of problems he disagrees with.

U.S. COURT OF APPEALS DECISION REVERSING CONVICTION OF AUSTIN J. TOBIN FOR CONTEMPT OF CONGRESS

Mr. KEATING. Mr. President, in a very significant decision the U.S. Court of Appeals for the District of Columbia Circuit has reversed the contempt of Congress conviction of Austin J. Tobin, the executive director of the New York Port Authority.

The unanimous decision of the court vindicates the refusal of Mr. Tobin to furnish to a House committee documents relating exclusively to the internal administration of the authority. Mr. Tobin's position was backed by the Governors of both New York and New Jersey and by every living former Governor of these States under whom the port authority has operated. The court's opinion contains important guidelines as to the power of Congress over bi-State agencies created by congressionally approved compacts.

The pity of this case is that it had to be prosecuted in the first place. For one thing, efforts to accommodate the committee had not been exhausted when it was decided to order a criminal contempt citation of Mr. Tobin. For another, as the court's opinion points out, Mr. Tobin "is no criminal, and no one seriously considers him one." This would be true even if his conviction had been sustained.

I have advocated for many years a civil procedure for alleged contempt cases. This procedure would spare witnesses in Mr. Tobin's predicament the ignominy of a criminal indictment, and at the same time would serve much more effectively the real interests of all congressional committees. Under my proposal, whenever any privilege against answering a committee's question or producing requested documents was raised, the issue could be presented immediately to a district judge. The judge could then rule as to the propriety of the request, and could order the witness to respond if he determined that the committee's inquiry was proper. If he held against the committee, that could be the end of the matter. In no case would the witness have to be cited for criminal contempt, indicted by a grand jury, tried by a petit jury, and subjected to bail, like a gangster—even though his only offense might be a sincere disagreement as to the legality of the committee's interrogation. At the same time, if the witness was wrong, and if the committee was right, the judge could direct the witness to answer or to produce without delay, and could invoke summary civil-contempt procedures to enforce his order. That would mean that the committee would get the information it needed when it was timely, rather than win a hollow victory long after the issue had become academic.

The VICE PRESIDENT. The time available to the Senator from New York, under the 3-minute limitation, has expired.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 more minute.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered; and the Senator from New York is recognized for 1 additional minute.

Mr. KEATING. Mr. President, both the court of appeals, in reversing Mr. Tobin's conviction, and the district court, in upholding the committee's position,

deplored the fact that criminal proceedings were brought. I have been encouraged by these views to renew my efforts to obtain the endorsement of the Department of Justice for my civil contempt bill—S. 2074—which has been pending in the Senate Committee on the Judiciary for almost a year. The Department's views on this measure were requested many months ago by the committee. Perhaps this latest example of the inappropriateness of criminal procedures in such cases will induce the Department to give its backing to a measure along the lines of my proposal.

Mr. President, I know that the Court's opinion will be of interest to many Members of the Senate; therefore, I ask unanimous consent that it be printed at this point in the RECORD.

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

AUSTIN J. TOBIN, APPELLANT, *v.* UNITED STATES OF AMERICA, APPELLEE—No. 16604

(Appeal from the U.S. District Court for the District of Columbia—Decided June 7, 1962)

Mr. Thomas E. Dewey, with whom Messrs. Everett I. Willis, Lino A. Graglia and Sidney Goldstein were on the brief, for appellant.

Mr. William Hitz, assistant U.S. attorney, with whom Messrs. David C. Acheson, U.S. attorney, and Nathan J. Paulson, assistant U.S. attorney, were on the brief, for appellee. Mr. Charles T. Duncan, principal assistant U.S. attorney, also entered an appearance for appellee.

Mr. Daniel M. Cohen, of the bar of the Court of Appeals of New York, pro hac vice, by special leave of court, with whom Mr. Jerome M. Alper was on the brief, for the State of New York, as amicus curiae, urging reversal.

Mr. Theodore I. Botter, of the bar of the Supreme Court of New Jersey, pro hac vice, by special leave of court, for the State of New Jersey as amicus curiae. Mr. William F. Tompkins was on the brief for the State of New Jersey, as amicus curiae, urging reversal.

Mr. J. Raymond Clark, filed a brief on behalf of the New York Chamber of Commerce, as amicus curiae, urging reversal.

Mr. Jerome M. Alper filed a brief on behalf of the State of Delaware, as amicus curiae, urging reversal.

Mr. Jerome M. Alper filed a brief on behalf of the State of Alabama, et al., as amici curiae, urging reversal.

Before Wilbur K. Miller, chief judge, and Danaher and Bastian, circuit judges.

Bastian, circuit judge:

Austin J. Tobin, the executive director of the Port of New York Authority, was charged by information and convicted in the district court of criminal contempt of Congress, under 2 U.S.C. 192, for refusing to produce certain documents called for by a subpena issued by Subcommittee No. 5 of the Committee on the Judiciary of the U.S. House of Representatives.

The Port of New York Authority is a bistate agency established in 1921 and 1922 by compacts between the States of New York and New Jersey to provide for the efficient administration of the New York Harbor, which is divided geographically between the two States. Pursuant to the compact clause of the Constitution,[1] Congress consented to the compacts but expressly retained, among other matters, "the right to alter, amend, or repeal" its resolutions of approval. Over the years, the port authority has been remarkably successful in achieving its goals. As of 1959, it had investments of nearly $1 billion and gross annual operating revenue in excess of $100 million.

In February of 1960, the Judiciary Committee initiated an investigation of the authority on an informal basis. The authority cooperated with the committee investigators except as to disclosing certain documents alleged to relate exclusively to the internal administration of the authority. After this refusal events moved swiftly to a climax.

On June 1, 1960, the chairman of the committee obtained from the House subpena power in connection with matters "involving the activities and operations of interstate compacts." What little floor discussion there was preceding this grant of subpena power was not very enlightening; it certainly provided no lucid analysis of what was soon to follow. On June 8, 1960, Subcommittee No. 5 of the Judiciary Committee instituted a formal inquiry into the authority.

Appellant conferred with the board of commissioners of the authority, as well as with the Governors of both New York and New Jersey, and the consensus of their opinion was that the investigation being attempted was too broad to be valid. The subcommitte was informed of their objections and the reasons therefor. Discounting these objections, the subcommittee issued the subpena in question. Appellant requested postponement of the return date of the subpena in order to give the Governors an opportunity to meet with the subcommittee and discuss their objections but the subcommittee refused the postponement.

After being denied the opportunity to appear before the subcommittee, the Governors wrote identical letters to their respective representatives on the board of commissioners of the authority, instructing them to direct appellant not to comply with the subpena. The board of commissioners so directed appellant on June 27, 1960. Two days later, on June 29, 1960, the subcommittee met to receive the return of the subpena.

It was against this background that appellant refused to comply with the demands of the subpena[2] and was ruled in default by the chairman of the subcommittee. Thereafter, the subcommittee recommended to the full committee that appellant be cited by the House for contempt. This recommendation was adopted by the Judiciary Committee, two members dissenting, and subsequently by the House itself. Charged by information, appellant waived his right to jury trial and was convicted of contempt of Congress by District Judge Youngdahl.[3]

Appellant advances several arguments in support of the position that his conviction cannot stand. For present purposes, to illustrate the constitutional issues we would have to decide in order to affirm the conviction, we list but two of his arguments:

1. That Congress does not have the power, under the compact clause of the Constitution, to "alter, amend or repeal" its consent to an interstate compact, which was the stated purpose of the subcommittee's investigation.

2. That "the subpena issued by the subcommittee, demanding documents relating to the internal administration of the port authority which the Governors of New York and New Jersey ordered appellant not to produce [was] an unconstitutional invasion of powers reserved to the States under the 10th amendment to the Constitution."

Because of the view we take of this case, appellant's first contention demands some elaboration. In granting its consent Congress can attach certain binding conditions, not only to its consent to the admission of a new State into the Union,[4] but also to its consent to the formation of an interstate compact.[5] However, the vital condition precedent to the validity of any such attached condition is that it be constitutional. If Congress does not have the power under the Constitution, then it cannot confer such power upon itself by way of a legislative fiat imposed as a condition to the granting of its consent.[6]

In the present case, therefore, Congress express reservation of the right "to alter, amend or repeal" its initial consent to the creation of the authority is meaningless unless Congress has the power under the Constitution "to alter, amend or repeal" its consent to an interstate compact. The compact clause of the Constitution does not specifically confer such power upon Congress. No case has been cited to us, nor have we been able to find any case through our own research, holding that Congress has such constitutional power. Nor do we find any to the contrary. Since no such power appears expressly in the compact clause, any holding that it exists and that Congress possesses it must be predicated on the conclusion that it exists as an implied power.

We have addressed ourselves at some length to this issue in order to show the gravity of passing upon even only one of the constitutional questions posed by this case. Moreover, in view of appellant's argument that the plenary powers specified in and by the Constitution are more than sufficient to enable Congress to protect, supervise and preserve all Federal interests affected by the existence of interstate compacts, we are even less inclined to reach the constitutional issues involved here. We

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[1] Art. I, sec. 10–3, of the Constitution reads in pertinent part: "No State shall, without the Consent of Congress * * * enter into any Agreement or Compact with another State."

[2] Appellant's refusal to comply with the subpena was only partial. The subpena as issued is reported here in its entirety, the bracketed portions representing those documents actually produced, the unbracketed portions representing those that were refused:

"(1) [All bylaws, organization manuals, rules and regulations;]

"(2) [Annual financial reports;] internal financial reports, including budgetary analyses, postclosing trial balances, and internal audits; and management and financial reports prepared by outside consultants;

"(3) All agenda [and minutes] of meetings of the board of commissioners and of its committees; all reports to the commisisoners by members of the executive staff;

"(4) All communications in the files of the Port of New York Authority and in the files of any of its officers or employees including correspondence, interoffice and other memorandums and reports relating to:

"(a) the negotiation, execution and performance of construction contracts; negotiation, execution and performance of insurance contracts, policies and arrangements; and negotiation, execution and performance of public relations contracts, policies and arrangements;

"(b) the acquisition, transfer and leasing of real estate;

"(c) the negotiation and issuance of revenue bonds;

"(d) the policies of the authority with respect to the development of rail transportation."

The demands of the subpoena encompassed the period from January 1, 1946, to June 15, 1960.

[3] For a scholarly analysis of the factual setting of this case, we refer to the detailed delineation found in the opinion of District Judge Youngdahl, 195 F. Supp. 588 (1961).

[4] *United States* v. *Sandoval* (231 U.S. 28 (1913)).

[5] *Petty* v. *Tennessee-Missouri Bridge Commission* (359 U.S. 275 (1959)).

[6] Cf. *Coyle* v. *Smith* (221 U.S. 559 (1911)).

have no way of knowing what ramifications would result from a holding that Congress has the implied constitutional power "to alter, amend or repeal" its consent to an interstate compact. Certainly, in view of the number and variety of interstate compacts in effect today, such a holding would stir up an air of uncertainty in those areas of our national life presently affected by the existence of these compacts. No doubt the suspicion of even potential impermanency would be damaging to the very concept of interstate compacts.

Appellant argues that congressional consent becomes irrevocable once it is given under the compact clause since Congress thereby removes the constitutional ban against the formation of interstate compacts and thus, to that extent, restores the States to the inherent sovereignty they enjoyed prior to the adoption of the Constitution. This does not mean that once congressional consent is obtained the particular compact becomes a law unto itself, immune by reason of its autonomy from future congressional supervision. It simply means that the States are restored to that much of their original sovereignty as would permit them to enter into compacts with each other. To this extent, and to this extent alone, does congressional consent restore them to sovereignty—sovereign in the narrow sense of being free to conclude an interstate compact, not sovereign in the broad sense of being free of the Constitution.

Accordingly, if a particular compact happens to be operational in nature (as exemplified by the compact creating the authority) as opposed to one static in nature (as exemplified by an agreement to settle a disputed boundary line, an act which necessarily dies at the moment of its birth), Congress is not without power to control the conduct of the former. Under our system of government the Constitution is paramount, and the Constitution gives to Congress certain plenary powers, as for example those in the field of interstate commerce and that of national defense. With the choice of acting pursuant to any or all of these plenary powers continuously available to it, Congress has at its disposal abundant authority to supervise and regulate the activities of operational compacts in such a way as to insure that no violence is done by these compacts to more compelling Federal concerns.

Appellant argues, in short, that Congress can adequately protect every interest that needs such protection because of the existence of an operational compact without, in doing so, being forced to the extremity of rescinding its consent under the compact clause, an action which appellant contends Congress has no constitutional power to perform.

Appellant's assertion in this respect is not unpersuasive, since a holding that Congress has the constitutional power to "alter, amend or repeal" its consent under the compact clause can hardly be stated as a proposition of universal applicability. A line marking the boundary between two States, initially drawn by such States acting pursuant to an interstate compact, could hardly be erased at some later date by Congress' enactment of hindsight legislation purporting to repeal its consent to the compact by which such boundary was initially determined (see the discussion in *Hinderlider* v. *LaPlata River Co.*, 304 U.S. 92 (1938) and cases cited therein).

In other words, appellant seeks to distinguish the ways in which congressional control over an operational compact may be properly exercised: he argues that control undertaken pursuant to the plenary powers is licit, whereas control attempted in the sense of withdrawing consent under the compact clause is illicit.

Lest this distinction be looked upon as nothing more than a quibble, a mere academic distinction of a nicety too refined to be noticed outside an ivory tower, it must be remembered that this case comes to us by way of a criminal conviction.[7] It must be borne in mind, therefore, that appellant is entitled to all of the safeguards which our system of criminal jurisprudence assures him, not the least of which is that he not be convicted in a general rush to vindicate matters actually collateral to the crime for which he stands accused. Indeed, the present case is a classic example of how this very danger arises.

Appellant is no criminal and no one seriously considers him one. He stands before us convicted of crime merely because no method has been provided for testing the merits of his contentions save that of a prosecution for contempt of Congress. It is truly unfortunate that his choice was so restricted as to the presentation of his case, for it places us in the posture of being asked to answer broad questions of civil law within the framework of reviewing a criminal conviction. Undoubtedly the questions presented to us properly demand resolution, but we should not and cannot permit this appeal for answers to blind us to our duty of administering criminal justice according to traditional concepts. It must be remembered that what we decide in this case will be precedent for another, and far too often has the rashness of today begotten the regrets of tomorrow to induce us to tread unsanctioned byways of criminal adjudication merely because the setting of a particular appeal suggests the expediency of such a course. In short, we decide this case as we would any other criminal appeal. It is with these considerations in mind, therefore, that we approach the disposition of the present controversy.

A contempt of Congress prosecution is not the most practical method of inducing courts to answer broad questions broadly. Especially is this so when the answers sought necessarily demand far-reaching constitutional adjudications. To avoid such constitutional holdings is our duty, particularly in the area of the right of Congress to inform itself (*United States* v. *Rumley*, 345 U.S. 41 (1953)). Consequently, when Congress authorizes a committee to conduct an investigation, the courts have adopted the policy of construing such resolutions of authority narrowly, in order to obviate the necessity of passing on serious constitutional questions (*Watkins* v. *United States*, 354 U.S. 178 (1957); *Brewster* v. *United States*, 103 U.S. App. D.C. 147, 255 F. 2d 899, cert. denied, 358 U.S. 842 (1958)).

Accordingly, the first issue we must decide is whether Congress gave the Judiciary Committee of the House (and therefore its Subcommittee No. 5) authority sufficient to permit the subcommittee to conduct the sweeping investigation undertaken in the instant case. The authority pointed to as validating the present investigation was conferred by the House upon the Judiciary Committee in piecemeal fashion:

The Legislative Reorganization Act of 1946 granted to the Judiciary Committee authority over 19 subjects, including "interstate compacts generally." 60 Stat. 812, 826–827; rule XI (1). In 1959 the committee was given subpena power to conduct "full and complete investigations and studies relating to [certain stated matters] coming within the jurisdiction of the committee." H. Res. 27, 86th Congress, 1st session (1959). As this last grant of authority did not encompass interstate compacts, it was amended on June 1, 1960, to include "the activities and operations of interstate compacts." H. Res. 530, 86th Congress, 2d session (1960). Putting these resolutions of authority together, we find that the committee was given jurisdiction over "interstate compacts generally," and the power "to conduct full and complete investigations and studies relating to * * * the activities and operations of interstate compacts."

The authority thus granted to the committee is couched in general terms. In the present case, the committee stretched these general terms in order to justify about as specific an investigation of the Port of New York Authority as can be envisaged. We are inclined to believe the House did not intend these general terms to be stretched quite so far. While it is true that the Judiciary Committee for many years did have specific jurisdiction over "interstate compacts generally," its traditional activity with respect to this jurisdiction was entirely foreign to an investigation of the kind and scope attempted here. So in this respect the present case is the antithesis of the Supreme Court's decision in *Barenblatt*,[8] where the particular committee's authorization was found in the long history of congressional acquiescence in that committee's work.

In the present case, the very fact that Congress had never before attempted such an expansive investigation of an interstate compact agency—an investigation, by its very nature, sure to provoke the serious and difficult constitutional questions involved here—leads to the conclusion that if Congress had intended the Judiciary Committee to conduct such a novel investigation it would have spelled out this intention in words more explicit than the general terms found in the authorizing resolutions under consideration.[9] In any event, general terms are usually susceptible of differing interpretations. And so, in view of the fact that we consider it our duty to avoid, if possible, constitutional adjudication, we read these authorizing resolutions to mean that the Judiciary Committee was empowered to conduct an investigation calling for documents relating to actual "activities and operations" of the authority rather than for all of the administrative communications, internal memorandums, and other intra-authority documents demanded by the subpena in question (*Brewster* v. *United States*, *supra*. Cf. *United States* v. *Rumley*, *supra*. And see *United States* v. *Kamin*, 136 F. Supp. 791 (Mass. 1956)). Therefore, we think the subcom-

[7] Regardless of what Congress might have done or how Congress might have approached the instant problem, we are bound by what Congress in fact did do. Since the jurisdiction of the subcommittee that issued the subpena in question is derived from the compact clause, and since the stated purpose of the subcommittee's investigation was to determine whether Congress should "alter, amend, or repeal" its consent to the compacts that established the authority, the distinction under discussion not only is not a play on words—it is an essential dividing line between appellant's guilt or innocence of criminal conduct.

[8] *Barenblatt* v. *United States* (360 U.S. 109 (1959)).

[9] In arriving at our conclusion in this respect, we have been particularly impressed by the absence of any truly enlightening or informative floor discussion in Congress at the time the instant authority was sought by and granted to the Judiciary Committee concerning the use in depth that was expected to be made of it. This want of explanation is especially striking in light of the fact that no such massive investigation of a compact agency had ever been initiated by Congress before. We think the respect to which Congress is legitimately entitled supports the conclusion that it would not signal its approval of a decision of such magnitude in the delicate area of Federal-State relationship without a clearer expression of its understanding of what it was doing than is reflected by the instant case.

mittee's investigative authority, as thus construed, was exhausted by the information actually tendered by appellant in compliance with the subpena, for such information adequately disclosed all that the authority had done in the areas under inquiry. The information refused to the subcommittee related only to the why of authority activity and, consequently, was outside the scope of the subcommittee's authority to investigate.[10]

We feel inclined to add a few words in conclusion. If Congress should adopt a resolution which in express terms authorizes and empowers the committee and its duly authorized subcommittee to initiate an investigation of the Port of New York Authority as deep and as penetrating as the one attempted here, a challenge of the congressional power so to provide would of course present constitutional issues which we should have to meet and decide. Therefore, we emphasize that all we are saying here is that a due regard for the responsibility of administering justice prompts us to avoid serious constitutional adjudications until such time as Congress clearly manifests its intention of putting such a decisional burden upon us.

Especially do we say this in view of the unusual nature of the present case, where we are asked to decide essentially civil and jurisdictional issues at the same time that we establish criminal precedent. The conflicting duality inherent in a request of this nature is not particularly conducive to the giving of any satisfactory answer, no matter what the answer should prove to be. Should this controversy be resumed, it is hoped that Congress will first give sympathetic consideration to Judge Youngdahl's eloquent plea:

"During the House debate on the contempt citation, the committe inserted in the CONGRESSIONAL RECORD a memorandum purporting to show that declaratory judgment procedures were not an available means for procuring judicial resolution of the basic issues in dispute in this case. Although this question is not before the court, it does feel that if contempt is, indeed, the only existing method, Congress should consider creating a method of allowing these issues to be settled by declaratory judgment. Even though it may be constitutional to put a man to guessing how a court will rule on difficult questions like those raised in good faith in this suit, what is constitutional is not necessarily most desirable. Especially where the contest is between different governmental units, the representative of one unit in conflict with another should not have to risk jail to vindicate his constituency's rights. Moreover, to raise these issues in the context of a contempt case is to force the courts to decide many questions that are not really relevant to the underlying problem of accommodating the interest of two sovereigns" (195 F. Supp. at 616–17). Reversed.

MORE VISITORS COMING FROM LATIN AMERICA UNDER VISIT-U.S.A. POLICY

Mr. YARBOROUGH. Mr. President, the coordinated and intensified efforts of Texas and other States working in cooperation with the administration's well-directed "Visit U.S.A." program is certain to result in a vast improvement in the relationship between the United States and other countries. The potential for stepped-up tourist visits to the United States by people from other countries is virtually untapped and unlimited, both in the areas of our good neighbor policy and our need for an improved economy.

Mexico, Central and South America have been sending more and more of their people to the United States, a move which is to be encouraged by civic and business interests, and by all levels of government.

This administration, by its "Visit U.S.A." program under the leadership of Secretary of Commerce Hodges and Voit Gilmore, Director of U.S. Travel Service, and by working in close harmony with the individual States, have shown its recognition of the need for bringing more people here to see how we live and to enjoy our hospitality.

To show something of the potential of tourist trade—not only to my own State of Texas but to all the other States—I ask unanimous consent to have printed in the RECORD the following editorial from the Houston Chronicle of June 5, 1962, entitled "Our Latin Visitors."

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

OUR LATIN VISITORS

A favorable indication of the success of our good neighbor policy toward Latin America and, at the same time, a good push for its future, is the increasing rate at which our neighbors from the south are acquainting themselves with the United States. As each year passes, more residents of Latin America are becoming tourists to our shores. Air travelers alone visiting this country from Mexico, Central and South America increased 13.5 percent in 1961.

This marked a jump from 233,898 in 1960 to 265,537 last year. One country alone failed to show an increase over this period—Venezuela with a drop of 9.6 percent. Mexico provided the biggest share of the increase with 93,577 visitors last year compared with 79,401 the previous year. Nor does this figure include the thousands who drive across the border each month from Mexico to visit Texas and points north.

DALLAS JAYCEES PUSH TRINITY RIVER PROJECT

Mr. YARBOROUGH. Mr. President, the Trinity River Valley project improvement program for conversion of the stream into a barge canal from the Texas gulf coast to Fort Worth is of unlimited importance to strengthening the economy of the State of Texas.

The Dallas Junior Chamber of Commerce, in recognition of the need of this project, has set up a large committee to raise funds in the true spirit of free enterprise for cost-benefit studies of the Trinity.

Advancement of the Trinity River Valley project—a goal of farsighted Texans for some 30 years—is a golden opportunity which must not be overlooked. I intend to do everything possible to advance this project in Congress by helping to see that improvements are authorized as fast as possible.

I ask unanimous consent to have printed in the RECORD the following editorial from the Dallas Times Herald of June 5, 1962, entitled "Jaycees Take on a Big Project in Pushing Trinity Canal Plan."

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

JAYCEES TAKE ON A BIG PROJECT IN PUSHING TRINITY CANAL PLAN

The Trinity River represents a great potential economic benefit for Dallas and a great part of the Southwest.

For many years advocates have urged its canalization in order to make barge transportation available for north Texas. There were many difficulties in the way. Some already have been removed. Others remain, but more persons are convinced that they too can be removed to make the canalization a reality.

Into this situation the Dallas Junior Chamber of Commerce has moved.

An 80-man committee of Jaycees has just launched a 3-week campaign to raise $102,000 for cost-benefit studies of the Trinity. Some 600 civic and business leaders will be asked to underwrite the Trinity Improvement Association's studies to show Congress that the canalization will pay for itself.

The Trinity barge canal, a longtime dream for Dallas, is a worthwhile project.

In undertaking to push this project through bringing about a congressional understanding of its importance, the Jaycees are making a real contribution to their community, their State, and their Nation.

We are convinced the Trinity project, which includes a great many other things besides navigation, is sound.

We are convinced also that the energy and enthusiasm the Jaycees are bringing to its support will be highly beneficial to the river development program.

UNIVERSAL INTERNATIONAL PICTURES CELEBRATES 50TH YEAR

Mr. ENGLE. Mr. President, today Universal International Pictures celebrates its 50th anniversary. It is the first of Hollywood's major film producing companies to reach the half-century mark.

Fifty years ago Carl Laemmle, a German immigrant, set up a modest cinema shop in a community of 5,000 people that called itself Hollywood. He named his little enterprise the Universal Film Manufacturing Co. and began at once to produce pictures. Before he was fully settled in his quarters they were already inadequate. The operations today of Universal Pictures are manifold and diverse and they have spread to the four corners of the globe.

Universal Pictures has a proud history to look back on. The great productions that have come out of its studios are too numerous to be listed here. I cannot fail, however, to mention such endurable masterpieces as "All Quiet on the Western Front," "Hunchback of Notre Dame," and "Phantom of the Opera." Through the years Universal has continued to give us great films. "Spartacus" is just one example of its fine productions.

The most dynamic aspect of Universal's activities lies in the distribution of its films and newsreels around the world. There is, I believe, no better way

[10] That the power of a subcommittee having general jurisdiction over a subject must nonetheless be specifically spelled out in particular instances has been made abundantly clear in many expressions by the Supreme Court. The contempt of Congress cases, in whatever posture the problem be posed, underscore this thought. [See for example *Russell* v. *United States*, and related cases, decided by the Supreme Court May 21, 1962.] Basically the proposition may be simply stated. There can be no "constructive" offenses. *United States* v. *Resnick*, 299 U.S. 207, 210 (1936).

to get people in foreign lands to like us than to get them to understand us. Nothing does this more effectively than the motion picture. For many years Universal has done its share in creating in countries abroad a better understanding of Americans and the American way of life.

"We are servants of the public." This is the underlying philosophy of Universal's president, Milton Rackmil, and it is shared by his whole organization. In Universal we have another example to prove that in war and in peace the motion picture industry is a moving force in public-spirited causes.

My congratulations to Universal Pictures on its 50th birthday, and my sincerest commendations to Milton Rackmil. No tribute to the company can be complete without mentioning the men and women in the studios who make the films possible. To these fine citizens of California I want to extend my warmest greetings and best wishes in the years ahead.

STATEMENT OF REPUBLICAN PARTY PRINCIPLES

Mr. MOSS. Mr. President, after 4 months of deliberation, a committee of distinguished members of the Republican Party has presented a statement of party principles. As I understand it, the statement is intended to declare to the electorate the party's stand on the issues of the day for the elections of 1962 and 1964.

As a Democrat, I anticipated that I might disagree with one or two of its statements. But I was not prepared for a showing of such flagrant disregard for the vital interests of the West. The report does not even mention the most pressing problems of our Western States—development of water resources, reclamation, water pollution control, watershed protection, reforestation, or development of outdoor recreation resources.

I can only conclude that those representing the West and the Southwest on the Joint Committee on Republican Principles must have been asleep. In 2,500 words of generalities and platitudes, there is surely room for a sentence or two in favor of the conservation and development of our national resources.

The development of water supply to serve a burgeoning population is the most pressing internal problem for the entire southwestern quarter of our Nation.

I remind the Senate of the Select Committee on National Water Resources which this body authorized in the 86th Congress. The committee included six distinguished Republican Senators. The committee's report stated that demands on the Nation's water resources would almost double by 1980, and would triple by the year 2000. It emphasized the special requirements of the Western States arising from their dependence on their extremely limited water supply. It pointed out that over 1 million acres in some 8,500 small watersheds are already in need of treatment.

As the Members of this body are well aware, water pollution control is essential not only to the West, but to the entire Nation. Hundreds of communities in the United States have substandard water supplies.

I am aware that the Eisenhower administration opposed increasing Federal funds for water pollution control, even on the present formula which requires at least 70-percent payment from local funds. But I am also aware that there are several Republicans who do not agree with him on this question.

And since the amendments to the Water Pollution Control Act passed the Senate last year on a voice vote, I am surprised that the party is not now ready to announce a change in this position.

Our pressing need for outdoor recreation areas was outlined in the recent report of the Outdoor Recreation Resources Review Commission. The Commission was appointed by President Eisenhower, headed by the distinguished conservationist, Laurance Rockefeller, brother of the Governor of New York. Several Republican Members of Congress served on the Commission.

The Commission called for an extensive Federal program in the outdoor recreation resources field. It included a national recreation policy, a classification system for outdoor resources; an expansion of existing programs; a Federal Bureau of Outdoor Recreation; and a grants-in-aid program to the States.

Since the Republican policy statement warns against Federal encroachment into areas served by State and local governments, I point out that all State and local governments are now working on the problems I have briefly mentioned. But many of these problems cannot be solved only by our States, our counties, and our municipalities. They require Federal programs, use of Federal lands, and Federal capital investment.

Mr. President, I repeat that conservation and development of our land and water resources is the most important domestic question before us in the West.

I have worked intimately with my Republican colleagues on the Interior Committee and the Public Works Committee. Despite differences of opinion on details, I know many share with me a deep concern for resource development.

It is most unfortunate that this statement of the Republican Party's view of the needs of our Nation is too narrow to encompass the vital interests of the West.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

CALL OF THE CALENDAR

Mr. MANSFIELD. I believe that under the unanimous-consent agreement we have been given permission to call the calendar, beginning with Calendar No. 1496. Is that correct, Mr. President?

The VICE PRESIDENT. That is correct.

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

The VICE PRESIDENT. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

The clerk will call the first bill on the calendar, under the unanimous-consent agreement.

TRANSPORTATION OF MAIL BY HIGHWAY POST OFFICE SERVICE

The bill (H.R. 6695) to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL WRITING PROVIDED ON THIRD AND FOURTH CLASS MAIL

The bill (H.R. 7559) to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail, was considered, ordered to a third reading, read the third time, and passed.

FUNDS RECEIVED BY POST OFFICE DEPARTMENT FROM PAYMENTS FOR DAMAGE TO PERSONAL PROPERTY

The Senate proceeded to consider the bill (H.R. 7532) to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes, which had been reported from the Committee on Post Office and Civil Service, with an amendment, on page 2, line 9, after the word "performance", to strike out "under contracts with the Department" and insert "of carriers and contractors".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

UNUSED COMPENSATORY TIME OWING TO DECEASED POSTAL EMPLOYEES

The bill (H.R. 7061) to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

APPROPRIATE REIMBURSEMENTS BETWEEN RESPECTIVE APPROPRIATIONS AVAILABLE FOR BUREAU OF THE CENSUS

The bill (H.R. 7416) to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2970) to amend the Small Business Act was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The bill will be passed over.

The bill (S. 367) to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

JAMES M. NORMAN—BILL PASSED OVER; AND BILL INDEFINITELY POSTPONED

The bill (S. 3377) for the relief of James M. Norman, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill previously placed on the calendar in regard to this subject, Calendar No. 1233, H.R. 1361, may be indefinitely postponed.

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

Mr. MANSFIELD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Is my understanding correct that, on the basis of the indefinite postponement, Calendar No. 1233 will be removed from the calendar?

The PRESIDING OFFICER. The Senator is correct. Does the Senator from New York desire to object to consideration of Calendar No. 1503?

Mr. KEATING. Mr. President, I ask that the bill go over, by request of a Senator.

The PRESIDING OFFICER. The bill will be passed over.

IOANNIS CONSTANTELIAS

The concurrent resolution (S. Con. Res. 76) withdrawing suspension of deportation of Ioannis Constantelias, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Ioannis Constantelias (A-2044661) which was previously granted by the Attorney General and approved by the Congress.

MR. AND MRS. ALFREDO HUA-SING ANG

The bill (S. 2614) for the relief of Mr. and Mrs. Alfredo Hua-Sing Ang, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mr. and Mrs. Alfredo Hua-Sing Ang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

STEPANIDA LOSOWSKAJA

The bill (S. 2686) for the relief of Stepanida Losowskaja, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, the provisions of section 312 of such Act shall be deemed not to be applicable in the case of Stepanida Losowskaja.

ARMAND SERI

The bill (S. 2692) for the relief of Armand Seri was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Armand Seri may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that no period of residence or physical presence within the United States or any State shall be required in addition to his residence and physical presence within the United States since November 14, 1953.

ROSWITHA SEIB

The bill (S. 2699) for the relief of Roswitha Seib, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a)(1) of the Immigration and Nationality Act, Roswitha Seib may be issued a visa and be admitted to the United States for permanent residence if otherwise admissible under the provisions of that Act: *Provided*, That unless the said Roswitha Seib is eligible for medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further*, That the exemption granted herein shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

KONSTANTINOS P. THEODOROPOULOS

The bill (S. 2837) for the relief of Konstantinos P. Theodoropoulos, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Konstantinos P. Theodoropoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MAI HAR TUNG

The bill (S. 2862) for the relief of Mai Har Tung, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Mai Har Tung, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Ernest Tung, citizens of the United States: *Provided*, That the natural mother of the said Mai Har Tung shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

WEN TANG

The bill (S. 2872) for the relief of Wen Tang, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Wen Tang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of January 28, 1956, upon payment of the required visa fee. Upon granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MRS. ELIZABETH LOVIC

The Senate proceeded to consider the bill (S. 2455) for the relief of Mrs. Elizabeth Lovic, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "Act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General be deposited as prescribed by section 213 of that Act.; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (4) of section 212(a) of the Immigration and Nationality Act, Mrs. Elizabeth Lovic may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of that Act. This Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WENG CHIEW WONG AND MOY CHONG WONG

The Senate proceeded to consider the bill (S. 2855) for the relief of Weng Chiew Wong and Moy Chong Wong which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, the provisions of the proviso to section 201(a) shall not be applicable in the cases of Weng Chiew Wong and Moy Chong Wong, natives of Malaya.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KANG SOON YANG

The Senate proceeded to consider the bill (S. 2999) for the relief of Kang Soon Yang which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "States", to insert a colon and *"Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Kang Soon Yang shall be held and considered to be the natural-born alien child of Floyd Earl and Berneice Mix, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TASIA DEMETROPOULOU (DIMITROPOULOS)

The Senate proceeded to consider the bill (S. 2711) for the relief of Tasia Demetropoulou (Dimitropoulos) which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "Act", to strike out the comma and "the minor child,"; in line 5, after the name "Demetropoulou", to strike out "(Dimitropoulos)," and insert "(Dimitropoulos)"; and at the beginning of line 7, to insert "minor"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act Tasia Demetropoulou (*Dimitropoulos*) shall be held and considered to be the natural-born alien *minor* child of Mr. and Mrs. James Demos, citizens of the United States: *Provided,* That the natural parents of the said Tasia Demetropoulou (Dimitropoulos) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HERRN STEFAN ZAPPEL

The Senate proceeded to consider the bill (S. 2904) for the relief of Herrn Stefan Zappel which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the word "amended", to strike out "Herrn"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 203(a)(3) and 205 of the Immigration and Nationality Act, as amended, Stefan Zappel shall be held and considered to be the unmarried son of Mrs. Kata Zappel, an alien lawfully admitted to the United States for permanent residence.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Stefan Zappel."

OLAF SCHASTZLE BONDE

The Senate proceeded to consider the bill (S. 2994) for the relief of Olaf Schastzle Bonde (also known as Olaf Carl Schastzle) which had been reported from the Committee on the Judiciary with amendments, in line 3, after the name "Olaf", to strike out "Schastzle" and insert "Schaetzle"; and in line 4, after the name "Carl", to strike out "Schastzle" and insert "Schaetzle"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Olaf Schaetzle Bonde (also known as Olaf Carl Schaetzle) may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to his residence and physical presence within the United States since July 7, 1953; and

(b) the petition for naturalization may be filed with any court having naturalization jurisdiction.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Olaf Schaetzle Bonde (also known as Olaf Carl Schaetzle)."

VINCENT EDWARD HUGHES

The bill (H.R. 6330) for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children was considered, ordered to a third reading, read the third time, and passed.

ADELE ANIS MANSOUR

The bill (H.R. 4655) for the relief of Adele Anis Mansour was considered, ordered to a third reading, read the third time, and passed.

JANINA MACIEJEWSKA

The bill (H.R. 3714) for the relief of Janina Maciejewska was considered, ordered to a third reading, read the third time, and passed.

ANGELINA RAINONE

The bill (H.R. 3633) for the relief of Angelina Rainone was considered, ordered to a third reading, read the third time, and passed.

ANNA ISERNIA ALLOCA

The bill (H.R. 3595) for the relief of Anna Isernia Alloca was considered, ordered to a third reading, read the third time, and passed.

FRANZISKA ALOISIA FUCHS (NEE TERCKA)

The bill (H.R. 2833) for the relief of Franziska Aloisia Fuchs (nee Tercka) was considered, ordered to a third reading, read the third time, and passed.

JAMES B. TROUP

The Senate proceeded to consider the bill (H.R. 10502) for the relief of James B. Troup which had been reported from the Committee on the Judiciary, with amendments, on page 1, at the beginning of line 5, to strike out "complied" and insert "been lawfully admitted to the United States for permanent residence on September 20, 1956, and the time he has resided and been physically present in the United States since that date shall be held and considered as compliance"; and, after line 10, to insert a new section, as follows:

SEC. 2. For the purposes of the Immigration and Nationality Act, the time Sylvia Mattita has resided and been physically present in the United States since her lawful admission for permanent residence on November 8, 1950, shall be held and considered as compliance with the residence and physical presence requirements of section 311 of that Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act for the relief of James B. Troup and Sylvia Mattiat."

THE TEXAS & PACIFIC RAILWAY CO.

The bill (S. 3025) to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co., in order to give certain additional authority to such company, was considered, ordered to be engrossed for a third

reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in addition to the powers conferred by the Act entitled "An Act to incorporate the Texas Pacific Railroad Company and to aid in the construction of its road, and for other purposes", approved March 3, 1871 (16 Stat. 573), as supplemented by the Act of May 2, 1872 (17 Stat. 59), the Act of March 3, 1873 (17 Stat. 598), the Act of June 22, 1874 (18 Stat. 197), and the Act of February 9, 1923 (42 Stat. 1223), the Texas and Pacific Railway Company shall have the right and authority, subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto, to acquire securities or stock of, or property from, any other carrier.

SEC. 2. The capital stock of the Texas and Pacific Railway Company, heretofore fixed by its board of directors pursuant to the provisions of the Act of February 9, 1923, at $75,000,000, may be increased at any time in such amounts as do not result in more than $100,000,000 of such company's capital stock outstanding and as are agreed to by resolution of its board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require. The provisions of the Act of February 9, 1923, with respect to the additional capital stock authorized by such Act (except with respect to the aggregate amount thereof), shall be applicable to the additional capital stock authorized by this Act and, in addition thereto, the par value of the capital stock of said company and the number of shares thereof shall, subject to the limitations of this Act, be in such amount as may be determined from time to time by resolution of such company's board of directors duly adopted in accordance with such company's bylaws and with the consent of the holders of a majority in amount of its then outstanding capital stock, expressed by vote in person or by proxy at a meeting of said stockholders called for the purpose upon such notice as such bylaws require.

SEC. 3. All power and authority granted to the Texas and Pacific Railway Company by this Act, the Act incorporating such company, and Acts supplemental thereto, shall be subject to the provisions of the Interstate Commerce Act and any Acts supplemental thereto.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the call of the calendar be concluded at this point.

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

MEDICAL CARE FOR CERTAIN PERSONS ENGAGED ON BOARD A VESSEL

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1502, S. 367.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 367) to provide medical care for certain persons engaged on board a vessel in the care, preservation, or navigation of such vessel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with an amendment, to strike out all after the enacting clause and insert "That subsection (h) of section 2 of the Public Health Service Act (42 U.S.C. 201(h)) is amended to read as follows:

"'(h) The term "seamen" includes any person employed or self-employed on board in the care, preservation, or navigation of any vessel, or in the service, on board, of those engaged in such care, preservation, or navigation, including persons employed or self-employed as fishermen on board commercial fishing vessels.'

"SEC. 2. Section 322(a)(1) of such Act (42 U.S.C. 249(a)(1)) is amended by inserting immediately after the word 'employed' the following: 'or self-employed'."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORIZATION FOR FEDERAL POWER COMMISSION TO DELEGATE ITS FUNCTIONS

Mr. BARTLETT. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1338, S. 1605.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1605) to authorize the Federal Power Commission to delegate its functions.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alaska.

The motion was agreed to; and the Senate proceeded to consider the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

FRYINGPAN-ARKANSAS PROJECT IN COLORADO

Mr. GOLDWATER. Mr. President, for years a bill has been lying in the House of Representatives that would allow for the construction of the Fryingpan-Arkansas project in Colorado. The Senate has always supported the project. Speaking as one who lives in the Rocky Mountain area and whose State depends upon the waters of the Colorado River, I should like to join my colleagues in urging that the House of Representatives give immediate attention to the proposal so that the people in that area may benefit from the water that is rightfully theirs. The project has a greater feasibility or benefit-cost ratio than many reclamation projects already approved by the Congress. The bill could not possibly put an additional acre of land in development under irrigation. The project would provide badly needed water for Pueblo, Colorado Springs, and Denver, Colo.

In my opinion, the project would absorb 50 percent of the entire water available within 5 years after completion of construction. It would also provide supplemental irrigation for the upper Arkansas Valley area, which is devoted primarily to vegetables, including onions and melons. The water that would be diverted from the main stream of the Colorado to the other side of the mountain constitutes less than 2 percent of the water allotted to Colorado under the Upper Colorado River compact.

I urge my colleagues who are interested in the development of that area to impress upon the Representatives from their States in the other body the urgency and need of the project.

THE STATE DEPARTMENT'S ATTITUDE TOWARD USE OF THE WORD "VICTORY"

Mr. GOLDWATER. Mr. President, on May 29 of this year I made some remarks to the Senate relative to the State Department's attitude toward the use of the word "victory" in speeches prepared for military commanders and submitted to the Department for censoring along policy lines. These remarks were based on a summary prepared by the State Department to explain why certain deletions and changes had been made in the speeches under discussion. The summary was transmitted to the Special Preparedness Subcommittee under date of March 29, although it did not come to my attention until it was published in the Washington Evening Star on May 27. It was transmitted to the subcommittee by a letter over the signature of George W. Ball, Under Secretary of State, which said in part:

> The explanations herewith furnished to the committee have been prepared by specially assigned officers working under my personal direction.

Among these official explanations supplied by the State Department was one which said the word "victory" had been deleted in a speech prepared for delivery by Brig. Gen. John W. White because it had "a militaristic and aggressive ring" and because it implied an "all or nothing approach leaving no room for accommodation." And it was to this particular language that I addressed my admittedly indignant remarks of May 29, 1962. Among other things, I raised the question of whether the State Department was embarked on a policy of appeasement based on accommodation rather than one aimed at victory in the cold war. It certainly seemed to me that if the Department was officially concerned that the use of a word long associated with American endeavors in all fields, might—just might, you understand—sound aggressive to an enemy which has sworn to bury us, then our efforts to avoid hurting Communist feelings had reached a ridiculous and dangerous extreme.

Mr. President, the March 29 explanation for deletion of the word "victory" by the State Department censors was far from inconsistent with earlier attitudes of the administration as expressed by various spokesmen, ranging from Secretary of State Dean Rusk to my esteemed colleague, the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Senate Foreign Relations Committee. For many months, these spokesmen have assiduously attempted to portray any and all advocates of a policy of victory over communism as proponents of nuclear war. They have gone down the line for a policy of accommodation, arguing over and over that the complexities of world conditions today require a sophisticated approach which makes an objective designed to win over communism unrealistic and fraught with explosive possibilities.

As late as May 31, for example, Secretary Rusk told a press conference:

> The President has indicated more than once that a nuclear conflagration is not something which provides an easy path to what anyone would call victory.

The Secretary also suggested that the only alternative to present policies "is simply to let the other side have it, with all the weapons you have at your disposal." This, of course, is an oversimplification of the first magnitude, and I might add that it is interesting that it comes from an official whose Department blames all of its critics for indulging in oversimplification. And, Secretary Rusk goes in for some more oversimplification when he says that those who argue for a policy of victory would "stop foreign aid, have us withdraw from the United Nations, withdraw from NATO, and forget the Alliance for Progress."

Mr. President, I suggest that this attitude of saying that those who disagree with the administration want war is unworthy of statesmen. Neither Secretary Rusk nor the President nor anyone else in an official capacity has a monopoly on the desire for peace. They know that, and they also know that those of us who argue for a policy of victory in the cold war are arguing for alternatives that we believe would be more effective, more realistic and more in keeping with changing world conditions than those now in effect. They also are beginning to uderstand that the majority of the American people agree with us.

Secretary Rusk asks for alternatives. If he has any doubts about my stand on the question of winning the cold war, I suggest he take the time to read my new book, "Why Not Victory?" He will quickly find that I favor a policy which does not play the enemy's game by sending aid to Communist countries, by promoting unworkable coalitions weighted on the side of communism, by neglecting to act against the Communist buildup in Cuba, by aggravating our NATO partners and our allies, by supporting anti-Western U.N. aggression in the Congo, by offering dangerous control and inspection concessions to the Soviets on disarmament. These are just a few of the many alternatives available to our officials if they ever develop the will to win in the present struggle between freedom and slavery. They are alternatives that a powerful nation should adopt in its own strategic interests and in the cause of freedom everywhere. They are some of the alternatives which must be adopted if we are to avoid the threat of a nuclear war.

Mr. President, I point out that my remarks relative to the State Department's attitude on the use of the word "victory" are apparently what sparked Secretary of State Rusk's press conference statement. However, he did not take the opportunity then to deny his Department's explanation of why this word was taken out of General White's speech. He apparently had no objection to the Department's description of victory as a word having a "militaristic and aggressive ring." If he thought there was anything wrong with the explanation, he certainly didn't mention it.

However, on June 4 I received from Mr. George W. Ball, Under Secretary of State, a letter stating that the State Department language to which I drew attention was "completely erroneous." This I would remind you is the language which Mr. Ball's letter to the subcommittee said was prepared by specially assigned officers under his personal direction. I would also remind you that this language was sent to the subcommittee on March 29 and was not deemed to be "erroneous" until 2 months later—after it had been brought to public attention. I understand that Mr. Ball, in testifying before the subcommittee on June 4, said the language of the March 29 summary on "victory" was "inartistically worded and gives a quite erroneous impression of the reviewer's intention." Mr. Ball went on to argue that the State Department is not allergic to the word "victory" and that deletion of the word from military speeches does not reflect an ideological attitude on the part of the State Department.

In his letter to me, Mr. President, Under Secretary Ball said:

> I can quite well understand your concern at the implications of the language quoted from the State Department materials. I assure you that that language reflects neither the views of the State Department nor myself.

It seems curious to me, Mr. President, that language from the State Department should be transmitted to a Senate subcommittee from the Under Secretary of State which does not reflect the views of the State Department. It is my understanding that Mr. Ball explained to the subcommittee in testimony June 4 that he has no idea how the language got into the summary forwarded by him. From what he said, it appears that this part of the summary was handled by someone else while Mr. Ball was either out of Washington or out of the country. It would be interesting to know exactly who in the State Department was responsible for using the words "militaristic and aggressive" in describing use of the word "victory." It also would be interesting to know why, if this language was completely erroneous, the State Department did not get around to correcting it for 2 months, and then only after it became the subject of newspaper stories, critical editorials, and Senate speeches.

It strikes me that if Mr. Ball is correct and the State Department has—at long last—let the word "victory" out of its bureaucratic doghouse, this is something of a new departure. At least it is a step in the right direction, provided that it is followed with the development of a "win" policy in the handling of our foreign relations.

Perhaps, Mr. President, this abrupt about-face on the part of the State Department stems from the new strategy paper which has been developed by Mr. Walt Rostow of the Department's Planning Division. If so, I should certainly like to see the paper, as I am sure my colleagues would.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the June 4 letter to me from Mr. Ball, and an editorial from the May 29 issue of the Washington Evening Star entitled "Victory a Bad Word?"

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

JUNE 4, 1962.

The Honorable BARRY GOLDWATER,
U.S. Senate.

DEAR SENATOR GOLDWATER: Your statement on the Senate floor of May 29, 1962, regarding the attitude of the Department of State toward the use of the word "victory" has been called to my attention. Your statement was apparently based on a story appearing in the Evening Star.

The language to which you refer was contained in a lengthy compilation of materials prepared in the State Department, intended to summarize the reasons for changes and deletions recommended by the State Department during the last 2 years in a number of speeches prepared for delivery by military officers. As the Evening Star article states, this compilation was transmitted by a letter over my signature to the Special Preparedness Subcommittee of the Senate Armed Services Committee.

The language of the specific summary to which you draw attention was a completely erroneous summary of reasons stated at greater length in a memorandum drafted at the time the particular speech recommendation was made. The relevant portion of that memorandum appears in the following statement which I have submitted this morning to the Preparedness Subcommittee:

"I should like expressly to answer the recent suggestion that the State Department has sought to discourage the use of the word 'victory,' and that this reflects an ideological attitude of the Department. This is definitely not the case, as is perfectly evident from excerpts taken at random from speeches made by State Department officials over the last year and a half which I ask your permission, Mr. Chairman, to have inserted in the record of this committee.

"Earlier in the hearings several instances were cited in which the word 'victory' was eliminated from speeches of military officers. Our records indicate that in only two of these cases was this elimination recommended by the Department of State.

"The reasons why the Department recommended such a change in each of these two cases was summarized in the material submitted to this committee. In one of the two cases the summary was inartistically worded and gives a quite erroneous impression of the reviewer's intentions. This has resulted in a misunderstanding of the De-

partment's attitude toward the employment of such words as 'victory.'

"The recommended change in language occurred in a speech prepared for delivery on March 3, 1961, by Brig. Gen. John W. White before the National Security Forum in Columbus, Ohio. So that there will be no further confusion on this question I should like to read into the record the exact language of the explanatory memorandum submitted by the State Department reviewer to the Defense Department at the time this change of language was recommended—which you, Mr. Chairman, as a lawyer will recognize as the 'best evidence.' The change in question was the substitution of the phrase 'defeat of Communist aggression' for the word 'victory.' The reviewer explained this, among other recommendations, as follows:

" 'Because this speech concerns predominantly the cold war we have made several incidental changes of wording to reflect the fact that the cold war is instigated and promoted by aggressive international communism. We consider that it is necessary to insure this impression throughout because (1) the administration presently does not wish to give occasion for interpretation by foreign opinion that the United States is stimulating the cold war from its side and, thus, aggravating rather than trying to reduce international tensions, and (2) because sentences could be quoted out of context in support of the Soviet propaganda claim that elements of the U.S. military in particular are continuing to whip up the cold war fever.'

"As the committee will note from this statement the recommended change did not reflect any reluctance to speak of victory, but rather a desire to make clear that the Communist bloc is responsible for the cold war and that victory in the cold war can be achieved only by the defeat of Communist aggression."

I can quite well understand your concern at the implications of the language quoted from the State Department materials. I assure you that that language reflects neither the views of the State Department nor of myself.

I should greatly appreciate it if you would have this letter inserted in the CONGRESSIONAL RECORD so that the matter may be fully understood.

Sincerely yours,

GEORGE W. BALL.

[From the Washington Evening Star, May 29, 1962]

"VICTORY" A BAD WORD?

The State Department seems to us to have gotten itself quite awkwardly tangled up in semantics. It has done so by having its censors delete "victory" from a number of speeches by high military officers and by replacing that word with the phrase "defeat of Communist aggression."

As explained in a special report submitted by Under Secretary George Ball to the Senate muzzling investigation, the reason for the deletion is that "victory has a militaristic and aggressive ring less suited than the substituted phrase to describing our national objectives. It also implies an all-or-nothing approach leaving no room for accommodation."

Well, this strikes us as a lot of nonsense. What would have happened, we wonder, if such censorship had prevailed in the days of John Paul Jones, for example, or David Glasgow Farragut. Would "Don't tread on me" have been changed to read, "Please try to avoid stepping on my toes"? And as for "Damn the torpedoes. Full speed ahead"—would that have become, "Watch out for those things, boys, and proceed with caution"?

There is good reason, of course, for clearing important speeches through the State Department and most of the resulting modification very probably is sound. Even so, to strike out "victory" has all the earmarks of being a Nervous Nellies absurdity. This seems the more true because the word is so frequently used by our potential enemies (oops, sorry, we mean Mr. Khrushchev and his friends) to predict the ultimate triumph of communism everywhere in the world, including America.

AUTHORIZATION FOR FEDERAL POWER COMMISSION TO DELEGATE ITS FUNCTIONS

The Senate resumed the consideration of the bill (S. 1605) to authorize the Federal Power Commission to delegate its functions.

Mr. BARTLETT. Mr. President, since the Committee on Commerce favorably reported S. 1605 on May 1 of this year, several members of the Senate have expressed concern that once authority was delegated by the Commission, it might be difficult to bring a matter being decided under a delegation of authority back before the Commission.

While I believe the normal procedures of the Commission would protect persons appearing before it, the committee yesterday unanimously approved the amendments I now submit. They would retain in the Commission a discretionary right of review of any action taken under a delegation of authority, and such review could be instituted by a vote of a majority of the Commission less one member thereof. In other words, two members of the five man Commission could cause a review of any such action.

I now submit the amendments in behalf of the chairman of the Committee on Commerce, the senior Senator from Washington.

Inasmuch as I have explained the amendments, I request that they not be read.

The PRESIDING OFFICER. Without objection, the amendments will be printed in the RECORD at this point.

The amendments ordered to be printed are as follows:

Insert "(a)" before "That" in line 3 of page 1.

Insert the following between lines 4 and 5 on page 2:

(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such individual commissioner, commissioners, officers, or employees, upon its own initiative or upon petition of a party to or an intervenor in such action, within such time and in such manner as the Commission shall by rule prescribe: *Provided, however,* That the vote of a majority of the Commission less one member thereof shall be sufficient to bring any such action before the Commission for review.

On page 2, to amend lines 7 and 8 to read as follows: "pursuant to any such order or rule issued pursuant to subsection (a) of section 1, unless reviewed as provided in subsection (b) thereof, shall have the same force and effect, and shall be made,".

The PRESIDING OFFICER. Without objection, the question is on agreeing to the amendments en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) That the Federal Power Commission may, when necessary to proper functioning of the Commission and the prompt and orderly conduct of its business, by order in specific cases or by rule of general applicability, delegate, assign, or refer any portion of its work, business or functions performed pursuant to the Federal Power Act, as amended (16 U.S.C. 792 and the following), and the Natural Gas Act, as amended (15 U.S.C. 717 and the following), or as such Acts may be amended hereafter, to an individual Commissioner or Commissioners or to one or more officers or employees of the Commission, to be designated by such order or rule for action thereon, and may at any time amend, modify, or rescind any such order or rule.

(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such individual Commissioner, Commissioners, officers, or employees, upon its own initiative or upon petition of a party to or an intervenor in such action, within such time and in such manner as the Commission shall by rule prescribe: *Provided, however,* That the vote of a majority of the Commission less one member thereof shall be sufficient to bring any such action before the Commission for review.

SEC. 2. FORCE AND EFFECT OF ORDERS.—Any order, decision, determination, finding made, or other action taken, pursuant to any such order or rule issued pursuant to subsection (a) of section 1, unless reviewed as provided in subsection (b) thereof, shall have the same force and effect, and shall be made, evidenced, and enforced in the same manner as orders, decisions, determinations, findings, or other action of the Commission.

SEC. 3. APPLICABILITY.—The provisions of section 1 shall not apply to the functions of the Commission with respect to applications for rehearing made pursuant to section 313 (a) of the Federal Power Act (16 U.S.C. 8251(a)) and section 19(a) of the Natural Gas Act (15 U.S.C. 717r(a)), or to the functions vested by the Administrative Procedure Act (60 Stat. 237; 5 U.S.C. 1001, and the following) in hearing examiners employed by the Federal Power Commission.

INCORPORATION OF CERTAIN NONPROFIT CORPORATIONS IN THE DISTRICT OF COLUMBIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1320, H.R. 6967.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6967) to provide for the incorporation of certain nonprofit corporations in the District of Columbia, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments in the table of contents, on page

3, after "106. Right of Repeal Reserved.", to insert "107. Act Not To Affect Internal Revenue Code of 1954."; after the amendment just above stated, to change the section number from "107" to "108"; after the amendment just above stated, to change the section number from "108" to "109"; after the amendment just above stated, to change the section number from "109" to "110"; after the amendment just above stated, to change the section number from "110" to "111"; on page 4, line 14, after the word "or", to strike out "officers: *Provided, however,* That the payment of reasonable compensation for services rendered and the making of distribution upon dissolution or final liquidation as permitted in this Act, shall not be deemed a distribution of income" and insert "officers; except nothing in this Act shall be construed as prohibiting the payment of reasonable compensation for services rendered and the making of distribution upon dissolution of final liquidation as permitted in this Act"; on page 27, line 17, after the word "Act", to strike out the comma and "and no such payment, benefit, or distribution shall be deemed to be a dividend or a distribution of income"; on page 55, line 18, after the word "registered", to insert "or certified"; on page 105, after line 5, to insert:

ACT NOT TO AFFECT INTERNAL REVENUE CODE OF 1954

SEC. 107. Nothing in this Act shall be construed as repealing or affecting any provision of the Internal Revenue Code of 1954.

At the beginning of line 11, to change the section number from "107" to "108"; at the beginning of line 19, to change the section number from "108" to "109"; on page 106, at the beginning of line 2, to change the section number from "109" to "110", and at the beginning of line 5, to change the section number from "110" to "111".

Mr. BIBLE. Mr. President, the pending bill provides for the incorporation and registration of nonprofit corporations in much the same manner and subject to the same conditions as corporations subject to the District of Columbia Business Corporation Act. This legislation is deemed necessary to replace the present confusion, and to spell out in detail the rights, obligations, and means for conducting the affairs of nonprofit corporations, whether domestic or foreign. The confused areas include such important matters as merger, consolidation, dissolution, and the transfer of property.

This measure was proposed by the committee on corporation law of the Bar Association of the District of Columbia. It is based primarily on the model nonprofit corporation act of the American Bar Association, and it has been carefully correlated by the Bar Association committee with the District of Columbia Business Corporation Act to make sure they were consistent wherever appropriate.

The act would be applicable to newly incorporated domestic nonprofit corporations, all foreign nonprofit corporations conducting affairs in the District of Columbia, and any existing domestic nonprofit corporations that elect to accept the provisions of the act.

It is the view of the committee that this legislation represents a practical and effective solution to the antiquated and patchwork of laws that now exists in the District with respect to nonprofit corporations.

In addition to the Bar Association for the District of Columbia, the Board of Commissioners of the District and the Metropolitan Washington Board of Trade also support this measure.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

THE GREATEST DELIBERATIVE BODY IN THE WORLD

Mr. CLARK. Mr. President, it is said that criticism is good for the soul. I hope it is. I hope my colleagues will agree that criticism of the Senate in the CONGRESSIONAL RECORD is entirely appropriate.

I ask unanimous consent to have printed in the RECORD at this point in my remarks a column published this morning in the New York Times entitled "The Greatest Deliberative Body in the World," written by Mr. James Reston. I share Mr. Reston's views.

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

THE GREATEST DELIBERATIVE BODY IN THE WORLD

(By James Reston)

WASHINGTON, June 7.—When the Senate of the United States tries to direct the Nation's foreign policy, it almost always gets into trouble.

The debate there yesterday and today illustrates the point. Yesterday, the honorable gentlemen voted to deny any assistance "to any country known to be dominated by communism or Marxism." Today they changed their mind, not because the facts changed, but because they wanted to be free to get rid of U.S. agricultural surpluses, even to Communists or Marxists.

Thus, within 48 hours, "the greatest deliberative body in the world" has both infuriated the Poles and the Yugoslavs by voting to cut off all aid and then, in effect, insulted them by offering to use them as a dumping ground for farm surpluses.

It is the combination of the two, the wobbling around between two different courses and finally the decision to act for domestic political reasons that makes the Senate look silly and hands the Communists an effective propaganda argument.

Denying aid to Poland and Yugoslavia is a policy, and giving them aid to retain some freedom from Moscow is a policy. But denying aid and then giving part of it back as a political convenience to some Senators running for reelection is not a policy but a political trick.

POLITICS AND DIPLOMACY

The conduct of foreign policy is a complicated and difficult business particularly in these highly sensitive border areas where the Western and Communist worlds meet. Even the professional diplomats, who can analyze these things in private and choose their words and their time carefully, have trouble in deciding what to do from one month to another, because the situation changes as pressure rises and falls in the Communist empire.

For example, some kind of fundamental reappraisal is now taking place within the Communist world. It has been going on ever since the Communist Party congress last November, and ever since then the hard-line Stalinists and the more moderate supporters of Khrushchev have been in conflict. In fact they are arguing it out again now in a Communist congress in Moscow.

As a result, the professionals in Washington, London, and Paris have been extremely careful not to do anything that would encourage the Stalinists, and they have been hoping that the increasing prosperity of Common Market Europe would be an increasing attraction to states like Poland and Yugoslavia.

The Senate, however, has a different problem. It cannot, by its nature follow the intricacies of political life in other countries. It has separate and different State interests to consider, and therefore when it plunges into delicate foreign policy questions, it can do great harm. A Senator running for reelection, for example, naturally has a subjective interest in foreign aid to Communist countries. Foreign aid is not popular. If he votes for giving aid to Communist countries, he knows what his opponent is likely to say in the campaign, namely, that the Senator had a chance to vote against the Communists and instead voted for them. And in the rough and tumble of an election, the simple suggestion of procommunism is always more effective than the long explanation of why limited aid in certain circumstances at certain times may be in the country's interest.

This was a large part of the fiasco in the Senate yesterday and today but it was not the whole thing. Some Senators feel sincerely that it is wrong and even wicked to give aid to the Poles and Yugoslavs. In fact, so do some officials in the State Department, but others in both places feel precisely the opposite and the thing is hard enough to resolve without the complicating tug and lurch of domestic politics.

Nevertheless, from time to time the Senate acts as it did when the country was not in these dangerous international questions. It is jealous of the money power of the Congress. It thinks of the Congress as being a separate and equal branch of the Government, though it is no longer separate, even if it is still equal.

What the Congress does is reflected at once in the propaganda and policy struggle of the cold war, but if it is clumsy it can easily minimize the effects of its own actions.

For example, the Senate finally authorized tonight, 61–25, the expenditure of $4,662,000,000 in foreign aid—a whopping sum—but its earlier adventure into the diplomatic situation in Poland and Yugoslavia blurs and confuses what is otherwise a magnificent and generous act of policy.

AMENDMENT OF UNITED STATES CODE, TITLE 18, SECTION 2385

Mr. MANSFIELD. Mr. President, I move that the Senate turn to the consideration of Calendar No. 1385, H.R. 3247.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 3247) to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of the bill is to clarify the meaning of the term "organize" as it is used in section 2385 of title 18 of the United States Code. That section is part of the Smith Act of 1940, which outlaws conspiracy to overthrow the Government of the United States. Accordingly, the bill amends section 2385 by adding at the end thereof a new paragraph defining the term "organize."

I ask unanimous consent that a statement covering the bill be printed in the RECORD at this point.

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

STATEMENT

Identical bills, H.R. 13272 and H.R. 2369, passed the House in the 85th and 86th Congresses, respectively.

S. 527 of the 85th Congress was the subject of public hearings by the Internal Security Subcommittee during April and May 1959. The latter bill is also identical to H.R. 3247. The Senate, however, took no action on these measures.

There follows, in part, the report of the House Judiciary Committee in the 85th Congress setting forth the purpose and reasons underlying this bill (H. Rept. No. 2495, 85th Cong.).

[H. Rept. No. 39, 86th Cong.]

In the last session of this Congress (85th Cong.) the Committee on the Judiciary of the House of Representatives constituted a special subcommittee to study some of the recent decisions of the Supreme Court of the United States. Among the decisions selected by the subcommittee for study was a decision rendered on June 17, 1957, in the case of *Yates* v. *United States* (354 U.S. 298).

Hearings were conducted on July 17, 1958, at which time a subcommittee heard from those Members of Congress who had introduced legislation designed to affect the decision of the Yates case.

At the conclusion of the hearings the subcommittee concluded that legislation was necessary to clarify the meaning of the term "organize" as it is now used in the Smith Act. It was concluded that the definitions as set forth in the above-mentioned bills would accomplish that purpose. At the same time the subcommittee decided to defer study of other aspects of the Yates decision until a later date.

In 1940 Congress enacted the so-called Smith Act which made it a crime for a person to commit any of three defined acts. The first was to knowingly or willfully advocate the overthrow, by force or violence, of any government in the United States; the second was to organize any society or group to teach or advocate the violent overthrow of any such government; the third was to be a member of or affiliated with any such society or group.

The case of *Yates* v. *United States* involved the question of whether 14 known Communists had violated the first two parts of the act. The defendants had been convicted after jury trial on a single count of indictment charging them with conspiring to overthrow the U.S. Government by force and violence and with organizing groups for the same purpose. Their convictions had been affirmed by the court of appeals for the ninth circuit. The Supreme Court of the United States reversed the convictions and held that as to "advocacy" there must be actual incitement to action, and that the term "organize" referred only to the official organization of the Communist Party and not to a continuing process of organization. In the opinion of the Court, that took place in 1945 when the Communist Political Association was disbanded and reconstituted the Communist Party of the United States. The indictment, returned in 1951, was therefore barred by the 3-year statute of limitations.

From a study of the legislative history of the Smith Act, and as a matter of commonsense, the committee is of the opinion that the term "organize" was intended to mean a continuous process of organizing groups and cells and of recruiting new members and not merely the original organization of the Communist Party or some other party or society whose aims are inimical to the security of the United States. The trial court in the Yates case had instructed the jury that the term "organize" included such things as the recruiting of new members and the forming of new units, and the regrouping or expansion of existing clubs, classes, and other units of any society, party, group, or other organization.

The committee has concluded that this definition adequately expresses the original intention of Congress when it enacted the Smith Act, and the bill recommended by the committee contains substantially that language.

The necessity for immediate action to counteract the effects of the Yates decision is borne out by a report received by the subcommittee from the Department of Justice outlining the history of Smith Act conspiracy cases since the decision in *Yates* v. *United States*. The following seven such cases have been reversed by courts of appeal, at least in part based upon the Yates decision's definition of "organize";

1. Bary case, Denver, 10th circuit (248 Fed. 2d 201): Seven defendants; August 23, 1957.
2. Sentner, St. Louis, eighth circuit: Five defendants; April 4, 1958.
3. Brandt, Cleveland, sixth circuit: Six defendants; May 23, 1958.
4. Welman, Detroit, sixth circuit: Six defendants; March 25, 1958.
5. Kuzma, Philadelphia, third circuit: Ordered the acquittal of four and authorized retrial of five; November 13, 1957.
6. Fujimoto, Hawaii, ninth circuit: All seven defendants ordered acquitted; January 6, 1958.
7. Huff, Seattle, ninth circuit: The convictions of all four defendants who had appealed were ordered reversed. One of the defendants in this case did not appeal but served her sentence, and therefore her conviction still stands; January 16, 1958.

The Government was authorized to retry the following 6 cases in which a total of 39 defendants were involved:

Yates	10
Bary	7
Sentner	5
Brandt	6
Welman	6
Kuzma	5

The Department of Justice reports that the Government dismissed the Kuzma and Yates cases, involving a total of 15 defendants, partly on the Yates definition of "organize." Still under consideration are the remaining 4 cases involving 24 defendants. In addition, the Government, since the Yates case, has also dismissed, in part due to the "organize" definition in Yates, 2 conspiracy cases involving 17 defendants, which had not been tried at the time of the Yates decision.

The committee is of the opinion that, in view of the definition placed by the Supreme Court upon the term "organize" as it is used in the Smith Act, and its resulting deleterious effect upon the Government's efforts to combat the Communist conspiracy in this country, action should be taken by Congress to assert its intention with respect to organizational activities, particularly of the Communist Party. The committee believes that this bill is a simple, unambiguous measure which affords the necessary solution to the problem and therefore recommends that it be favorably considered.

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., January 31, 1962.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR SENATOR: Reference is made to H.R. 3247 which passed the House on May 15, 1961, and is before your committee. This bill would amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section.

This legislation is intended to remove a roadblock to effective law enforcement which resulted from one aspect of the Supreme Court's decision in *Yates* v. *United States* (354 U.S. 298 (1957)). In that case, the convictions of 14 known Communists were reversed, partly because the term "organize" as used in the Smith Act, was held to refer only to the initial organization of the Communist Party of the United States, which took place in 1945, and not to the continuing process of internal realinement and recruitment of additional members. Convictions of individuals for organizing groups which advocate the violent overthrow or destruction of the Federal or any State government are therefore no longer possible under the Yates decision, since the statute of limitations applicable to noncapital offenses bars prosecution more than 3 years after their commission.

The proposal would redefine the term "organize" to include "the recruiting of new members, the forming of new units, and the regrouping or expansion of existing groups, classes, and other units" of any group which advocates the violent overthrow of the Government. The enactment of this proposal would constitute a clear statement of congressional intent to broaden the meaning of this term, and would be extremely valuable in future Smith Act prosecutions.

The Department therefore urges that favorable consideration be given to this bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,
Deputy Attorney General.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. KEATING. Mr. President, I have long advocated and sponsored legislation similar to this measure. The bill has the endorsement of Attorney General Kennedy, and similar bills were strongly recommended by the prior administration. Almost identical measures passed the other body on two occasions but were allowed to die in the Senate. I am pleased that at long last we are going to enact this measure and close a serious loophole in our present internal security laws.

In the Yates case the Supreme Court held that Congress intended the term "organize" in the Smith Act to apply only to the original creation of the Communist Party. Since the party was organized in 1945, and a 3-year statute of limitations was applicable to prosecutions, this decision nullified the "organize" provisions of the law.

This bill makes it clear that the Smith Act is intended to apply to the continuing organizational activities of the party. It would embrace within the Smith Act every effort to recruit new members, create new cells, and regroup existing units of the party. It would revive this provision of the law and increase our effectiveness in combating the continued activities of the Communist conspiracy.

In no sense is this measure a slap at the Supreme Court. It is simply an attempt to express the intent of Congress in its enactments. Certainly, it is our duty, where our intent is unclear or has been misconstrued, to clarify the meaning of our laws. This is not an interference with the judicial process but an affirmation of the legislative responsibility for making the Nation's laws.

The Communist Party, despite its dwindling numbers, continues to be a clear and present danger to our national security. Commonsense measures such as this will enable us to cope more effectively with its sinister activities without endangering civil liberties.

I am glad that at long last we are about to close this gap in our laws against subversion.

PRESERVATION OF AMERICAN COMPETITIVE ENTERPRISE SYSTEM

Mr. ROBERTSON. Mr. President, it is unnecessary for me to remind Senators that throughout my service in Congress, first in the House and then in the Senate, my best efforts have been devoted to the preservation of the American competitive enterprise system. I deliberately do not use the term "private enterprise" because large corporations that engage in monopolistic practices are engaged in private enterprise, but of a type that I do not approve.

Last year, and again this year, it has been my privilege to preside over the subcommittee of the Appropriations Committee which frames the largest of our appropriations bills, namely, that for the Department of Defense. Last year, that bill approached $47 billion and this year it will be even larger. That means that the Federal Government is the largest buyer of manufactured goods in our Nation and consequently can exert a tremendous influence upon our industrial system.

With a view to preserving a system of free competitive enterprise we wrote into the appropriations bill last year the following language, which is also contained in the pending bill:

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

Some days ago, the distinguished Senator from Nebraska [Mr. HRUSKA] wrote a letter to Chairman Hayden citing an instance in which he claimed that the principle of awarding a contract to the lowest responsible bidder had been violated. Last Monday, I had brought to my attention a case which apparently involved a similar violation. Consequently, I sent a letter of protest to the Bureau of Ships, which was handling that procurement item, and a telegram to the Secretary of Defense. The Secretary of Defense replied to me under date of June 7, outlining what the future procurement policy of the Defense agencies would be, the essence of which is that in the future the intent of the Congress that contracts be awarded to the lowest responsible bidder, unless of course all bids be rejected, will be fully carried out.

Mr. President, I ask unanimous consent to have published at this point in the RECORD the letter to me of June 7 from the Secretary of Defense, together with tearsheets from the Armed Services Procurement Regulation of October 3, 1960, showing the sections that were underlined by the Secretary of Defense in forwarding those regulations as a part of his letter.

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

THE SECRETARY OF DEFENSE,
Washington, June 7, 1962.

DEAR SENATOR ROBERTSON: I have your telegram of June 6 relative to the conversion of a Victory ship to a missile range instrumentation ship. I have also seen your letter of the same date to the Chief of the Bureau of Ships on this subject. Please accept this letter as the reply of this Department to both messages. In addition, I am familiar with the specifics of the related problem which has been of concern to Senator HRUSKA on a different procurement.

These cases raise two principal issues. The first of these has to do with the compliance by the Department with the provision, in recent appropriation acts, requiring award by formal competitive bidding whenever practical. The second has to do with the propriety, in cases where formal advertising is not practical but it is possible to buy by competitive negotiation, of giving consideration to late proposals submitted after the date specified for the receipt of proposals.

As we have explained to Senator HRUSKA, the requirement in the Appropriation Act for formal advertising has been expressed in our procurement regulations and is being followed throughout the Department. Pertinent excerpts from the Armed Services Procurement Regulation are attached. We are taking steps to provide regular reviews of our procurement organizations to assure compliance.

It is apparent that, in making over 500,000 formal contracts in the course of a year there will be cases where the practicality of using formal advertising involves borderline judgments on which there may be disagreement. There may be some other cases where simple mistakes are made. It is our endeavor to assure that mistakes are kept to an absolute minimum and that, wherever possible, borderline decisions are resolved in favor of formal advertising.

I am informed that the Victory ship conversion to an instrumentation ship for the Pacific Missile Range involved specialized capabilities and required that the working plans and detailed designs be provided by the contractor. The Navy's specifications were of a performance type and it was of concern to the Navy that the successful offeror be of more than marginal competence to assure superior design and performance. Accordingly, the Navy concluded that formal advertising would not be practical and that it would be in the Government's interest to handle this procurement by competitive negotiation.

I have now reviewed this decision and consider that this was a borderline decision. I am taking steps with the Secretary of the Navy to assure that more of our shipbuilding and conversion contracts are handled by formal advertising. However, I feel that this is a problem which requires very careful case-by-case judgments. I can assure you of our intention to comply strictly with the letter and spirit of the Appropriations Act provision.

The second issue—that having to do with the treatment of late proposals—arises only in connection with competitive negotiated procurements. It has been our policy, in such procurements, to consider late proposals or revisions thereof where to do so would be of significant advantage to the Government. The failure of the Bureau of Ships to award the Victory ship conversion contracts to the Norfolk Shipbuilding & Dry Dock Corp. on the basis of its initial proposal stems from its compliance with this policy. After negotiations had been completed, but before award, a price reduction was offered by a competitor. Since this reduction was significant, the Bureau of Ships determined that it must be considered. Accordingly, it offered all bidders an equal opportunity to submit new quotations with a revised cutoff date.

This case, and several others which we have recently encountered, have clearly pointed to a need for an immediate change in our procedures for handling late bids in competitive negotiations. I have concluded that a procedure which normally results in the rejection of such bids, while it occasionally may result in a higher price to the Government, will, on the average, reduce our costs by assuring that we receive the best prices in the original bidding. In addition, it will preserve the integrity of the competitive system and avoid chicanery or the appearance thereof. Accordingly, I have directed that our procurement regulations be changed immediately to assure that late bids in competitive negotiations are rejected. The only exceptions will be where the consideration of the late bid would be of extreme importance to the Government, as where it offered some important technical or scientific breakthrough. Such exceptions will require approval at Secretarial levels within the departments.

I regret that our present ground rules have resulted in the situation you described in your telegram. However, since these ground rules had been published, have been in effect for several years, and governed our relations with all bidders in this procurement, I do not feel that we can waive them retroactively. Accordingly, we are proceeding with the rebidding of this case. You may be assured that similar cases will not arise in the future.

Sincerely,

ROBERT S. MCNAMARA,
Secretary of Defense.

PART 3—GENERAL POLICIES

1-300. Methods of procurement.

1-300.1. Competition: All procurements, whether by formal advertising or by negotiation, shall be made on a competitive basis to the maximum practicable extent.

1-300.2. Formal advertising: Purchases and contracts for supplies and services shall be made by formal advertising in all cases in which the use of such method is feasible and practicable under the existing conditions and circumstances. Procurement by formal advertising shall be in accordance with detailed requirements and procedures set forth in section II.

1-300.3. Negotiation: If the use of formal advertising is not feasible and practicable, purchases and contracts for supplies and services may be negotiated in accordance with the detailed requirements and procedures set forth in section III.

1-301. Interdepartmental and coordinated procurement: Supplies and services may be

obtained in appropriate circumstances as provided in section V by such means as interdepartmental and coordinated procurement.

1-302. Sources of supplies.

1-302.1. Government agencies: To the extent possible, supplies shall be obtained from surplus property in the hands of disposal agencies, or from surplus or excess stocks in the hands of any Government agency. Interdepartmental purchases shall be made in accordance with the provisions of section V.

1-302.2. Sources outside the Government: Irrespective of whether the procurement of supplies or services from sources outside the Government is to be effected by formal advertising or by negotiation, competitive proposals ("bids" in the case of procurement by formal advertising, "proposals" in the case of procurement by negotiation) shall be solicited from all such qualified sources of supplies or services as are deemed necessary by the contracting officer to assure such full and free competition as is consistent with the procurement of types of supplies and services necessary to meet the requirements of the military department concerned, and thereby to obtain for the Government the most advantageous contract—price, quality, and other factors considered.

1-302.3. Production and research and development pools.

(a) Description: A production or research and development pool is a group of concerns (i) who have associated together for the purpose of obtaining and performing jointly, or in conjunction with each other, contracts for supplies or services, or for research and development, for Defense use, (ii) who have entered into a pool agreement governing their organization, relationship, and procedure, and (iii) whose agreement has been approved either in accordance with section 708 of the Defense Production Act of 1950, as amended (defense production pool) or in accordance with sections 9(d) or 11 of the Small Business Act, Public Law 85-536 (small business pools). Pool participants are exempt from the manufacturer or regular dealer requirement of the Walsh-Healey Public Contracts Act and of 1-201.18.

SECTION II—PROCUREMENT BY FORMAL ADVERTISING

Part 1—Use of formal advertising

2-000. Scope of section: This section sets forth (i) the basic requirements for procurement of supplies (including construction) and services by formal advertising, (ii) the information to be contained in solicitations of bids, (iii) methods of soliciting bids, (iv) policies with respect to the submission of bids, and (v) requirements with respect to the opening and evaluation of bids and the awarding of contracts.

2-101. Meaning of formal advertising: Formal advertising means procurement by competitive bids and awards as prescribed in this section, and involves the following basic steps:

(i) Preparation of the invitation for bids, describing the requirements of the Government clearly, accurately, and completely, but avoiding unnecessarily restrictive specifications or requirements which might unduly limit the number of bidders. The term "invitation for bids" means the complete assembly of related documents (whether attached or incorporated by reference) furnished prospective bidders for the purpose of bidding;

(ii) Publicizing the invitation for bids, through distribution to prospective bidders, posting in public places, and such other means as may be appropriate, in sufficient time to enable prospective bidders to prepare and submit bids before the time set for public opening;

(iii) Submission of bids by prospective contractors; and

(iv) Awarding the contract, after the bids are publicly opened to that responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered.

2-102. Policy.

2-102.1. General: 10 U.S.C. 2304(a) provides that all contracts for supplies or services, with certain stated exceptions, shall be made by formal advertising. (See section III, part 2, for discussion of the exceptions.) In accordance with this requirement, procurements shall generally be made by soliciting bids from all qualified sources of supplies or services deemed necessary by the contracting officer to assure full and free competition consistent with the procurement of the required supplies or services. Current lists of bidders shall be maintained by each purchasing office in accordance with 2-205.

2-102.2. Classified procurements. Formal advertising may be used for classified procurements provided due consideration is given to security requirements in accordance with departmental procedures. Otherwise, classified procurements will be negotiated pursuant to 10 U.S.C. 2304(a)(12) (see 3-212) or other appropriate exception set forth in 10 U.S.C. 2304(a) (see section III, part 2).

2-103. General requirements for formal advertising: No award shall be made as a result of formal advertising unless:

(i) bids have been solicited as required by part 2 of this section;

(ii) bids have been submitted as required by part 3 of this section;

(iii) such business clearances and approvals as are required by departmental procedures have been obtained; and

(iv) the award is to the responsible bidder (see 1-902) whose bid is responsive to the invitation for bids and is most advantageous to the Government, price and other factors considered, as prescribed in part 4 of this section.

2-104. Types of contracts.

2-104.1. General: Contracts awarded after formal advertising shall be of the firm fixed-price type, except that fixed-price contracts with escalation may be used where some flexibility is necessary and feasible.

2-104.2 Firm fixed-price contracts: See 3-404.2.

2-104.3. Fixed-price contracts with escalation: Escalation clauses are not normally desirable, but in appropriate cases clauses providing for upward and downward revision of prices may be used, in accordance with 3-404.3, in order to protect the interest of both the Government and supplier. In addition, where the contracting officer on the basis of his knowledge of the market or previous advertisements for like items, expects that a requirement for firm fixed-price bids will unnecessarily restrict competition, or unreasonably increase bid prices, invitations for bids may include an escalation clause. The clause set forth in 7-106.1 or that in 7-106.2 shall be used if applicable. If neither of these clauses is applicable, an escalation clause approved by the Department concerned may be included. Any escalation clause shall provide an escalation ceiling identical for all bidders so that each bidder is afforded an equal opportunity to bid on the escalation basis. In evaluating bids, see 2-407.2.

2-104.4. Indefinite delivery type contracts.

(a) Definite quantity contracts. See 3-409(a).

(b) Requirements contracts. See 3-409(b).

(c) Indefinite quantity contracts. See 3-409(c).

2-105. Solicitation for informational or planning purposes. See 1-309.

SECTION III—PROCUREMENT BY NEGOTIATION

3-000. Scope of section: This section sets forth, on the basis of the provisions of an authority contained in the Armed Services Procurement Act, (i) the basic requirements for the procurement of supplies and services by means of negotiation, (ii) the different circumstances under which negotiation is permitted, (iii) determinations and findings that may be required before a contract is entered into by negotiation, (iv) approved types of negotiated contracts and their use, (v) the authority for making advance payments under negotiated contracts, (vi) procedures for effecting purchases of not more than $2,500, (vii) procedures for negotiating overhead rates, (viii) price negotiation policies and techniques, and (ix) subcontracting policies and procedures.

Part 1—Use of negotiation

3-100. Scope of part: This part deals with the nature and use of negotiation as distinguished from formal advertising, and with limitations upon that use.

3-101. Negotiation as distinguished from formal advertising. Whenever supplies or services are to be procured by negotiation, price quotations (see sec. XVI, pt. 2), supported by statements and analyses of estimated costs or other evidence of reasonable prices and other vital matters deemed necessary by the contracting officer, shall be solicited from the maximum number of qualified sources of supplies or services consistent with the nature of and requirements for the supplies or services to be procured, in accordance with the basic policies set forth in section I, part 3, to the end that the procurement will be made to the best advantage of the Government, price and other factors considered. Negotiation shall thereupon be conducted, by contracting officers and their negotiators, with due attention being given to the following and any other appropriate factors:

(i) comparison of prices quoted, and consideration of other prices for the same or similar supplies or services, with due regard to production costs, including extra-pay shift, multishift and overtime costs, and any other factor relating to price, such as profits, cost of transportation, and cash discounts;

(ii) comparison of the business reputations, capabilities, and responsibilities of the respective persons or firms who submit quotations (see 1-903);

(iii) consideration of the quality of the supplies or services offered, or of the same or similar supplies or services previously furnished, with due regard to the satisfaction of technical requirements;

(iv) consideration of delivery requirements (see 1-305 and sec. I, pt. 13);

(v) discriminating use of price and cost analyses (see 16-206);

(vi) investigation of price aspects of any important subcontract;

(vii) individual bargaining, by mail or by conference;

(viii) consideration of cost sharing;

(ix) effective utilization in general of the most desirable type of contract and in particular of contract provisions relating to price redetermination (see sec. II, pt. 4);

(x) consideration of the size of the business concern (see sec. I, pt. 7);

(xi) consideration as to whether the prospective supplier is a planned emergency producer of the required supplies or services under the industrial readiness planning program and consideration of the extent to which industrial readiness planning has progressed, including the investment by the Government and the firm in such planning;

(xii) consideration as to whether the prospective supplier requires expansion or conversion of plant facilities;

(xiii) consideration as to whether the prospective supplier is located in a surplus or scarce labor area (see sec. I, pt. 8);

(xiv) consideration as to whether the prospective supplier will have an adequate supply of qualified labor;

(xv) consideration of the soundness of prospective contractors' management of labor resources, including wage rates, number of workers and total estimated labor hours, with particular attention to possible uneconomical practices found in labor-management agreements or in company policy, especially in the selection of contractors for development and production of major weapon systems and subsystems;

(xvi) consideration of the extent of subcontracting;

(xvii) consideration of the existing and potential workload of the prospective supplier;

(xviii) consideration of broadening the industrial base by the development of additional suppliers;

(xix) consideration of whether the contractor requires Government-furnished property, machine tools, or facilities; or Government-operated test facilities;

(xx) consideration of contract performance in facilities located in dispersed sites; and

(xxi) advantages or disadvantages to the Government that might result from making multiple awards.

3-102. General requirements for negotiation.

(a) Procurement shall be made by formal advertising whenever such method is feasible and practicable under the existing conditions and circumstances even though negotiation may be authorized under part 2 of this section.

(b) No contract shall be entered into as a result of negotiation unless or until the following requirements have been satisfied:

FIRST WORLD CONFERENCE ON NATIONAL PARKS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1412, S. 2164.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2164) to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments, in line 7, after the word "conference", to insert "on a matching basis", and in line 8, after the word "exceed", to strike out "$200,000" and insert "$50,000"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to cooperate with the First World Conference on National Parks, scheduled to be held in Seattle, Washington, in 1962, and in connection therewith he may participate in defraying the expenses of the conference on a matching basis in an amount not to exceed $50,000, the appropriation of which is hereby authorized.

Mr. METCALF. Mr. President, S. 2164 is a bill to authorize the Secretary of the Interior to cooperate with and assist the First World Conference on National Parks. The Conference has been organized under the auspices of the International Union for the Conservation of Nature. It is an organization sponsored by the United Nations Educational, Scientific, and Cultural Organization.

It is appropriate that the United States should be the first host of the World Conference on National Parks. Our national park system, beginning with Yellowstone and continuing with such great parks as Yosemite and Glacier, and others, is the wonder of the whole world. But the concept of national parks has now extended throughout the world.

The International Union for the Conservation of Nature is composed of organizations in more than 60 nations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of member organizations and the nations to which they belong.

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

List of Government members of International Union for Conservation of Nature and Natural Resources:

Belgium, Cambodia, Denmark, German Federal Republic, Luxembourg, Monaco, Morocco, Netherlands, Sudan, Switzerland, Tunisia, Venezuela, Vietnam, and Malagasy Republic.

Following have signified their intention of becoming members:

Dahomey, Ivory Coast, and Federation of Malaya.

List of International Union for Conservation of Nature and Natural Resources Members in the United States:

American Committee for International Wild Life Protection, New York, N.Y.

American Museum of Natural History, New York, N.Y.

American Nature Association, Washington, D.C.

American Ornithologists' Union, Toledo, Ohio.

The American Society of Mammalogists, Pittsburgh, Pa.

The Atlantic Foundation, Washington, D.C.

Boone and Crockett Club, New York, N.Y.

California Academy of Sciences, San Francisco, Calif.

Chicago Zoological Society, Brookfield, Ill.

Conservation Associates, San Francisco, Calif.

The Conservation Foundation, New York, N.Y.

Defenders of Wildlife, Washington, D.C.

The Desert Protective Council, Banning, Calif.

Foresta Institute for Ocean and Mountain Studies, Carson City, Nev.

The Garden Club of America, New York, N.Y.

Iowa State Conservation Commission, Des Moines, Iowa.

The Mountaineers, Seattle, Wash.

National Association of Biology Teachers, Ann Arbor, Mich.

The National Audubon Society, New York, N.Y.

National Parks Association, Washington, D.C.

National Research Council, Washington, D.C.

National Wildlife Federation, Washington, D.C.

Natural Resources Council of America, Washington, D.C.

The Nature Conservancy, Washington, D.C.

New York Zoological Society, New York, N.Y.

North American Wildlife Foundation, Washington, D.C.

Sierra Club, San Francisco, Calif.

Soil Conservation Society, Des Moines, Iowa.

Southern Illinois University, Carbondale, Ill.

Wilderness Society, Washington, D.C.

Wildlife Management Institute, Washington, D.C.

Wildlife Society, Washington, D.C.

Zoological Society of San Diego, San Diego, Calif.

List of International Union for Conservation of Nature and Natural Resources members:

ARGENTINA

Direccion de Parques Nacionales, Buenos Aires.

Universidad de Buenos Aires, Buenos Aires.

AUSTRALIA

Fisheries Department of Western Australia, Perth.

Wildlife Preservation Society of Australia, Newton, N.S.W.

AUSTRIA

Naturschutz Referat du Gouvernement de la Province de Salzburg, Salzburg.

Osterreichischer Naturschutzbund, Wien.

BELGIUM

Gouvernement du Royaume de Belgique.

Ministere de l'Education Nationale et de la Culture, Bruxelles.

Ministere des Affaires africaines, Bruxelles.

Ardenne et Gaume, Bruxelles.

Association pour la Defense de l'Ourthe et de ses Affluents, Liege.

Fondation pour favoriser l'etude scientifique des Parcs nationaux, Bruxelles.

Institut National pour l'Etude agronomique du Congo, Bruxelles.

Institut pour la Recherche Scientifique en Afrique Centrale, Bruxelles.

Institut Royal des Sciences Naturelles de Belgique, Bruxelles.

Jardin Botanique de l'Etat, Bruxelles.

Ligue des Amis de la Foret de Soignes, Bruxelles.

Musee Royal de l'Afrique centrale, Tervuren.

Les Naturalistes belges, Bruxelles.

Les Reserves Naturelles et Ornithologiques de Belgique, Bruxelles.

Societe Royale de Zoologie d'Anvers, Anvers.

Touring Club de Belgique, Bruxelles.

Universite de Liege, Liege.

Vereniging voor Natuur- en Stendenshoon, Anvers.

BRAZIL

Centro de Pesquisas Florestais e Conservacao de Natureza, Rio de Janeiro.

Conseil Forestier federal, Rio de Janeiro.

Departemento de Engenharia Mecanica de Agriculture, Sao Paulo.

Fondation bresilienne pour la Conservation de la Nature, Rio de Janeiro.

BULGARIA

Commission pour la Protection de la Nature de l'Academie des Sciences de Bulgarie, Sofia.

CAMBODIA

Gouvernement du Royaume du Cambodge.

Ministere des Affaires Etrangeres, Phnom Penh.

CANADA

Canadian Audubon Society, Toronto.

Edmonton Zoological Society, Edmonton.

Ontario Department of Lands and Forests, Toronto.

Societe Canadienne d'Histoire Naturelle, Montreal.

CEYLON

Wildlife Protection Society of Ceylon, Namunukula.

CHILI

Consejo Nacional de Proteccion a la Naturaleza, Santiago.

CONGO

Societe de Botanique et de Zoologie Congolaises.

CUBA

Sociedad Dasonomica de America Tropical, Habana.

Sociedad Cubanna para la Proteccion y Conservacion de la Naturaleza, Habana.

CZECHOSLOVAKIA

Department of State Conservation of Nature, Praha.

DENMARK

Government of the Kingdom of Denmark.

Ministeriet for kulturelle anliggender, Copenhagen.

Danmarks Naturfredningsforening, Copenhagen.

Naturfredningsraadet, Copenhagen.

DUTCH ANTILLES—CURACAO

Natuurwetenschappelijke Werkgroep, Willemstad.

FINLAND

Finnish League for the Protection of Nature, Helsinki.

FRANCE

Academie des Sciences, Paris.

Academie d'Agriculture.

Association des Naturalistes de la Vallee du Loing, Fontainebleau.

Conseil Superieur de la Chasse, Paris.

Federation francaise des Societes de Sciences Naturelles (28 members), Paris.

Laboratoire Arago, Banyuls s/Mer.

Ligue pour la Protection des Oiseaux, Pari.

Museum National d'Histoire Naturelle, Paris.

Societe des Amis de la Forets de Fontainebleau, Fontainebleau.

Societe Bontanique de France, Paris.

Societe Nationale de Protection de la Nature et d'Acclimatation de France, Paris.

Touring Club de France, Paris.

FRENCH WEST INDIES—GUADALOUPE

Societe d'Histoire Naturelle des Antilles francaises, Petit-Bourg.

GERMANY

Government of the German Federal Republic.

Bundes Ministerium fur Ernahrung, Landwirtschaft und Forsten, Bonn.

Arbeitsgemeinschaft Deutscher Beauftragter fur Naturschutz, Bad Godesberg.

Bayerisches Staatsministerium des Innern oberste Naturschutzbehorde, Munchen.

Bund fur Naturschutz in Bayern, Munchen.

Deutsche Gartenbau-Gesellschaft e.V., Bonn.

Deutscher Jagdschutz-Verband, Bonn.

Deutscher Naturschutzring, Munchen.

Schutzgemeinschaft Deutsches Wild, Munchen.

Vereinigung Deutscher Gewasserschutz, Bad Godesberg.

Verein Naturschutzpark, Stuttgart.

Zoologische Gesellschaft, Frankfurt a/Main.

GHANA

Ministry of Agriculture—Forestry Division, Accra.

GREECE

Club Alpin hellenique, Athenes.

Societe hellenique pour la Protection de la Nature, Athenes.

Touring Club hellenique, Athens.

INDIA

Bombay Natural History Society, Bombay.

Indian Board for Wild Life, New Delhi.

INDONESIA

Botanical Garden of Bogor, Bogor.

IRELAND

National Trust for Ireland, Dublin.

ISRAEL

Society for the Protection of Nature in Israel, Tel Aviv.

ITALY

Azienda di Stato per le Foreste Demaniali, Ministero dell'Agricoltura e delle Foreste, Rome.

Commissione Nazionale per la Protezione della Natura del Consiglio Nazionale delle Ricerche, Bologne.

Ente Parco Nazionale del Gran Paradiso, Torino.

Laboratorio de Zoologia Applicata a la Caccia, Bologne.

Musee d'Histoire Naturelle, Venice.

Pro Natura, Unione Italiana per la Protezione della Natura, Milan.

Pro Natura Italica, Milan.

Rete Fenelogica Italiana, Venice.

Societa Botanica Italiana, Florence.

Touring Club Italiano, Milan.

IVORY COAST

Gouvernement de la Republique de la Cote d'Ivoire-Ministere des Affaires Economiques et du Plan, Abidjan.

JAPAN

National Parks Association of Japan, Ministry of Welfare, Tokyo.

Nature Conservation Society of Japan, Tokyo.

KENYA

Kenya Wild Life Society, Nairobi.

Royal National Parks of Kenya, Nairobi.

LEBANON

American University of Beirut, Beirut.

Societe des Amis des Arbres, Beyrouth.

LUXEMBOURG

Gouvernement du Grand-Duche de Luxembourg, Ministere de l'Education Nationale, Luxembourg.

Commission des Sites et des Monuments Nationaux, Luxembourg.

Musee d'Histoire Naturelle, Luxembourg.

Societe des Naturalistes Luxembourgeois, Luxembourg.

MADAGASCAR

Gouvernement de la Republique Malgache, Presidence de la Republique, Tananarive.

Federation du Scoutisme de Madagascar, Tananarive.

Societe des Amis du Parc Botanique, Tananarive.

MALAYA

Government of the Federation of Malaya, the Ministry of External Affairs, Kuala Lumpur.

The Malayan Nature Society, Kuala Lumpur.

MEXICO

Associacion Mexicana de Proteccion a la Naturaleza, Mexico.

Instituto Mexicano de Recursos Naturales Renovables, Mexico.

MONACO

Gouvernement de la Principaute de Monaco, Service des Relations Exterieures, Monaco.

MOROCCO

Gouvernement de S.M. le Roi du Maroc, Ministere des Affaires Etrangeres, Rabat.

NETHERLANDS

Government of the Netherlands, Ministry of Education, Arts and Sciences, The Hague.

Contact Commissie voor Natuur- en Landschapbescherming, Amsterdam.

Koninklijk Zoologisch Genootschap, Amsterdam.

Nederlandse Commissie voor Internationale Natuurbescherming, Amsterdam.

Nederlandse Natuurhistorische Vereniging, Hoogwoud.

Nederlandse Jeugdbon voor Natuurstudie, Den Haag.

Nederlandse Vereniging tot Bescherming van Vogels, Amsterdam.

Vereniging tot Behoud van Natuurmonumenten, Amsterdam.

Voorlopige Natuurbeschermings raad, Amsterdam.

NEW ZEALAND

Forest and Bird Protection Society of New Zealand, Wellington.

NORWAY

Landsforbundet for Naturvern i Norge, Blindern.

PERU

Compania Administradoria del Guano, Lima.

POLAND

Academie des Sciences de Pologne (Polska Akademia Nauk), Varsovie.

Association Botanique de Pologne (Polskie Towarzystwo Botaniczne), Varsovie.

Association Scientifique Forestiere de Pologne (Polskie Towarzystwo Lesne), Varsovie.

Conseil National pour la Protection de la Nature en Pologne, Varsovie.

Institut Botanique de l'Academie des Sciences (Instytut Botaniki PAN), Cracovie.

Institut Botanique de l'Academie des Sciences (Instytut Zoologiczny PAN), Varsovie.

League for the Protection of Nature in Poland, Varsovie.

Societe Zoologique de Pologne, Wroclaw.

PORTUGAL

Direccao Geral do Servicios, Lisboa.

FEDERATION OF RHODESIA AND NYASALAND

Federal Ministry of Agriculture, Salisbury.

Federal Department of National Parks, Salisbury.

Ministry of Land and Natural Resources (Natural Resources Board), Lusaka, Northern Rhodesia.

Natural Resources Board, Salisbury, Southern Rhodesia.

The Game Preservation and Hunting Association of Northern Rhodesia, Lusaka.

RUMANIA

Commission pour la Protection de la Nature, Academie des Sciences de la R.P.R., Bucarest.

SENEGAL

Institut Francais d'Afrique Noire, Dakar.

SUDAN

Government of the Republic of the Sudan, Ministry of Animal Resources, Khartoum.

SWEDEN

Board for Crown Lands and Forests, Stockholm.

Nordiska Museet et Skansen, Stockholm.

Svenska Jagareforbundet, Stockholm.

Svenska Naturskyddsforeningen, Stockholm.

SWITZERLAND

Gouvernement de la Confederation helvetique, Inspection federale des Forets, Chasse et Peche, Berne.

Comite Central du Club Alpin Suisse, Chur.

Ligue Suisse pour la Protection de la Nature, Bale.

Societe helvetique des Sciences Naturelles, Academie des Sciences, Zurich.

Societe Romande pour l'Etude et la Protection des Oiseaux, Lausanne.

TANGANYIKA

Tanganyika National Parks, Arusha.

THAILAND

Association for the Conservation of Nature, Bangkok.

TURKEY

Ministere de l'Agriculture, Direction Generale des Forets, Ankara.

Societe Turque de Biologie, Istanbul.

Societe Turque pour la Protection de la Nature, Ankara.

UGANDA

Game and Fisheries Department, Entebbe.

UNION OF SOUTH AFRICA

Administration of South West Africa, Windhoek.

Natal Parks, Game and Fish Preservation Board, Pietermaritzburg.

National Parks Board of Trustees of South Africa, Pretoria.

Nature Conservation Section of the Administration of Transvaal, Pretoria.

Department of Nature Conservation of the Provincial Administration of the Cape, Cape Town.

Wild Life Protection Society of South Africa, Johannesburg.

UNITED KINGDOM

British Committee for International Nature Conservation, London, including the following:

Association of School Natural History Societies, British Association for the Advancement of Science, British Ecological Society, British Mycological Society, Devon Birdwatching and Preservation Society, Fauna Preservation Society, Geological Society of London, Lincolnshire Naturalists' Trust, Linnean Society of London, London Natural History Society, National Federation of Young Farmers Club, National Trust, Natural History Society of Northumberland Durham & Newcastle upon Tyne, Norfolk Naturalists Trust, Royal Entomological Society of London, Royal Zoological Society of Scotland, Society for the Promotion of Nature Reserves, West Wales Field Society, Yorkshire Naturalists' Trust, Zoological Society of London.

British section of the International Committee for Bird Preservation:

British Institute for Ornithologists, Royal Society for the Protection of Birds, British Ornithologists' Union, Scottish Ornithologists Club, Ulster Game and Wildfowl Preservation Society, Welsh Society for the Protection of Birds, Wildfowl Trust, British Museum (Natural History), London, the Nature Conservancy, London.

UNITED STATES

American Committee for International Wild Life Protection, New York, N.Y.

American Museum of Natural History, New York, N.Y.

American Nature Association, Washington, D.C.

American Ornithologists' Union, Toledo, Ohio

The American Society of Mammalogists, Pittsburgh, Pa.

The Atlantic Foundation, Washington, D.C.

Boone and Crockett Club, New York, N.Y.

California Academy of Sciences, San Francisco, Calif.

Chicago Zoological Society, Brookfield, Ill.

Conservation Associates, San Francisco, Calif.

The Conservation Foundation, New York, N.Y.

Defenders of Wildlife, Washington, D.C.

The Desert Protective Council, Banning, Calif.

Foresta Institute for Ocean and Mountain Studies, Carson City, Nev.

The Garden Club of America, New York, N.Y.

Iowa State Conservation Commission, Des Moines, Iowa

The Mountaineers, Seattle, Wash.

National Association of Biology Teachers, Ann Arbor, Mich.

The National Audubon Society, New York, N.Y.

National Parks Association, Washington, D.C.

National Research Council, Washington, D.C.

National Wildlife Federation, Washington, D.C.

Natural Resources Council of America, Washington, D.C.

The Nature Conservancy, Washington, D.C.

New York Zoological Society, New York, N.Y.

North American Wildlife Foundation, Washington, D.C.

Sierra Club, San Francisco, Calif.

Soil Conservation Society, Des Moines, Iowa

Southern Illinois University, Carbondale, Ill.

Wilderness Society, Washington, D.C.

Wildlife Management Institute, Washington, D.C.

Wildlife Society, Washington, D.C.

Zoological Society of San Diego, Calif.

URUGUAY

Comision Nacional Protectora de la Fauna Indigena, Montevideo

U.S.S.R.

Commission pour la Protection de la Nature de l'Academie des Sciences de l'URSS, Moscou.

Societe de la Protection de la Nature de la Republique de Russie, Moscow.

VENEZUELA

Gouvernement de la Republique du Venezuela, Ministere des Affaires Etrangeres, Caracas.

Laboratorio de Aguas, Instituto Nacional de Obras Sanitarias, Caracas.

Sociedad Venezolana de Ciencias Naturales, Caracas.

VIETNAM

Gouvernement du Vietnam, Ministere des affaires etrangeres, Saigon.

YUGOSLAVIA

Association des Conservateurs des Monuments, Historiques de Yougoslavie—Section de la Protection de la Nature, Geograd.

INTERNATIONAL

Commission Internationale pour la Protection des Regions Alpines, Geneve.

Commission des Reserves Naturelles (CNR) du Groupement Europeen des Ardennes et de l'Eifel, Bruxelles.

International Committee for Bird Preservation, London.

International Youth Federation for the Study and Conservation of Nature, Amsterdam.

Standing Committee on Pacific Conservation, Wellington.

Union Internationale des Directeurs de Jardins Zoologiques, Anvers.

TUNISIA

Gouvernement de la Republique de Tunisie Ministre des Affaires Etrangeres, Tunis.

Mr. METCALF. Mr. President, among the organizations in the United States which are members of the International Union for the Conservation of Nature are such scientific organizations as the American Museum of Natural History, the American Nature Association, the Garden Clubs of America, the National Parks Association, the Sierra Club, the Wilderness Society, the Wildlife Society, and the Wildlife Management Institute.

More than 30 U.S. conservation and scientific societies are members of the international organization. When the bill was considered by the committee, it was suggested that in order to have the U.S. Government cooperate with the International Conference and provide for assistance to the First World Conference on National Parks, the Secretary of the Interior be authorized to match up to $100,000 of a $200,000 budget. Subsequently, the sponsors of the conference suggested that the budget could be reduced from $200,000 to $148,000. The reports on the bill from various organizations suggested that the Government appropriate $74,000. However, in considering the bill and in discussing some of the items suggested in the budget which appear on page 5 of the report, the committee felt that the sponsoring organizations, such as the National Wildlife Society, and others, should assume the cost of the Secretariat, for instance, and also assume some of the costs of travel, including foreign travel, in order to promote attendance at the Conference.

However, because this will be an international conference, and the United States will be the host nation, it was felt by the committee that such items as contractual services for translating machines, the publication of proceedings, and printing and duplicating at the Conference, should be sponsored and taken care of by the Federal Government.

An important part of this item will be the National Park Service exhibit, which will cost $20,000. The Conference will be held in connection with the Century of Progress exhibit in Seattle.

The sponsoring organizations have already raised almost $100,000. They have established the Secretariat and have gone ahead with their part of the work. So the initial groundwork has been laid, and the Conference will be held.

In order to enable the United States to participate to the fullest extent and to demonstrate our national parks exhibit at the Conference, the committee felt it was necessary to participate up to the amount of $50,000.

It is a great honor for the United States, and a recognition of our leadership in the conservation of natural resources and the development of national parks, to have the Conference held in this country. I take special pride in the fact that my State, in which is located Glacier National Park, and also the Waterton International Peace Park, will be one of the places to be visited on the journey. The 150 foreign delegates will be able to see how the State of Montana participates with the sovereign nation of Canada in the development of the great park at Glacier and the Waterton International Peace Park.

The United States is not a member of the international organization, because it is believed that under our concept of sovereignty our Government should only become a member of organizations to which sovereign states belong. Not only do sovereign nations belong to the Conference on National Parks, but independent and private organizations belong, as well. Nevertheless, the United States has participated in their activities by sending our representatives or delegates to conferences throughout the world. Therefore, it is felt that the United States should cooperate in this venture, and that the Secretary of the Interior should do his best to make the First World Conference on National Parks a success.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Montana yield?

Mr. METCALF. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Do I correctly understand that the United

States is not a member of this organization?

Mr. METCALF. That is correct.

Mr. WILLIAMS of Delaware. Do I correctly understand that the proposed appropriation is to pay for the attendance expenses of some of the international members who will come to the Conference?

Mr. METCALF. No. As originally presented by the members of the steering committee and the members of the First World Conference on National Parks, the bill provided that the United States would match expenses with them. But upon consideration, the committee reduced the appropriation from $100,000 to $74,000, and now to $50,000, the reason being that it was felt that the United States, as a nonmember of the group, should not participate in the payment of the expenses.

Mr. WILLIAMS of Delaware. Then do I correctly understand that no part of the appropriation will be used for the payment of salaries or transportation expenses of anyone other than a Government employee?

Mr. METCALF. As I understand, there will be no payment of salaries. It is proposed to have the Government pay the special fees for interpreters, for example; to pay for the contractual service for the employment of interpreters of the proceedings of the Conference. Also, it is proposed to have the Government pay for the publication of the proceedings and, consequently, the salaries of the personnel who operate the printing and the duplicating apparatus at the Conference.

Mr. WILLIAMS of Delaware. Does the Senator have a breakdown, which can be placed in the RECORD, of how the $50,000 is proposed to be spent?

Mr. METCALF. Yes; I refer the Senator to page 5 of the report.

Mr. WILLIAMS of Delaware. On page 5, the total amount shown as proposed to be expended is $148,000; the bill mentions $50,000.

Mr. METCALF. That is correct.

Printing, duplicating, and distributing Conference documents, $11,000.

Contractual services, including translations, $5,000.

Publication of proceedings, $10,000.

Simultaneous interpretation equipment, $4,500.

The cost of the National Park Service exhibit—our own exhibit—$20,000.

Mr. WILLIAMS of Delaware. The total amount, as I figure it, is $50,500. How does the Senator arrive at $50,000?

Mr. METCALF. $11,000, $5,000, $10,000, $4,500, and $20,000 total $50,500. The committee rounded the figure to $50,000.

Mr. WILLIAMS of Delaware. Do I correctly understand that those items are the only parts of the total expense which the Government will be required to pay under the proposal?

Mr. METCALF. That is correct. The other organization has now raised enough money to pay for the services of the secretariat, domestic travel, foreign travel to promote attendance, and so forth.

Mr. WILLIAMS of Delaware. Why should the U.S. Government pay all those particular expenses for an organization of which our Government is not a member?

Mr. METCALF. The United States has participated at all times in the conferences of this organization. The United States would be a member of the organization if it were not for the fact that it is the policy of the United States, as is set forth in the report, not to become a member of an organization which has as its members both private organizations and sovereign states. But I have constantly and consistently participated, and we have built this up. Conferences have been held at Sierra Leone and other places; I have a list of half a dozen conferences which have been held.

Mr. WILLIAMS of Delaware. I understand that. Since we are not a member, why should we have to pay all the expenses?

Mr. METCALF. Because we are the host nation. There are many difficulties of transportation and of language which the other nations confront when the meeting is held in our country; and we feel that as the host Nation, we should take care of the expenses of the Conference. Whoever is the host nation for the next one will be expected to take care of the expenses there.

Mr. WILLIAMS of Delaware. That is a reasonable explanation if that is the usual custom.

I understand that there have been four or five conferences——

Mr. METCALF. There have been four or five conferences of the International Union for the Conservation of Nature and Natural Resources, but this is to be the First World Conference on National Parks.

Mr. WILLIAMS of Delaware. Where were the other conferences held; and did the host countries assume all the expenses just as it is proposed that our country now do?

Mr. METCALF. That is correct. We had no expenses in the previous conferences of the International Union for the Conservation of Nature and Natural Resources. The host nations at those conferences took care of those expenses.

But this is to be a much larger conference than those, because this will be the First World Conference on National Parks; and representatives of various independent, private organizations, such as wildlife organizations, are coming from their own countries, as the delegates from those sovereign states.

Mr. WILLIAMS of Delaware. That is all very fine.

At the previous conferences was an assessment for these comparable charges made against the organizations attending, or did the country in which the conference was held pay the costs in their entirety, as the host country?

Mr. METCALF. I wish to emphasize that this is the First World Conference on National Parks which will be participated in by these unofficial organizations. This is to be the first international conference of this sort. So no nation could previously have participated as a host nation. We are the host nation in this first Conference; and in my opinion it is in recognition of our leadership that we have been chosen as the one to sponsor this first International Conference.

The International Union for the Conservation of Nature and Natural Resources is a part of the UNESCO organizations, and the other conferences have been conferences of delegates from the various member states—70 or 80 of them—rather than the 300 whom we anticipate to attend this Conference. I cannot state whether the others were paid for by assessments on UNESCO, or just how they were paid. But the United States has never participated in the payment of the expenses of holding such a conference.

Mr. WILLIAMS of Delaware. That may be true. But I do not think we should establish the precedent of paying all the expenses of holding one of these conferences—particularly when we are not a member and when the Conference includes private organizations—unless that is the custom when the conferences are held in other countries.

Mr. METCALF. We are to establish the precedent of paying, as the host nation, the special costs to be incurred because it is an international conference.

Mr. WILLIAMS of Delaware. But will the costs be assumed by the respective countries in which the future conferences are to be held, wherever they are held?

Mr. METCALF. I would hope that the next host nation would follow the precedent which is being established by the United States, and that for the Second World Conference on National Parks it would participate in taking care of the housekeeping expenses arising as the result of holding the Conference.

Mr. WILLIAMS of Delaware. What would the other expenses be? In the bill I notice that the first figure suggested was $200,000, and now it would be changed to $50,000; but on page 5 of the committee report the total is $148,000. Let me ask, Who is jockeying around the figures? If $50,000 is adequate in order to do the job as a proper host country, where did the other figures come from? The continual changing of the figures for the same conference puzzles me. Have they simply been pulled out of thin air?

Mr. METCALF. There has not been any jockeying around of the figures or pulling them out of thin air. The first estimate was $200,000; and it was hoped that the Government of the United States, the host nation, would assume half of the burden. But then the budget was cut, in a supplemental letter, to $148,000; and those are the items to which I referred, which appear on page 5 of the report, in the table from which I read.

Then a steering committee was established, under Harold J. Coolidge and C. R. Gutermuth, who are representatives of wildlife, conservation, and natural resources organizations in the United States; and from these 33 scientific, conservation, and natural resources organizations, whose names I have stated for the RECORD, they have raised the balance of the money—a little over $100,000—that is necessary in order to establish the secretariat and to lay the plans for the Conference and to keep

this thing underway. That has been done by private contributions to those private organizations. So at the time of the hearing, they said that instead of proceeding on the basis of a $70,000 contribution or an even larger one, from the Federal Government, they would be able to get along with $50,000.

Mr. WILLIAMS of Delaware. I emphasize that if this were to be a bona fide international conference of which we were a member, we would pay our proportionate part. But I notice in the original proposal the inclusion of per diem expenses of employees, some of whom may not be employees in this country. This Conference seems to have the appearance, instead of being a conference to promote worldwide interest in national parks, of being an international junket for which we would pick up the tab.

I am sufficiently skeptical about it so that I shall vote against the bill.

Mr. METCALF. I assure the Senator from Delaware that none of the money contributed by the United States will go for travel or for salaries of the secretariat or for the salaries or wages of such persons, other than the ordinary translators and assistants who will be at Seattle. The others, to whom the Senator from Delaware has referred, have now been cut out, and those expenses will be raised by private contributions.

Mr. WILLIAMS of Delaware. That should be done.

Of course, there may not be too much difference insofar as the part paid by the United States is concerned, between the original budget and the budget as it will finally stand.

Mr. METCALF. But $70,000 has already been raised; and before the year is over, these private organizations will raise the rest of the money.

Mr. WILLIAMS of Delaware. Mr. President, I shall not debate the matter further. However, in the absence of more evidence than we have now it seems that this would establish a precedent for the United States to pay expenses of an organization of which it is not a member; and there is no evidence to show that in the future the other host countries would pay similar expenses.

I think we should pay our share of the expenses of any organization of which we are a member, but I do not think we should play Santa Claus in regard to the expenses of an organization of which we are not a member.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments, which, without objection, will be considered en bloc.

The amendments were agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill (S. 2164) was ordered to be engrossed for a third reading, read the third time, and passed.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1450, H.R. 10802.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 10802) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

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

"NO WIN" CRITICISM BY STATE DEPARTMENT OF SENATORS WHO OPPOSE AID TO COMMUNIST COUNTRIES

Mr. PROXMIRE. Mr. President, yesterday Under Secretary George Ball criticized the policy of those of us who voted against aid to Communist countries as "no win." I think that this statement by Mr. Ball is an inaccurate and untrue invective and unworthy either of Mr. Ball or of the State Department.

I think in the past the State Department has properly refrained from using this kind of false charge in spite of considerable provocation. I know the State Department has been attacked, and I deplore the kind of attacks it has suffered. However, attacks on the State Department are not new, and I think those who expect appointments to the State Department expect to be roundly denounced, especially by extremists in our country.

The situation in the State Department reminds me of an old French proverb: "Le bete est mal. On l'attaque il se defend."

In other words, the animal is wicked; you attack him and he defends himself.

I do not want to put myself in this position. I realize, of course, that the State Department has every right to defend itself, and should defend itself vigorously, forthrightly, and aggressively; but honestly and accurately. In this case Mr. Ball has made a serious mistake in descending to this level.

The fact is that the great majority of Senators who voted against aid to Communist countries have never criticized the State Department's motivations and have never characterized the State Department's policy under any administration as "no win."

I am sure most Senators who voted with me against aid to Communist countries share my admiration for the fine job which Secretary of State Rusk, Mr. Ball, and other State Department officials are doing in the cold war.

In fact, this Senator was proud to rise in defense of the State Department's policy in the United Nations at a time when it was under attack by some leaders of the U.S. Senate.

Of course the State Department wants to win. Simply because a few Senators and a few other persons have made an improper charge of "no win" against the State Department is no excuse for attacking other Senators who largely support the State Department's position.

Secretary Ball has made far too much over minor aspects of the foreign aid bill. The amount involved in the amendment is but a fraction of the total amount involved in the bill. The major authorizations in the foreign aid bill would have remained intact even if the amount sought to be stricken had been carried out in full.

The foreign aid bill is burdensome, but it is a vital cornerstone of U.S. defense. However, this does not mean that a Senator does not have the right to make changes or corrections in accordance with his own judgment. The State Department is made up of men who are wise and able, but they are not infallible.

Senators who rise to speak against any proposal to give aid to Communist countries do so because they think it is necessary to win victory for the free world. I resent the condemnation of my relatively minor difference with the State Department as a "no win" policy. Those Senators who voted against aid for Communist countries want to win as much as the State Department does. This name calling among those who share precisely the same objective—to win over communism—should stop at once.

CAN WE AFFORD PROPOSED TAX CUTS?

Mr. PROXMIRE. Mr. President, yesterday in his press conference the President made a momentous statement on what is going to happen in the way of tax cuts or at least what is going to be recommended by the administration for tax cuts.

As was stated by one member of the Joint Economic Committee, if the President recommends a tax cut, it is likely to go through the Congress like a declaration of war. There is not likely to be very much opposition to the administration's recommended tax cut, because it always has great appeal to the American electorate and to the taxpayer, and with reason.

In view of the fact that the President has given us 6 or 7 months' notice, at least, before this recommendation, I think we should take advantage of it to consider the wisdom of reducing taxes, and the wisdom particularly of announcing a reduction in taxes 7 or 8 months before Congress could begin to act on it, and perhaps almost a year before Congress could complete its deliberations in committee.

PRESIDENTIAL TAX CUT RECOMMENDATIONS AND ACTIONS

It is interesting that when the President made his press conference announcement, before he answered ques-

tions, he also said the administration has recommended already "a $1,300 million tax credit of 8 percent on new investment in machinery and equipment, which will increase the typical rate of potential profits on modern plant expansion in this country."

In other words the administration had previously recommended a $1.3 billion tax cut.

He did say that tax cut which is now before the Finance Committee and has passed the House also contains some balancing, revenue-raising measures.

In the second place, he said in substance, that the administration is right now engaged in revision of the Internal Revenue guideline on the economic life of depreciable assets. He pointed out that this is going to cut revenues another $1 billion. This will be a tax cut by administrative action of another $1 billion with no balancing revenues. None.

Even if we assume the tax bill does get out of the Finance Committee with the withholding provisions intact—which is exceedingly questionable—and even if we assume the revenue-raising features will balance the revenue reductions—which I think is even more questionable—we are still faced with the situation in which the President said the administration is engaged in reducing revenues $1 billion.

In the third place, the President discussed a further tax cut proposal. He said:

> I have asked the Congress to provide standby tax reduction authority to make certain, as recommended by the eminent Commission on Money and Credit, that this tool could be used instantly.

Not a discretionary tax power to raise or reduce taxes as the Money and Credit Commission recommended it, but exclusively a tax reduction on the basis of Presidential initiative. This could amount to $5 billion more.

Then the President went on to say:

> I've asked the Congress to repeal the 10-percent transportation tax on train and bus travel, resulting in a tax saving of $90 million a year, and to reduce it to 5 percent on airlines.

It is in this total tax cut context that we should put the President's new tax cut proposal when he said:

> A comprehensive tax reform bill, which in no way overlaps the pending tax credit and loophole-closing bill offered a year ago, will be offered for action by the next Congress, making effective as of January 7 of next year an across-the-board reduction in personal and corporate income tax rates which will not be wholly offset by other reforms. In other words, a net tax reduction.

ADMINISTRATIVE BUDGET ALREADY BADLY OUT OF BALANCE

The fact is that the administrative budget—and I want to discuss that subject in a moment—which is the budget by which most of us judge the performance of the Government, is not going to be balanced in fiscal year 1962. It is going to be unbalanced by a total of $7 billion or more.

The administration had hoped that the administrative budget would be in balance in 1963. It now appears certain it will not be in balance. Even if the recommendations of the President for tax reductions to take place in fiscal year 1963 are not adopted, still, in view of business conditions, the prospects are very great that there will be a deficit in 1963, and a big one. It is almost a certainty.

BUSINESS CONDITIONS STILL GOOD

At the present time, in spite of the stock market, business conditions are not bad. Business conditions are excellent, with the exception of the rate of unemployment, which is still a very serious and nagging problem.

Economic indicators of the Council of Economic Advisers show that between the first quarter of 1961 and the first quarter of 1962 the gross national product increased by $40 billion. That is an extremely large dollar increase, probably the greatest in history except in time of war, and it is one of the largest percentage increases ever achieved. It is not a 3-percent increase or a 4-percent increase, which has been customary, but an 8-percent increase.

In addition, we now face the immediate prospect of conditions improving perhaps even more. May—the month just ended—was the best May this country has had for automobile sales since 1955. New housing starts are picking up sharply. Business conditions look very good on virtually all fronts.

Unemployment is still a serious problem, but the rate of unemployment is dropping. The administration set as a goal a 4-percent rate of unemployment. This was a year ago, when the unemployment rate was 7 percent. We have now reached the halfway point of that goal. There has been no increase in the rate of unemployment, and the drop in the rate of unemployment has been fairly steady. It is now 5.4 percent, seasonally adjusted.

NOW EXPANSIONARY PHASE OF CYCLE

Mr. President, all these statistics suggest that we are in the expansionary phase of the business cycle. The President has justified his position by saying that it seems the tax system we now have retards our advance out of recessions, and therefore he is going to recommend a tax cut, so that our economy can move more rapidly out of recessions.

I ask the question, Mr. President: If we are to reduce taxes and to run a deliberate deficit, an even bigger deficit than we know we shall have anyway, in a time when the economy is moving out of a recession, when the economy is expanding and the business cycle is on the way up, what will we be able to do when the business cycle is on the way down? The only time we can expect to run a surplus, the only time we can expect to balance the budget, the only time we can think of reducing the burden of the national debt is in the expansionary period of the business cycle. If we do not do it in the period of expansion, we shall never do it.

PERMANENT POLICY OF DEFICIT FINANCING

Therefore, I speak this afternoon on the floor of the Senate because I hope that the very able people in our administration—those in the Treasury Department, the Council of Economic Advisers, and the President—will face this serious problem of whether our country is to be committed to a permanent policy of deficit financing, to a permanent policy of unbalancing the budget, to a permanent policy of expanding the national debt, to a permanent policy of increasing the interest burden, the service charge, on the American people.

The fact is that the second largest burden on the American people today is the burden of the interest on the national debt. Today that burden is more than $9 billion a year. The only cost of the Government which is larger is the cost for defense. On the basis of the kind of policy proposed, we can expect the national debt burden to be even greater in the future.

Therefore, Mr. President, I hope the administration will not feel it must rely so completely for the solution of America's economic problems on fiscal policy. The fact is that this is not the only policy which is available. Other policies are available. I should like to touch on those in a minute.

ADMINISTRATIVE BUDGET INADEQUACIES

Before I do so, I wish to say that I think the administration has very properly called attention to one fact. I think we owe a great debt to Walter Heller, for calling to the attention of the country and for emphasizing before the Joint Economic Committee the significance of our use of the kind of budget we use as an index of the Government contribution to our economic system. The fact is that the United States is perhaps the only country in the world which uses the kind of budgetkeeping system it uses. We are used to it. It is very handy for some purposes. It does measure the degree to which the national debt is to increase in the future, but it has its shortcomings because, of course, it leaves out of account a number of extremely important Government funds which also seriously affect the economy. It leaves out of account, for example, the vast social security fund and the big unemployment compensation fund. It leaves out of account many measures which have a very great and important part to play in the economy of the United States.

For example, what economists usually do, when they try to analyze the effect of the budget, is to say that a nation should run a deficit when it has a heavy unemployment and when business conditions are bad, because then the Government buys more, therefore spending more than it raises in taxes, and this stimulates the economy.

Unfortunately, too many of us, both policymakers and newspapermen—and virtually everyone else—are always talking about the administrative budget. On the other hand, Mr. President, this budget does measure certain segments of the economy.

VALUE OF NEW BUDGETARY APPROACH

The national income and product accounts show a different picture. Under this type of budget, for example, in the fiscal year 1962, instead of having a $7 billion deficit—and I refer to the comprehensive budget—we would have only a half-billion-dollar deficit.

In the fiscal year 1963, on the assumptions which were made at the beginning of this year, we would run a $4.4 billion surplus under the national income and products account budget.

Mr. President, I think these figures are significant and important, and we should pay attention to them. We should understand the relationship they bear to the whole economy. At the same time, I do not think we should be fooled into feeling that because there may be a surplus in the national income and products accounts we will have any less of a burden of national debt.

Furthermore, Mr. President, if we should adopt some of the most recent recommendations made by the administration and if business conditions do not improve, as some outstanding optimists have predicted they would, even using the national income and products account budget—the budget that those who favor a tax cut and favor Government spending would use—we would run a deficit in fiscal year 1963, and we would have a bigger deficit in fiscal year 1962 than was expected when the accounts were originally calculated.

EUROPEAN CAPITAL BUDGET

Mr. President, we will be confronted with one other type of budget. That is the European type of capital budget. There is great merit to that type of budget. I think we should try to keep all of these budgets in mind as tools of economic analysis.

The capital budget allows for the fact that important Government expenditures are capital expenditures or capital investments. No corporation and no business fails to discriminate between its capital investments on the one hand and its current expenditures on the other, but the Federal Government does fail to distinguish between them. This is one of the reasons why the Federal Government shows the kinds of deficits it shows.

If the United States should adopt the European type of capital budget, of course this would even more greatly improve our apparent fiscal position.

Estimates made at the beginning of the year show that in fiscal year 1961, under this capital type of budget, the United States had not a deficit but a surplus of $4.3 billion. In fiscal year 1962 instead of a deficit of $7 billion the United States would have a surplus of $2 billion.

In the year to come, fiscal year 1963, instead of the kind of deficit which virtually everyone is now predicting—I I think even the top administrative officials concede the United States will have a deficit in the administrative budget—if we should use the European type of capital budget, the United States could expect to have a surplus of $9.3 billion—$9.3 billion.

Of course, this capital budget would not measure the increase in the national debt, which the administrative budget does measure. It would not measure the impact on the economy, which the income and product accounts budget would measure. It would measure, however, the effect of current Government spending as contrasted with income, and it would set aside the Government expenditures which go into assets or capital investments.

Mr. President, the point I wish to make before I yield to the Senator from Nebraska is that even if we accept the European type of capital budget, which is very far away from our administrative budget, and which would put the best possible picture on our fiscal position, I think there is every possible prospect that in 1963, although we are in an expansionary phase of the business cycle, and although we should be showing a surplus if we are ever going to show it, even under the European type of capital budget we will be showing a deficit.

I ask unanimous consent that I may yield to the Senator from Nebraska [Mr. HRUSKA] without losing my right to the floor, and I ask that his remarks follow mine in the RECORD.

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

(The remarks of Senator HRUSKA appear elsewhere in the RECORD.)

MAY RUN DEFICIT IN 1963 WITH ANY TYPE OF BUDGET

Mr. PROXMIRE. Mr. President, as I have tried to point out, whether we adopt the administrative budget which we now use, the products account budget, or even the European type capital budget, the fact is that in this expansionary phase of the business cycle, when we have a growth in the national product of 8 percent—$40 billion—when bellwether industries like automobile sales and home sales are building up, we still seem to be moving into a time when we shall be running a deficit, or we shall be close to running a deficit, according to any kind of measurement.

For that reason I welcome the very thoughtful, well-balanced editorial published in the Washington Post this morning. It is an editorial that discusses the prospects of tax reform in an extremely objective way and, I think, a very competent way. I wish to read from part of that editorial and comment briefly on it.

The editorial, entitled "Tax Reform and Budget," begins as follows:

> The prospect of tax reform is cheering, but it also raises some difficult questions about the budget. This year's debate over a much smaller tax reform has shown that any significant broadening of the revenue base is unlikely to go through unless sweetened by a tax cut.

That is becoming obvious. In fact, it is apparent from informal discussions that I have heard lately, it is unlikely that the present proposal which was reported out of the Ways and Means Committee of the House, which usually blocks such measures, and has passed the House and is now in the Senate Committee on Finance, will be passed by the Senate unless it is considerably sweetened in the direction of reducing revenues.

The editorial continues as follows:

> The budget for fiscal year 1964 probably could stand some revenue loss, but the question is how much. It has been argued, and probably with reason, that at "full employment" the present tax structure would produce a rather large surplus.
>
> But some surplus should remain in the budget if and when high capacity operation is reached. Otherwise all chance would be surrendered to create savings through the budget that would feed back into the private economy and help to accelerate growth. The budget would be in deficit a good part of the time and in precarious balance the rest of the time. The maintenance of financial discipline would become politically increasingly difficult.

REAL IMPLICATIONS OF FISCAL IRRESPONSIBILITY

That point that fiscal or financial discipline should be maintained is one that cannot be emphasized enough. The fact is—and this is happening without really being observed or noticed—there has come not only in the view of academic economists but also in the view of business economists the argument that we should probably run a deficit much of the time. There is merit to that proposal. But I think we must recognize what such procedure does to legislators and politicians.

There is nothing easier, of course, than to advocate cutting taxes and raising spending, reducing the burden on the taxpayer, but increasing the services he receives. The big fact that has been restraining those of us who have served in State legislatures, city councils, and especially in the U.S. Congress where there is literally no limit on our potential debt is that we should recognize the wisdom of having some kind of balanced budget, some financial responsibility, and some sort of balance, at least during peacetime years, between what we spend and what we raise.

But that conception is gradually being eroded. As the editorial in the Washington Post has so well stated—

> The maintenance of financial discipline would become politically increasingly difficult.

All we could do, if we give up the notion of balancing budgets at all, would be to argue that if too large a deficit is run, it will have an inflationary impact on the economy. It will raise prices, which will not be very popular.

But, of course, there is a great lag here involved. Furthermore, the relationship of Government deficits to inflation is subtle. It is indistinct. It is economically technical. It is difficult to grasp. I think there is great danger that if we abandon the notion of balancing the budget, especially in periods of expansion, and if we adopt tax cuts in periods like the present, then it seems to me we are accepting a policy which can become politically increasingly dangerous and difficult.

The Washington Post editorial continued as follows:

> This suggests that the reductions cannot be very large. Allowing for some revenue loss from this year's change in depreciation rules, and possibly also from the still pending tax bill, an amount of perhaps $3 billion might be envisaged.

But whether or not we can have a tax cut next year without an extraordinarily heavy deficit is the big question.

The editorial continues as follows:

> On a more realistic assessment of the outlook, the budget for fiscal year 1964 is likely to be brought into approximate balance only by dropping the tax cut. With a deficit in

fiscal year 1963 almost a foregone conclusion, a tax cut would mean 2 more years of deficits ahead. Would that be a responsible course?

Circumstances could be envisaged in which it might be. If the balance of payments improves, if wages and prices stay in line, justification might be found for these deficits. With full employment still not attained in 1963, the economy would after all be passing through its second week recovery.

Some lowering of sights might be inevitable under those conditions. But if the balance of payments is weak, or prices are rising, freedom of fiscal action will again be curtailed and the stability of the dollar will have to be salvaged at the expense of employment and growth.

COMMITMENT TO FUTURE TAX CUT—SERIOUS ERROR

I should like to make two points in that particular regard. I disagree with the criteria of the Washington Post as to when we should have a tax cut. I feel very strongly that we should think long and hard about having a tax cut in 1963 if unemployment continues to drop, if the gross national product continues to expand—as it has by 8 percent over the last year—and if automobile sales continue to increase. For us to take the position now and make a commitment that we are going to have a tax cut next year is certainly questionable in view of the fact that anybody who has been around academic economists or any other kind of economists knows that this is an extremely primitive area. He knows that economic forecasting has certainly not proven itself. If one must make an economic forecast 8, 10, or 12 months before policy action is taken, the forecast could easily be wrong. So I question the wisdom of an announcement at this time that we will have a tax cut next year. The announcement is made before we can assess business conditions next year, before we see whether or not we need such a tax cut next year, and indeed before we determine whether we might have inflationary conditions next year.

An announcement is made that we will have a tax cut next year when our economy is booming this year. Incidentally, only 10 days or so ago I presided as chairman of the Subcommittee on Statistics of the Joint Economic Committee. At the hearing we had some of the top economists in the country testify. Among them were representatives of McGraw-Hill, Fortune magazine, and other large organizations. I remember that the expert from Fortune magazine predicted that in 1963 we would have a superboom in business investment in plant and equipment.

If we are to have a superboom in 1963, it does not make any sense at all to have a tax cut in 1963, thus committing ourselves to a position where we will never have a balanced budget.

MISTAKE TO RELY EXCLUSIVELY ON TAXING AND SPENDING

Furthermore, the fact is that all the talk now is in terms of a tax cut. Whatever happened to lower interest rates? That has been the traditional method, and it has worked in the past, when we have used monetary policy to stimulate the economy.

The difficulty with a tax cut is that we thus unbalance the budget and we increase the national debt and increase the future burden on the taxpayer. A monetary policy relying on lower interest rates not only is completely consistent with conservative practices but, as a matter of fact, is consistent with our congressional constitutional obligations. The Constitution is extremely clear on this point. Article I, section 8, provides that Congress shall have the power to coin money and to regulate the value thereof. We have the right, therefore, to regulate the value of money, which, of course, is interest.

We set up the Federal Reserve Board to act as our agent, and then have turned our back on it and let it go on its own way. The Federal Reserve Board has followed restrictive monetary policies. It has kept the interest rates high. The result is that high interest rates have been a retarding force in the economy.

If we can reduce interest rates, the burden on the taxpayer will be reduced, not increased; whereas the present fiscal policy tends in the future, at least, to unbalance the budget and to increase the burden on the taxpayers. Reducing interest rates means that the taxpayer, who must pay his taxes to provide service on the national debt, will pay lower interest rates. Lower interest rates would therefore mean that the charge against the taxpayer would be less.

WHY NOT USE MONETARY POLICY MORE—FISCAL POLICY LESS?

Therefore it makes sense to me that the administration should give far more consideration than it has up to now to a monetary policy that makes sense. It is fantastic that we have relied as much as we have in this administration on this sort of fiscal policy. I do not mean that the administration alone holds to this view. It is held by Republicans and Democrats alike.

I believe we ought to get off this tax cut track, at least long enough to consider other alternatives. Those who enthusiastically champion a tax cut should also talk a little bit about easing the monetary policy and reducing interest rates and taking off the brakes in that way. That is much more effective, and makes more sense, and certainly eases the burden on the taxpayer.

PRESENT MONETARY POLICY HIGHLY RESTRICTIVE

The fact is that we have the most restrictive monetary policy in technical terms that we have ever had.

We have a money supply today which is a lower ratio of the gross national product than it has been since Andrew Mellon was riding high in the Treasury. It is the lowest ratio since the twenties. The fact is that interest is the simple product of how much money the Federal Reserve makes available on the one hand and what kind of job that money has to do through the gross national product, on the other hand. The fact is that the Federal Reserve has very sharply retarded the increase in the supply of money. It has not kept pace with the expansion of the gross national product. The result is that we have high interest rates. We have had a slowdown in many areas in which interest rates are extremely important.

TAX CUT NOW USES UP AMMUNITION FOR LATER

Finally, Mr. President, the editorial concludes by stating:

The need for a sweetener in the tax reform also imposes constraints on action in the interim. There has been talk of a tax cut this year to speed the recovery or perhaps to revive the ailing stock market. Regardless of what one may think of the appropriateness of such action at a time when the President's Chief Economic Adviser has just proclaimed that the economy has shifted into higher gear, a tax cut now would use up the ammunition for next year. It might be argued that such a cut should be temporary and that it should terminate before full-dress reform begins. But subtle maneuvers like these are not the way of the political process. If there is to be tax reform next year, we had better sit tight this year unless there is a real deterioration in the economy.

I should like to add to what the Washington Post says that not only should we sit tight, but we ought to sit tight until next year and then determine whether or not there should be a tax cut. The most foolish kind of economic policy is to make a decision 7 or 8 months before it is necessary to make it. Let us look at conditions at the time. Let us determine what the situation is. Let us determine whether we need it. It seems to me that is a far wiser policy to follow than the one we are following now.

I ask unanimous consent that the editorial from the Washington Post be printed in full at this point in the RECORD.

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

TAX REFORM AND BUDGET

The prospect of tax reform is cheering, but it also raises some difficult questions about the budget. This year's debate over a much smaller tax reform has shown that any significant broadening of the revenue base is unlikely to go through unless sweetened by a tax cut. The budget for fiscal year 1964 probably could stand some revenue loss, but the question is how much. It has been argued, and probably with reason, that at full employment the present tax structure would produce a rather large surplus.

But some surplus should remain in the budget if and when high capacity operation is reached. Otherwise all chance would be surrendered to create savings through the budget that would feed back into the private economy and help to accelerate growth. The budget would be in deficit a good part of the time and in precarious balance the rest of the time. The maintenance of financial discipline would become politically increasingly difficult.

This suggests that the reductions cannot be very large. Allowing for some revenue loss from this year's change in depreciation rules, and possibly also from the still pending tax bill, an amount of perhaps $3 billion might be envisaged. That might still leave a surplus of about the same size in the 1964 administrative budget at full employment, if expenditures continue to rise at the rate which has been budgeted for fiscal year 1963.

But these attractive results will be attained only if full employment prevails during 1963, and the chances of that are slight. On a more realistic assessment of the outlook, the budget for fiscal year 1964 is likely to be brought into approximate balance only by dropping the tax cut. With a deficit in fiscal 1963 almost a foregone conclusion, a tax cut would mean 2 more years of deficits ahead. Would that be a responsible course?

Circumstances could be envisaged in which it might be. If the balance of payments improves, if wages and prices stay in line, justification might be found for these deficits. With full employment still not attained in 1963, the economy would, after all, be passing through its second weak recovery. Some lowering of sights might be inevitable under those conditions. But if the balance of payments is weak, or prices are rising, freedom of fiscal action will again be curtailed, and the stability of the dollar will have to be salvaged at the expense of employment and growth.

The need for a sweetener in the tax reform also imposes constraints on action in the interim. There has been talk of a tax cut this year to speed the recovery or perhaps to revive the ailing stock market. Regardless of what one may think of the appropriateness of such action at a time when the President's chief economic adviser has just proclaimed that the economy has shifted into higher gear, a tax cut now would use up the ammunition for next year. It might be argued that such a cut should be temporary and that it should terminate before full-dress reform begins. But subtle maneuvers like these are not the way of the political process. If there is to be tax reform next year, we had better sit tight this year unless there is a real deterioration in the economy.

ELECTIONS IN PERU

Mr. HUMPHREY. Mr. President, Sunday, June 10, will be a momentous day for our sister republic, Peru. On that day, Peruvians will go to the polls to elect a new President. These are anything but routine elections in a small unimportant country south of the Rio Grande. On the contrary, the outcome of Peru's elections may point the way to the future of democracy not only in Peru but in all of Latin America. The elections could have a decisive impact on the Alliance for Progress. Conceivably, they could tell us whether militarism in Latin America—the tendency of the military to meddle in politics—is on the decline or is once more on the upsurge.

In case anyone thinks that this analysis is overdrawn, let me commend to his attention two articles in the New York Times of June 6 and 7 by the noted observer of Latin American affairs, Mr. Tad Szulc. I ask unanimous consent that these articles, which discuss the implications of the Peruvian elections, be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent to have printed in the RECORD a profile, appearing in the Wall Street Journal of June 7, of Victor Raúl Haya de la Torre, the controversial presidential candidate of the American Popular Revolutionary Alliance—APRA Party—and an excerpt from the June 5, 1962, issue of the Vision Letter, an analysis of Latin American affairs.

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

(See exhibit 1.)

Mr. HUMPHREY. These articles underline what is at stake in Peru's presidential elections. The fact of the matter is that the party with probably the best chance to win is APRA, the party of Señor Haya de la Torre. Now there is no gainsaying that APRA has had a violent and radical past. The letter "R" in its name stands for "revolutionary." In its earlier days—back in the twenties and thirties—it appeared to derive much of its outlook from Marxism if not from communism. Today, however, it is a worthy representative of the democratic, non-Communist left, dedicated to the social and economic ideals of the Alliance for Progress.

After years of being systematically outlawed and persecuted, APRA has only recently become even barely respectable in Peruvian politics. Yet the very fact of APRA's popularity has aroused the misgivings of the Peruvian military, who see the party as the antithesis of democracy. This attitude derives in large part from the long and sometimes bloody feud between APRA and the Peruvian armed forces. The military still remember the violent clashes of 1932 and 1948, when many officers and soldiers were killed as a result of APRA uprisings. They fear that APRA will try to carry out its longtime pledge to do away with the armed forces in favor of a kind of people's militia. The military leaders consider APRA's outspokenly anti-Communist and anti-Castroite position today as nothing but a fraud. APRA, one distinguished Peruvian officer told me, is a "wolf in sheep's clothing."

The ill feeling between APRA and the Peruvian military could have one fateful result: If Señor Haya de la Torre and his party win on Sunday, a military coup could either prevent them from taking office or could overthrow them after they had shown their alleged true colors after only a few days or weeks in office.

Mr. President, far be it from me to say whether this or that party, this or that political leader, should be elected by the voters of another sovereign country. This is none of my business. It is my duty to point out, however, that political developments in a foreign country can have serious repercussions on the relations of that country with the United States. In our deliberations on the current foreign aid authorization bill, we have seen that the Senate cannot remain indifferent to the ideological leanings of a country which receives our aid.

This is true in the cases of Communist Yugoslavia and Communist Poland. It would be equally true should Peru's political development be halted or set back by an unprovoked military coup d'état. If the military leaders overthrow a freely elected constitutional government which is anti-Communist and pro-Alliance for Progress, then I do not see how further aid to Peru could be justified. I know that the Senate would be reluctant to appropriate funds in such a case, and I believe that this would be the sense of both Houses of Congress. This would be tragic, for few countries stand in greater need of far-reaching social improvements than does Peru.

Mr. President, it was my privilege to visit Peru and to talk to all the political leaders whom I have mentioned in this speech. I believe Peru has a great potential. There is already underway in Peru a significant reorganization, with changes which could spell for Peru or could guarantee to Peru a much broader and prosperous future. Peruvians are jealous of their constitutional government, and rightly so. I hope that nothing will happen to disrupt the experience in constitutional democracy which is now underway in Peru.

I have discussed this situation with Peruvian officers who sought my counsel. I told these gentlemen frankly that the United States would find it difficult to accept either a Communist or a right-wing reactionary government in Peru. Neither communism nor militarism reflects the wishes of the Peruvian people.

Surely we know that neither communism nor militarism reflects the attitude or wishes of the people of the United States. I said all of this to the Peruvian military officers, with all due respect for the Peruvian Armed Forces, which admittedly have grounds for apprehension, and which have shown commendable restraint in recent years. My comments are not to be interpreted as any attack upon the fine officers of the military in Peru, or the men in the ranks of the military establishment. The purpose of these comments is to lift the standard once again for constitutional democracy.

Judging by the reception given my remarks, the Peruvian military will continue to show restraint when the chips are down. Peru's military leaders sincerely want to keep hands off politics. Many of them have come to the United States on training missions. They have seen our democracy in action; they have learned that our tradition of civilian control over the armed forces is the very essence of democracy. What is more, it works. I am confident, therefore, that they will accommodate themselves to whichever moderate party takes office after this Sunday's elections. They will not let themselves be seduced into taking violent and irrevocable action on the basis of rumors or vague forebodings. If they succumb to bad advice, the effect on Peru's social and economic progress could be incalculable. It could have an extremely damaging effect not only on Peru's relations with the United States but on the very foundations of the Alliance for Progress.

Mr. President, my appeal for restraint is not strengthened by the news that the administration is about to grant $50 million in standby credits to Argentina, a country which has recently experienced decisive military intervention in its political life. How can we threaten to cut aid to a military regime in Peru while handing it out to Argentina as though duly elected President Frondizi were still in office?

Frankly, this puzzles me. I have no reason to punish Argentina for its interruption of normal democratic processes.

In fact, to me the hope of a free Latin America may very well depend on the restoration of constitutional processes and constitutional democracy in Argentina. Again, that country has a tremendous potential and should be able to give the inspiration or the driving force to representative government and free institutions in all of Latin America. The provocation in Argentina was tre-

mendous, and, on the whole, the military have acted with exceptional broadmindedness. However, the fact remains that they acted, and the Argentine Constitution is, for all intents and purposes, in a state of suspension. The ordinary onlooker will not understand the subtle distinctions between a military coup in Argentina and one in Peru or any one of a dozen Latin American countries.

The temptation for military intervention in elections is one which is sometimes so appealing that unless a word of caution is stated, the temptation overwhelms those who ultimately seek to use military force.

What we are seeking to prevent is a backsliding from the encouraging progress of democratic government which has taken place in Latin America in recent years. If the "democratic left" is the only political persuasion having popular support, then it deserves our support, so long as it is not a Communist government or a Castro government, which would violate, suspend, and destroy free political institutions and civil guarantees.

Surely we would rather see a Romulo Betancourt in office than a Rojas Pinilla or some Latin American Lenin or Castro. President Betancourt, one of the most outstanding representatives of the democratic left in Latin America, has just weathered one of the severest storms of his brief term in office. I am delighted that the Communist-instigated revolution in Venezuela has been crushed by the forces of law and order, and that the forces of the Venezuelan Republic are now the forces of Betancourt. The Venezuelan people want Betancourt's program of thorough but moderate reform. But if Peru succumbs to violence from the right, then Venezuela's beneficial example might be lost on the rest of Latin America.

I fervently hope, therefore, that Peru will be won for democracy in the critical weeks ahead. As one friend of the people of Latin America, I hope that the elections which will take place in those countries will result in the further extension of democratic, constitutional government for the Latin American peoples and their countries.

EXHIBIT 1

U.S. CONCERNED BY PERU THREAT OF REVOLUTION AFTER ELECTIONS—MILITARY'S OPPOSITION TO THE APRA PARTY AND HAYA DE LA TORRE IS REPORTED TO MAKE A COUP D'ETAT POSSIBLE

(By Tad Szulc)

WASHINGTON, June 5.—The U.S. Government was reported today to be deeply disturbed over the threat of a military coup d'etat in Peru if Victor Raul Haya de la Torre is elected president in next Sunday's elections.

Diplomatic and press reports reaching here have indicated that the Peruvian Army is almost certain to move against Senor Haya de la Torre because of its 30-year-old feud with him and his American Popular Revolutionary Alliance (APRA).

The U.S. concern stems from considerations that affect Peru as well as the rest of Latin America. These considerations raise serious problems for the Alliance for Progress.

The Kennedy administration believes that Peruvian military intervention in the election would set back the development of democracy in Peru. This, in itself, would be regarded here as deplorable.

START OF TREND FEARED

Another fear is that an army coup in Peru, following the expulsion by the military of President Arturo Frondizi in Argentina last March, could encourage a hemispheric trend back to military rule and dictatorship.

The establishment of a military, or military-backed regime in Peru could endanger President Romulo Betancourt in Venezuela, Senor Betancourt has been under intense rightwing and leftwing pressure, and rumors of an impending rightist rebellion have circulated in Caracas even as the regime was fighting leftist uprisings last month and last weekend.

Still another consideration in the administration's thinking is that under the Alliance for Progress the United States is committed to provide extensive aid to Latin American economic and social development within the framework of democracy.

The emphasis on democracy is intended to strike a contrast with the totalitarian method adopted by the Cuban revolution.

The overthrow of an elected government in Peru, 3 months after the Argentine upheaval, would cause considerable embarrassment to the United States and confront it again with a major decision.

The United States reluctantly agreed to continue relations with the new Argentine Government 6 weeks after Dr. Frondizi's fall. However, little has been said of aid programs despite pressure from Buenos Aires.

SOCIAL PROGRAMS UNDERWAY

In Peru, the United States is engaged in a series of programs designed to solve some desperate social problems in the fields of housing, land settlement, and the feeding of schoolchildren. These projects are in addition to economic programs.

Whether the social projects should be suspended because of considerations over the fate of democracy in Peru is a difficult decision. The administration hopes it will be spared.

Officials here stressed that their concern over the Peruvian election did not imply any favoritism for Senor Haya de la Torre's leftwing but strongly anti-Communist Party.

The U.S. administration believes that it could work just as successfully with Senor Haya de la Torre's chief rival, Fernando Belaunde Terry, a young, U.S.-educated architect who leads the Leftist Popular Action Party.

[From the New York Times, June 6, 1962]

PRIEST A RED LEADER

(By Juan De Onis)

LIMA, PERU, June.—A retired army general and a Roman Catholic priest are the leaders in active political campaign being waged in Peru by advocates of a Cuban-style revolution.

The Communist-inspired National Liberation Front held its major rally of the presidential campaign last night. More than 25,000 attended the rally in San Martin Plaza.

A huge portrait of Premier Fidel Castro of Cuba hung from a 25-foot-high speakers platform at the rally. The theme of "Cuba si, Yanquis no," and the need for a revolution to rid Peru of imperialism were stressed by the 10 speakers.

The main speakers were Gen. Cesar Pando Egusquiza, an artilleryman who favors the nationalization of Peru's oil industry, and the Reverend Solomon Bolo Hidalgo, who has defied his Roman Catholic superiors and been declared in a state of disobedience.

Students made up a larger portion of the crowd than at any other major rally held by Peru's political parties. The students appeared to make up at least a third of the crowd and there was enthusiastic applause and cheering for the almost uninterrupted invective against the United States.

Father Bolo was introduced as the chaplain of the Peruvian revolution. At one point in his speech he said that "when the guerrillas begin to fight in Peru, I will be with them to give them the sacraments."

PRIEST ACCUSES UNITED STATES

Father Bolo said that it was not true that the Communists are the present enemy of Peru. He said the true enemy of Peru was Yanqui imperialism and he blamed the United States and its lackey the Peruvian oligarchy for Peru's social and economic ills.

General Pando, the presidential candidate of the National Liberation Front, is not expected to obtain any impressive vote in Sunday's election. The Front, in all probability, will not even obtain a seat in Congress.

"We know we are not going to win anything," a National Liberation Front leader said. "This election campaign has served to get our message before tens of thousands of people; this advances the revolution waged by the Front," he said.

[From the New York Times, June 7, 1962]

UNITED STATES RENEWING ARGENTINA AID WITH $50 MILLION—BUT SOME FEAR THIS STEP WILL SPUR PERU MILITARY TO ACT AFTER ELECTION

(By Tad Szulc)

WASHINGTON, June 6.—The Kennedy administration expects to announce this week the granting of $50 million in standby credits to Argentina's military-backed Government.

While the decision to grant these funds has general approval within the administration, many officials here are disturbed over the timing of the announcement.

Presidential elections are to be held in Peru on Sunday and there are fears that a military coup may follow immediately. It is felt, therefore, that the announcement at this time of aid to a regime in Argentina that is dominated by the military may encourage the Peruvian military leaders to assume they need not fear U.S. reprisals if they choose to upset the democratic process.

Reports from Peru have indicated that the military may try a coup to prevent the inauguration of Victor Raul Haya de la Torre, head of the leftist but anti-Communist APRA Party, if he is elected Sunday.

The Peruvian military leaders have relentlessly opposed the APRA (American Popular Revolutionary Alliance) since 1932, when many officers and soldiers were killed by the party's members in an uprising at Trujillo. Others died in an APRA revolt at Callao in 1948.

RESULTS OF COUP FEARED

Although the United States does not favor Senor Haya de la Torre over Fernando Belaúnde Terry, his foremost rival, it fears a military coup because of its implications for democracy in Peru and elsewhere in Latin America.

Under the Alliance for Progress, the administration of President Kennedy is committed to a massive program of economic aid to the hemisphere within the framework of democratic institutions.

The credits to be granted this week to Argentina are designed to support the peso. They mark the resumption of assistance to that country following the ouster of President Arturo Frondizi last March.

The administration's concern for democracy in Latin America was emphasized in a message from President Kennedy to Venezuela's President, Romulo Betancourt, congratulating him on the crushing of last weekend's Communist-supported rebellion by a marine garrison at Puerto Cabello.

The message was delivered to Senor Betancourt yesterday by the U.S. Embassy and was made public here today.

Mr. Kennedy praised Venezuela for having acted "in preserving constitutional democracy against those who have attempted to overthrow your freely elected government."

"The preservation and strengthening of freely elected constitutional government is the aspiration of all the peoples of the Americas, and progress in the continent under the Allianza Para el Progreso depends in large measure in effecting change through peaceful and democratic means and avoiding violent interruptions of the constitutional procedure," Mr. Kennedy said.

PROBLEMS ARE CREATED

While the message referring to a leftist revolt was addressed to Venezuela, the administration clearly hoped it also would be read in Peru by the Rightist forces.

But the creation of situations like the overthrow of President Frondizi in Argentina—and the possible developments in Peru—have posed difficult political problems for the administration in conducting the alliance policies.

Although the United States opposes military coups, it finds it difficult to ignore the economic and social needs of countries like Argentina where, it is argued, the suspension of aid may lead to deterioration of the situation and strengthening of Leftist forces.

Senor Haya de la Torre stirred the crowd with two major points in his closing campaign speech. He rebutted the charges of election fraud made against his party, and he attacked Communist influence in other parties.

He spoke from a huge stand with fireworks exploding overhead, arc lights crisscrossing in the night, and confetti flying.

He waved a white handkerchief and a sea of fluttering white responded from the huge crowd. "If this is fraud, how do you like it?" he asked. The crowd roared with laughter.

A federal attorney had charged today, after examining 960 voter registrations recorded since last November, that 45 percent were false.

APRA IS ACCUSED

Prosecutor Octavio Palacious of the Third Criminal Court charged that most of the false registrations had been made by APRA Party registrars, and he formally charged eight persons with electoral-law violations carrying penalities up to 2 years in jail.

Senor Haya de la Torre said Sunday's elections would be decisive in the struggle between representative democracy and the dictatorship of either extreme. The crowd chanted, "APRA si, communismo no."

In its 32 years of official existence, the APRA Party has been outlawed for 21 years. Senor Haya de la Torre spent years in hiding here and abroad. He returned here in January to head his party's campaign.

[From the Wall Street Journal, June 7, 1962]

LATIN LEFT—PERU'S HAYA PERSONIFIES POLITICAL GROUP THAT SEEKS REFORMS BUT OPPOSES REDS

(By James N. Wallace)

LIMA.—The next president of Peru may well be a man who once demanded the United States give up the Panama Canal but now decries Soviet imperialism, who started his political career as a Marxist but now is the target of bitter Communist abuse—and who remains one of the most venerated, yet often mistrusted, men in Latin America.

This complex, controversial individual is Victor Raul Haya de la Torre, presidential candidate of the powerful American Popular Revolutionary Alliance (APRA) Party and rated by many as the front-runner in Peru's national election this Sunday.

But win, lose or—as also is possible—barred from office by the armed forces, aging, ebullient "Victor Raul" will remain in many ways the image of one of Latin America's most important forces: The non-Communist left. It's a force that stirs heated controversy in both the United States and Latin nations. Some people dismiss it as far too fuzzy minded to combat Castroism and communism. Others, including some but by no means all U.S. Latin policy shapers, rate it the most likely vehicle for carrying through the sweeping social and economic reforms of the Alliance for Progress.

Though more important than ever before, the Latin left is no newcomer to politics. One of its first important representatives was Jose Batlle y Ordonez, who introduced social security schemes and government economic planning to Uruguay before World War I.

In more recent years have come such frequently controversial figures as Lazaro Cardenas, Mexican land reformer and economic nationalist; Jose "Pepe" Figueres, Costa Rican social revolutionary and recurrent critic of foreign businessmen; Victor Paz Estenssoro, who for good or bad fundamentally altered Bolivia's entire economic structure, and Venezuela's President Romulo Betancourt, still sorely beset in his effort to turn oil wealth into national well-being.

MIRRORING AN EVOLUTION

In many ways the life of Peru's Haya de la Torre mirrors the evolution of the Latin left: First political recognition as a firebrand student orator, early fascination with Marxism and a conviction that most Latin ills were the result of Yankee imperialism, years in jail or exile, participation in abortive popular revolts, winning some legal status at home, finally achieving power to influence or sometimes dominate national affairs and, at least by some standards, a swing toward moderation.

So a look at the man and the party he created helps explain some Latin happenings far beyond the Peruvian election—and also provides some answers to such puzzles as the left's relationship to communism and its frequent asperity toward the United States and American business.

At 67, Haya is proving a vigorous campaigner—somewhat to the surprise of many here who thought that by age and inclination he'd prefer the role of headquarters oracle to the loud, lusty rallies that go on night after night. He's a spellbinding speaker in either Spanish or Quechua, the language of the ancient Incas and still the patois of back-country Peru. His intellectual interests range widely; he once wrote a detailed, scholarly refutation of Arnold Toynbee's all-encompassing historical theories.

Like many other Latin politicians, Haya got his start as a university student leader, helping unionists organize a general strike for an 8-hour workday. He was still in college when he had his first serious brush with the police in 1923. The youthful agitator was arrested and deported; it was the first of many clashes with the status quo and the first of many exiles.

A year later, after traveling in both the United States and Russia, Haya founded the American Popular Revolutionary Alliance in Mexico; the party reflected much more of Lenin's Russia than Coolidge's America but it also borrowed from the Mexican revolution and traditional European socialism.

Though intended to be an inter-American party, APRA caught on only in Peru. But here it immediately became and still is a center of stormy controversy. Quite predictably it was quickly denounced as Communist by local businessmen and landowners. Attacks from the Communists soon started, too, though the substance of them often was blurred by personal animosities and the wordy internal bickering of late 1920's communism.

APRA was first permitted to run candidates in the 1931 elections. Haya, back from exile, got the most votes for president, according to some impartial chroniclers, but his opponent controlled the ballot counting. A few days after the election the APRA candidate was back in prison and the party outlawed.

For more than two decades after that, Haya was in and out of jail and in and out of Peru. Hundreds of party members were shot down in the streets but they sometimes gave as good as they got, killing a number of army officers and assassinating at least two high government officials. Memories of those violent days still embitter Peruvian politics and raise serious questions whether the army would permit an APRA regime to stay long in office.

THE COMMUNIST ISSUE

One of the most-argued questions about the Latin left is its relations with communism and, more recently, Castroism. Even today, this is about as close to an issue as the personality dominated presidential election here has come. Haya's opponents gleefully quote excerpts from his early writings, which had a decided Marxist ring. But APRA campaigners charge that now, not three decades in the past, there are Communists on the congressional tickets of the two major opposition parties.

Haya says his youthful visit to Moscow, during the Fifth Congress of the Communist International, convinced him that he didn't want to become a party member himself and, perhaps more important in the long run, that the Reds, for all their talk about a bright new world, didn't have the foggiest notion of the world as it then existed in Latin America.

At any rate, many specialists in Latin affairs are convinced—by events as much as by Haya's own words—that APRA never was an integral part of international communism. Still, the party has to contend with its Marxist past; even some working-class Peruvians consider it pink-tinged today.

Why the close ties between the Reds and much of the Latin left in earlier days?

Partly because the Communists' announced aims seemed to be the same as the youthful revolutionaries', partly because few people hereabouts then had any experience with communism. At that time in many Latin nations the Communists were almost the only ones willing to risk their necks battling oppressive dictators, and they had the only organizations capable of effective protest. Red cooperation with dictators such as Cuba's Batista came later.

APRA, like the rest of the Latin left, at first fervently supported the Castro revolution. As recently as mid-1960 Fidel's bearded pictures stared down from APRA office walls but today Haya bitterly attacks the sellout of the original Castro goals. The last of what seems to have been the hard Castroite core in APRA was expelled in 1960, though in the party's rank and file are at least some people who think Fidel may yet turn his back on Moscow.

If the Latin left as reflected in APRA is anti-Communist why does it often sound so anti-American as well?

This stems from a long firmly held belief that U.S. business, backed by the U.S. Government, was the chief ally of oppressive Latin regimes and a powerful foe of efforts to improve the lot of the Latin masses. Haya once was arrested in the Panama Canal Zone, apparently on orders of U.S. officials who had been warned by business people that he was a dangerous radical.

The incident no longer rankles but at the time it reinforced "imperialist" convictions. In recent years the Latin left's view of Washington has mellowed but there remains considerable suspicion that many U.S. busi-

nessmen still basically prefer the "order" of dictatorships in this part of the world. Then there's the continuing complication of Fidel. Perhaps most important, a great many Latins reject the idea that being anti-Communist requires them to applaud Uncle Sam.

HOLLOW JOKES

Though some American businessmen here joke hollowly about which of their concerns APRA would nationalize first, this doesn't seem an immediate danger. Haya says he supports "responsible" foreign investment and he's well aware that many miners working for U.S.-owned companies are among the best paid workers in Peru.

Several things about APRA still worry some observers, and they're not all ideological questions. The party-subsidized cafeterias, low-cost clinics, adult education classes, and even a small credit bank are basically local variations on U.S. ward-level politics. But in unscrupulous hands they could be used to help shape a one-party state.

Cell-type party organization and club-carrying members were necessities during long years of persecution but they, too, could become habits. At rallies the massed banners, youth brigades, and thundering "APRA, AP-RA" chants stir occasional memories of other tightly disciplined parties that went awry.

Whether Haya and APRA are, as some people claim, Peru's chief bulwark against Castroism and communism remains to be seen. The one thing certain is that no matter what happens in Sunday's election, the Latin left Haya represents will remain a major force on a troubled continent.

THE VISION LETTER—THE WEEKLY ANALYSIS OF LATIN AMERICAN AFFAIRS

JUNE 5, 1962.

An atmosphere of impending crisis hangs over Peru as approximately 2 million voters prepare to go to the polls this Sunday in the country's 6-year presidential elections. Behind the rising tension lies a scarcely veiled threat issued by armed forces leaders last Saturday that they would reserve the right to decide after the voting whether or not the popular will has been falsified.

The warning came in a special communique signed by the secretaries of all three military arms—Vice Adm. Guillermo Tirado Lamb for the navy, Gen. Alejandro Cuadra Rabines for the army, and Gen. Salvador Noya Ferré for the air force—but issued without the permission of outgoing President Manuel Prado y Ugarteche. The dictate is universally understood to mean that the armed forces will not accept a victory by Víctor Raúl Haya de la Torre, candidate of the Aprista Party and the military's arch foe for more than 30 years.

Days before the election, observers believe that Haya and Fernando Belaunde Terry, Acción Popular candidate, are running about even, with Gen. Manuel Odría third, and several other candidates far behind. Under the Peruvian Constitution, the leading candidate must have at least one-third of the total vote to win office. It is still in doubt (the Vision Letter, May 8) whether either Haya or Belaunde will get the required margin. But no matter what the result of the balloting, there is real danger of trouble to follow:

The armed forces allegedly have already found irregularities in the registration lists by comparing them to military service rolls in specific areas. This is believed to be sufficient to give them the right to intercede should Haya win. (Also, rumors are flying that the ink which is used to mark voters' fingers, and thus guard against double voting, is not really indelible.)

Military intervention could come either before or after the election. A rumor is now current that the army will step in at any moment to "postpone" the vote pending investigation of the registration fraud charges. Once the constitutional process is set aside, moreover, there is little way of knowing when elections would finally be held.

The military men may permit the voting to take place in the hope that Haya will be defeated. However, that will not eliminate the fraud issue. Neither Haya nor Belaunde trusts the vote count and each is certain that he would win in any honest election. Belaunde believes that he was euchered out of office in 1956 when he lost to Prado.

There are striking similarities between the position of the Apristas today and the Peronistas in Argentina prior to March 18. Both movements are anathema to the army, both are voting under their own names for the first time after being proscribed for many years, and both lean heavily on the mystical support of a leader who is hated and feared by his opponents. However, there is one major difference. Where it suited the Peronistas to remain calm in the face of provocation, it is very doubtful that the Apristas will show the same reserve. Aprista leaders have already warned publicly that it would be a grave error to deny them the fruits of a legal victory.

Behind the threatened crisis lies a tragic paradox. The military's distrust of Haya is entirely emotional, based on historic grievances that are, in large part, no longer relevant. During the campaign Haya went out of his way to reassure the armed forces that he bears them no malice. At the same time, Belaunde, whom the army is tacitly supporting, is running with the help of extreme leftist forces which do constitute a long-range menace to the military institution. The generals appear to be shooting a dead enemy, while turning their backs on a potential live one. The passions of "personalismo" are undermining the structure of democracy in a key Latin American nation.

BUSINESS INVESTMENT AND THE ECONOMY

Mr. HUMPHREY. Mr. President, some of the outcries from certain segments of the business community to the effect that the present administration is "antibusiness" is rendered patently ridiculous by the statistics which continue to flow from the economists analyzing the 1961 economic year.

A recent article in the New York Journal of Commerce dated May 23, 1962, indicates that business investment rose substantially in the first quarter of the year as gross private domestic investment hit a seasonally adjusted annual rate of $77 billion during the quarter—a gain of $17 billion over the low point of the 1960–61 business cycle.

Those who say that the business community has lost confidence because of the administration's policy ought to look at a few of the facts before they begin complaining.

Secondly, the report commenting on the Department of Commerce's Office of Business Economics statement goes on to say that profits before taxes were $13 billion higher in the first 3 months of this year than in 1961.

In short, Mr. President, what some critics of the administration say is simply not borne out by what the business community is doing and accomplishing. Investments are up, profits are up, jobs are up; and it is a little difficult to understand the persistent cry that the administration is antibusiness, that the administration is adversely affecting business.

The results do not prove that complaint.

Mr. President, I ask unanimous consent that the article entitled "Business Investments Reach $77 Billion Rate," appearing in the New York Journal of Commerce, be printed at this point in the RECORD.

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

BUSINESS INVESTMENTS REACH $77 BILLION RATE

WASHINGTON, MAY 22.—Business investment rose substantially in the first quarter of the year, it was announced today, with the added expansion coming in large measure out of improved profits.

Gross private domestic investment hit a seasonally adjusted annual rate of $77 billion during the quarter, the Commerce Department's Office of Business Economics reported. This was a gain of $17 billion over the low point of the 1960–61 business cycle in first quarter 1961.

FROM RETAINED EARNINGS

The Office of Business Economics said about half of the investment increase came from retained earnings of corporations after dividends ($6 billion) and capital consumption allowances ($2 billion).

The use of corporate internal funds reflected the fact that profits before taxes were $13 billion higher in the first 3 months of this year than in the comparable 1961 period.

There was also some increase in borrowing by corporate as well as noncorporate enterprise. But the increased demand for capital from business was partly offset by reduced Government needs. Personal savings also bulked larger.

GIVE A BREAK TO INDUSTRY

Mr. HUMPHREY. Mr. President, a fine presentation of the facts on European capital investment and depreciation practices is made in an article appearing in the Wall Street Journal of June 5 by Alfred D. Malabre, Jr., entitled "Keeping Competitive."

Mr. Malabre emphasizes the relatively small percentage of the gross national product that is being spent in the United States on new machinery and other plant equipment as opposed to Western Europe. Not only do we spend less of our GNP on new investment but, contrary to the European story, that percentage is decreasing in the United States.

Mr. President, I have been among those who have expressed to the Secretary of the Treasury strong support of the shortening of the depreciation period for new equipment. I have addressed myself principally to the question of new equipment in the iron and steel processing fields, but it is clear that the comparison of U.S. depreciation schedules with those of Western Europe and Japan indicate that we are not in a competitive position in this respect. Whereas, after 5 years our depreciation schedules generally permit about 43 percent deduction, in Western Europe and Japan it is not less than two-thirds that can be deducted within 5 years. Indeed, in Italy there is 100 percent depreciation after 5 years.

Mr. President, I am convinced that American industry can compete favorably if American industry is given at

least an even break on depreciation and other tax matters. Together with expanding credit facilities for U.S. exporters, we must encourage the modernization of more capital equipment. Nowhere is this more imperative than in the iron and steel industry, where the obsolescence of the American steel industry is in striking contrast to that of the steel industry in Western Europe and Japan. For example, Mr. Malabre's article reports the tremendous increase in the use of oxygen in steelmaking—a technology which presently accounts for little over 2 percent of the American steel capacity, whereas in Europe and Japan it is far higher and the investment in new equipment to use the oxygen process is being accelerated.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article entitled "Keeping Competitive," written by Alfred D. Malabre, Jr., and published in the Wall Street Journal, June 5, 1962.

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

KEEPING COMPETITIVE—DECLINING PART OF U.S. GROSS NATIONAL PRODUCT GOES TO NEW EQUIPMENT—BUT PERCENTAGE RISES IN WEST EUROPE, SPURRED BY LOWER TAXES, FASTER WRITEOFFS—KENNEDY TAX PLAN MAY HELP

(By Alfred D. Malabre, Jr.)

There are growing signs that, if present trends continue, the United States could fall behind other nations in keeping its industrial plant modern.

This country is the fatherland of mass production; it has spent nearly $4 billion on new machine tools for its factories in the last 6 years. It makes metal cutting machines that weigh 100 tons each and fill six flatcars in shipment. It produces computers that add 2 million 4-digit numbers a second.

But U.S. economists are asking with increasing frequency, are we keeping pace in modernization? Swift economic integration in Europe and great growth in Japan underscore the question's importance. And the sifting of relevant information pinpoints a pattern worth pondering.

The high spots of the record are these:

The past decade has seen the United States devote a shrinking part of its total expenditures (gross national product) to new machinery and other plant equipment.

Other major industrial nations are devoting a rising part of their expenditures to this purpose.

The U.S. percentage of GNP being thus spent is much smaller than in principal European countries.

Tax laws in other countries are drastically more favorable to plant equipment expenditure than are U.S. laws.

MACHINERY BUYING COMPARED

The table below matches the declining role of machinery and equipment buying in the United States against the rise elsewhere. Expenditures for machinery and equipment are expressed as a percentage of total GNP for each country, as well as for all West European lands combined.

[Percent]

	1960	1950
West Germany	12.1	9.7
All West Europe	9.8	8.0
United Kingdom	9.1	7.0
France	8.4	7.4
United States	5.5	6.6

In the decade, as the table shows, only in the United States has investment in machinery and other production equipment declined in relation to total expenditures. For most countries a 1961 breakdown isn't available. In the United States such spending fell further last year to 4.9 percent of GNP—the lowest rate since 1939's 4.6 percent.

"The rate of modernization of American industry has slowed significantly," warns William F. Butler, vice president in charge of economic research at New York City's Chase Manhattan Bank. "We have, in short, become a low-investment—and hence low-growth—economy."

SOURCES OF FUNDS

Where does a company get money to modernize? If it doesn't borrow or sell stock, it must get it from depreciation funds or retained profits.

Depreciation funds are funds a company may set aside from pretax profits for replacing equipment. Depreciation allowances vary greatly from machine to machine (depending on a machine's estimated life span) and from country to country (depending on tax regulations).

Here's an imaginary example of how depreciation pumps funds for plant spending into companies' coffers:

Company XYZ buys a widgit maker for $100. The company, under the method of depreciation its accountants decide to use, may deduct, say, 20 percent of the machine's price from pretax profits in the first year of its life. Thus, the company's taxable income is reduced by $20 and its tax bill is cut by $10.40 if it is paying the maximum 52 percent U.S. corporate tax rate. The sum may be held toward eventual replacement of the machine. Additional deductions will be made in subsequent years. The number and size will depend on the method of depreciation chosen.

Depreciation rules abroad are much more liberal than in this country. The following table, based on Treasury Department information, compares depreciation allowances in several countries. The figures show the portion of cost of comparable equipment that could have been deducted after 1, 2, and 5 years.

[Percent]

	1st year	2 years	5 years
France	25	44	76
Germany	20	36	67
Italy	25	50	100
Japan	43	51	68
United Kingdom	39	46	64
United States	11	20	43

Advocates of more generous depreciation allowances note also that it generally costs much more to replace a machine today than the machine cost to buy years ago. The average price of a metal cutting machine, for example, stands at $18,000 today, double the 1951 average. Depreciation allowances fail adequately to provide for this fact, economists contend.

"The inadequacy of depreciation reserves form a major restraint on capital investment," says M. R. Gainsbrugh, chief economist of the National Industrial Conference Board, a nonprofit business research group.

Concern over U.S. production facilities is spurring the administration to provide businessmen with extra incentives to buy equipment. Only through the most modern machinery can U.S. producers, saddled with the world's highest wage rates, hope to compete with manufacturers abroad, many economists reason.

The administration is trying to push through Congress a proposal to give businessmen an 8-percent tax credit on purchases of new equipment. It also is readying increases in the amount businessmen may deduct yearly for depreciation. Officials claim the two measures would place U.S. industry on nearly equal footing with business abroad.

PRESSURE ON PROFITS

Pressure on corporate profits is squeezing the amount of after-tax dollars available to U.S. companies for capital improvements.

The table below traces after-tax corporate profits and undistributed profits over the past decade. Undistributed profits are what is left after a corporation pays taxes and dividends. Though the Nation's industry has grown notably over the past decade, undistributed profits available to help keep it modern were actually lower last year than 10 years earlier. Dollars in the tables are in billions.

Year	After-tax profits	Undistributed profits
1951	$19.7	$10.7
1953	18.1	8.9
1955	23.0	11.8
1957	22.3	9.7
1959	23.7	10.3
1961	23.3	8.8

More liberal tax regulations sponsored by the administration still won't be sufficient to bring U.S. capital outlays up to desired levels, some authorities claim. "Basic tax revision, in addition to the proposed reform of the rules on depreciable property, would do much to stimulate investment," contends Mr. Gainsbrugh of the National Industrial Conference Board.

The corporate tax bite abroad is generally not so large as in the United States. The table compares the maximum rates of corporate income tax in various countries.

Tax rate

	Percent
Belgium	28
Italy	31
Sweden	40
Denmark	44
Japan	49
Canada	50
France	50
Germany	51
United States	52
United Kingdom	53

In several of these countries, moreover, the rate in practice is even lower. Because of special deductions, the average rate for Danish corporations, for instance, is about 36 percent, officials estimate. The West German rate is reduced to approximately 22 percent if all profits are distributed. The Japanese rate on distributed profits is only 42 percent.

Although it is below depression levels of the 1930's, the average age of U.S. production equipment is on the rise, according to studies by the Machinery and Allied Products Institute, a trade group. MAPI places the current average at 9.4 years, up from 9 years in 1958 and from 8.5 years in 1955. The current average is the highest since 1947, when the postwar modernization of U.S. industry was only starting.

U.S. MACHINES OLDEST

MAPI has no similar breakdown for equipment abroad. But surveys by two trade publications, American Machinist and Britain's Metalworking Production, estimate for major countries the portion of machine tools that are 10 years old or more. The U.S. percentage (60 percent) is the highest anywhere. It compares with 55 percent in West Germany, 56 percent in Italy and 59 percent in France and Britain.

The survey of foreign machinery, moreover, is based on 1961 information, while the estimate of U.S. machines was made in 1958.

The percentage of older machines in the United States has since climbed to 62 percent or 63 percent, one authority figures.

Evidence that foreign industries often are quicker to seize upon new production methods worries some observers in the United States.

Take the use of oxygen in steelmaking. By producing steel with oxygen, steelmakers can greatly speed output. Estimates range from a 20-percent production boost to more than 100 percent in some instances.

Oxygen methods, at present, account for about 7.5 million tons of America's estimated 160 million tons of steel capacity, Government officials say. By 1964, another 8 million tons of oxygen capacity will be added, they forecast.

In West Europe, by comparison, 22 million tons of such capacity will be added by the end of next year, according to estimates. Currently, 7.4 million of 130 million tons of steel capacity in West Europe is accounted for by oxygen techniques. Japan is expected to add 10 million tons of capacity in oxygen installations by 1964. Some 6.8 million tons of Japan's current steel capacity of 31 million tons represents oxygen methods.

Not all the evidence, to be sure, is bleak. A $5 billion-plus excess of U.S. exports over imports last year certainly argues against any U.S. industrial obsolescence. And—until this year, at least—this excess has been increasing steadily. Many economists, noting that U.S. research and development outlays (about $15 billion last year) are running probably twice as much as Western Europe's, believe U.S. exports will continue to lead imports by a healthy margin.

Also, there is no doubt that much of Europe's capital investment in the decade of the 1950's went to rebuild war-smashed factories—no problem in the United States. With this job now behind it, Europe's urge to expand and modernize may be diminishing.

A number of economists contend a spurt in consumer buying is needed for any appreciable rise in capital spending. They point to the large amount of unused capacity in American industry as a drag on new equipment spending. One Government economist reckons West Europe's manufacturing industries currently are operating at about 95 percent of capacity, based on normal shift activity. In the United States, he estimates, the rate is only about 80 percent.

GEORGE MEANY'S STATEMENT ON PROFITS

Mr. HUMPHREY. Mr. President, recently the distinguished junior Senator from Arizona [Mr. GOLDWATER], here on the floor of the Senate, took vigorous exception to the remarks made by George Meany, president of the AFL–CIO, at the White House Conference on National Economic Issues.

The Senator from Arizona took President Meany to task for lacking a knowledge of our economic system and the place of business profits and losses in the employment picture.

After hearing the Senator's criticism of this distinguished leader of the American trade union movement, my curiosity was aroused; so I obtained a transcript of the actual remarks Mr. George Meany made before the national conference on May 22.

For the benefit of my colleagues, and especially for the benefit of my good friend from Arizona, I ask unanimous consent that Mr. Meany's statement be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, the junior Senator from Arizona will, I am certain, be pleased to learn from reading the actual text of Mr. Meany's remarks that his fears about Mr. Meany's lack of knowledge of our economic system are quite unfounded. The Senator from Arizona will be pleased to learn that Mr. Meany does not question the right of any business establishment to make adequate profits, nor does he fail to appreciate the necessity of adequate profits in order for our economic structure to operate properly and to make growth and development possible. All that Mr. Meany proposed was that the National Association of Manufacturers and other business groups specifically spell out how an increase in profits will help to alleviate the serious problem of unemployment. In other words, Mr. Meany is deeply concerned with the problem of unemployment, which is a continuing problem, and about which every Senator should be concerned until that problem is rectified by the employment of those who today seek work.

Let me quote directly from Mr. Meany's speech:

I have been told time and time again that industry makes jobs, that a certain amount of investment in a business creates a single job, and I daresay that this is true.

So I would like the National Association of Manufacturers, in this time of crisis for this country, to specifically lay down—I think they have an obligation to lay down their proposal as to how we are going to make jobs, how we are going to make 1,350,000 jobs a year for the next 10 years to take care of our increased labor force, and perhaps another 200,000 a year to take care of those who are replaced, permanently replaced, by automation or technological change. It is not enough to tell us that industry makes jobs and things will take care of themselves.

We started with, in the recession of 10 years ago, 1.9 percent base unemployment; the next recession, 3-point-some percentage; the next, 14-point-something; the next, 15-point-something. It is quite obvious where we are going.

So when the National Association of Manufacturers says that the trouble lies in the tax structure, that there are not enough profits, I would like them to specifically spell it out, to say what they think the profit margin should be.

Most of the American people, Mr. Sligh, believe that the profits of industry are now too big. Now, they may be wrong, but this is the general accepted belief on the part of the public. The figures that are put out by some of these large corporations are staggering, the profits that they make, great increases year after year. So if there are more profits needed, let the NAM say so, just say how they will handle it, and just say how these profits, additional profits, will be used to make jobs. I am all for all the profits you need if you will make the jobs. I don't care what profit you get, if you can put America back to work, if you can stop this creeping residue of unemployment which we have got which, sooner or later, is going to bring us to the point where all of the measures devised to help the unemployed will be of no avail and we will have this vicious cycle of the unemployed themselves causing more people to become unemployed, in other words, unemployment feeding upon itself.

So I am all for profits, I don't care how high they go, if they will solve this economic problem of this Nation.

In my opinion, Mr. President, Mr. Meany's proposal is completely reasonable and constructive. I certainly feel that he had a right to make the inquiry, and that it should not be interpreted as being antiprofits or antibusiness. On the contrary, Mr. Meany is deeply concerned, as are most Americans, with the problem of unemployment; and he has asked the captains of industry and the National Association of Manufacturers to present proposals in regard to how increased earnings would be translated into increased jobs. I do not interpret his remarks as being critical of profits or of corporations. Instead, I interpret his remarks as those of an inquiring man who is interested in the problems of unemployment and how they can be corrected.

I, too, would be interested in seeing the NAM set forth in detail its proposal as to how to increase the economic growth rate and reduce the number of unemployed. I have had some views on these problems, and I have expressed them.

I fail to see anything in Mr. Meany's remarks which indicates a lack of knowledge of our economic system. I may say that his statement was made extemporaneously or informally at the conference called by the President. In fact, I was most impressed, from reading his statement, with the AFL–CIO president's grasp of our economic system. I commend him for what he said.

We in America can be justly proud that the labor movement in this country is headed by a man of the caliber of George Meany. He is a good citizen; he is a patriotic and loyal American; he is a man of complete integrity and of good judgment and common sense. He is not given to extremes or to narrow, dogmatic positions.

EXHIBIT 1

EXCERPT FROM WHITE HOUSE CONFERENCE NATIONAL ECONOMIC ISSUES MAY 22, 1962

Mr. MEANY. The real reason we are meeting here today jointly, labor, management, public, and Government, in my opinion, is because we are in trouble. If we were not in trouble we wouldn't be here. In other words, it is not the business, normally, of Inland Steel or of General Motors or of Henry Ford how the AFL–CIO conducts its business or what policy it advocates; and neither is it my business, Joe, how you run your shop, or how you run United States Steel. We could accept the law of the jungle, as it were, if we didn't have a national problem that affects us all.

Now, what is the national problem, in my opinion? The national problem is that we are not economically as healthy as we should be in order to maintain our place in this very troubled world. We have a huge and powerful nation dedicated to the idea of destroying the United States of America and everything that it represents, by economic means, by subversion, or any other method that they can use. We don't have a large enough growth rate; we have a creeping unemployment situation, gradually getting worse all the time. And I would like to see the National Association of Manufacturers, as the spokesmen for industry in this country, make its position crystal clear on just how do we meet this problem.

I have been told time and time again that industry makes jobs, that a certain amount of investment in a business creates a single job, and I dare say that this is true.

So I would like the National Association of Manufacturers, in this time of crisis for this country, to specifically lay down—I think they have an obligation to lay down their proposal as to how we are going to make jobs, how we are going to make 1,350,000 jobs a year for the next 10 years to take care of our increased labor force, and perhaps another 200,000 a year to take care of those who are replaced, permanently replaced, by automation or technological change. It is not enough to tell us that industry makes jobs and things will take care of themselves.

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So I am all for profits, I don't care how high they go, if they will solve this economic problem of this Nation.

So I challenge the NAM to tell us how much profit they need, business needs, and how this profit is going to be translated into jobs: not how it is going to be translated into fatter salaries for some of the high executives, not how it is going to be transferred through stock option plans into this business of legalized larceny that is practiced by some of these companies, but how it is going to be translated into jobs, because the problem of this Nation today is jobs for people. Everything else connected with our economic health is tied right up with this question of jobs, and I would challenge the NAM to tell how industry, which makes jobs according to the book, will make them now and in the future by more profits. And if they can show me, I am for more profits.

Mr. BLOCK. Well now, in fairness to Mr. Sligh, I am going to give him an opportunity to reply, after which there will be a few announcements, and then we will go into the workshop meeting.

Mr. SLIGH. I believe Mr. Meany was out of the room——

Mr. MEANY. I was not.

Mr. SLIGH. When I recited the change of profits from 1947 to 1961?

Mr. MEANY. Yes. I would like you to be more specific.

Mr. SLIGH. I would like to say that NAM has detailed its program for job-making. Unfortunately, I gather Mr. Meany hasn't seen it, but I will see that he gets that, and I would like nothing better than his support in that program.

As far as the level of profits and what is a fair profit, I think personally the consumer is the person to make that decision, and today and for some time we have been too apt to take, perhaps, the union's word for what profits should be, or the Government's word. I think the consumer should be the judge.

I would disagree with Mr. Meany that the consumer, or the people on the street, that they think corporate profits are too high. I have found, many, many times, in asking people what the percentage of profit out of a sales dollar should be, or what it is, rather, I have had guesses, usually, not lower than 12 or 15 percent, and as high as 50 percent. Then, when we have asked what should a profit be, or what is a fair profit as a percentage of sales, the figure is practically never below 10 percent, and, of course, for many, many years the profit of American business has been less than 5 percent on sales.

So I think the consumer should be the one to make that decision. But we will, in answer to your question, give you a detailed plan as to how we think job opportunities can be created. This is a story we have been trying to tell, very evidently ineffectively, for many years, and I hope that we can have your support in putting it across.

Mr. BLOCK. Thank you both.

WHO SAYS THE KENNEDY ADMINISTRATION IS ANTIBUSINESS OR IS NOT WORKING TO CARE FOR AMERICAN FAMILY FARMERS?

Mr. WILLIAMS of Delaware. Mr. President, who says that the Kennedy administration is antibusiness or that it is not promoting an agriculture program designed to take care of the American family farmers?

Last year, one of the first official acts on the New Frontier was to pass the 1961 feed grains program, and Congress is now debating the wisdom of extending this fantastic program even further in the coming years.

In presenting this program, the New Frontiersmen placed great emphasis upon the fact that it was designed to help promote and protect the American family farmers of America. As evidence of the extent to which the 1961 feed grains program protects these family farms, I cite a few specific examples of the type of payments which were rendered during the calendar year 1961:

The Ford Motor Co., of Belleville, Mich., was paid $5,394.88.

The California Packing Corp., of Woodland, Calif., was paid $7,298.28; and the same corporation in Crystal City, Tex., received $7,881.95—or a total of $15,180.23.

The Reynolds Metals Co., of Henderson, Ky., was paid $12,984.32.

The Northern Trust & Co., of Chicago, Ill., was paid $41,253.68 to curtail some of its farming operations.

Who says that the Kennedy farm program was not designed to help the small farmers?

Of course, I am not sure whether these payments represent an attempt on the part of the Kennedy administration to protect the family farm life of America or whether they represent an effort to minimize the antibusiness impression which its other actions have created. In any event, these payments were made under the Kennedy farm program, and these payments will continue under the program which is being advocated for passage at the present time.

But these are not the only steps which the Kennedy administration is taking to protect the family life on the American farms. For example:

The Louisiana State Penitentiary, at Angola, La., was paid $45,414, and the Glades State Prison Farm, at Belle Glade, Fla., was paid $6,818.40 to curtail their farming operations.

Just how these payments to the State prisons promote the American family farm life is a point which I am sure only a New Frontiersman could explain.

The city of St. Louis—address, City Hall, St. Louis, Mo.—is another small midwestern farmer which was paid $12,203.91 to curtail its farming operations.

Much has been said by the New Frontiersmen of their interest in outer space, and I am not sure whether the Department is planning to extend the New Frontier farm program to these outer planets; however, I note that in 1961 they included two airports on their list as farmers.

The Waterloo Municipal Airport, Waterloo, Iowa, was paid $5,846.75 to curtail its farming operations while the Kearney Municipal Airport, Kearney, Nebr., collected $6,707.70.

Apparently Secretary Freeman recognized that when this impressive group of small farmers curtail their farming operations in return for the above listed payments they would have some extra time on their hands for recreation, so we find that under this same feed grains program they paid the State Game Commission, Plattsmouth, Nebr., $5,115.30 to curtail its farming operations.

These examples point up the utter ridiculousness of any administration's trying to promote an agriculture program which is based on high support prices and the premise that it can pay the American farmers not to produce. What makes the 1962 proposed program even more ridiculous is that under the proposed plan, as it was passed by the Senate and as it is now being considered by the House, this type of payment would be not voluntary, but mandatory.

If in presenting these examples under the 1961 feed grains program my remarks can in any way be interpreted as ridiculing the Kennedy farm program, I wish to state that they are so intended.

Mr. President, I ask unanimous consent that an editorial published on June 4 in the Indianapolis Star be printed in the body of the RECORD.

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

THE MAN WHO ISN'T THERE

There is a man who isn't there at all in the Billie Sol Estes case. The truth of the matter is that he hasn't been there for a long time in the entire scheme of governmental agriculture.

The man who isn't there is the American family farmer.

Now the whole agricultural program was set up to take care of the American family farmer. The politicians said it, so it must

be so. The bureaucrats in the Agricultural Stabilization and Conservation Service preached it, so no one can doubt it. The city citizen who reads his newspaper has been assured time and again that billions of dollars and millions of ideas were being spent to insure the survival of the American family farmer.

But the American family farmer isn't there.

When the investigating committees began to dig into the ASCS and its grain program, they didn't find the American family farmer. They found Billie Sol. They found a lot of bureaucrats. They found a big commercial fertilizer company that was using Billie Sol's connections with the Government as the credit base to finance more fertilizer sales.

Not once has anyone discussed a single American family farmer.

There is the matter of Billie Sol's cotton allotment. He got it because a lot of southern-type American family farmers had lost their acreage to the ponderous machinations of local, State, and Federal Government. They certainly weren't there. These little cotton farmers had long since been wrung out and tossed into the bureaucratic discard. It took Billie Sol and some eagle-eyed help, probably within and without the ASCS, to pull these cotton allotments together for a profit.

The bureaucrats talk about moving thousands of bushels of wheat from one storage place to another. They discuss these shifts with a perfectly straight face and solemnly declare that there is no favoritism in the ASCS. More than that, the Government will not lose a single penny on Billie Sol's grain juggling.

And there's not a single word spoken about the American family farmer.

The fact is that the Estes case simply uncovers controlled agriculture for what it really is. The system has been a bonanza for Billie Sol, the big operators, the fast-buck boys who somehow find out about available allotments even when there is absolutely no favoritism in the ASCS.

The Kennedy-Freeman farm plan will just mean more of the same. If it should be adopted, the American family farmer will still be the man who isn't there.

REGULATION OF FARES FOR TRANSPORTATION OF SCHOOLCHILDREN IN DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to the bill S. 1745.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1745) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia, which were, on page 1, line 10, after "income" insert "from mass transportation operations in the District of Columbia"; on page 2, line 2, strike out "June 30" and insert "August 31"; on page 2, lines 6 and 7, strike out "revenues" and insert "revenues in the District of Columbia"; on page 2, line 9, strike out "June 30" and insert "August 31"; on page 2, line 18, after "income" insert "from mass transportation operations in the District of Columbia", and on page 3, line 4, strike out "June 30" and insert "August 31".

Mr. MORSE. Mr. President, the purpose of S. 1745 is to provide that the District of Columbia Government shall pay annually to each common carrier who is required to transport schoolchildren at a reduced fare, the difference between such reduced fare and the amount which would have otherwise been paid if the lowest adult fare had been collected. Such payments by the District of Columbia would be limited to an amount which would not increase the net operating income of a carrier to an amount over and above that prescribed in the carrier's last rate case.

The House has amended S. 1745 in two essential respects. The first amendment changes the 12-month measured period from June 30 to August 31. This amendment has the effect of permitting the measured year period in the bill to coincide with the year period used to determine exemption from motor vehicle fuel and real estate taxes, and thereby avoid duplication and overlapping of required auditing.

The other House amendment bases eligibility for the subsidy on D.C. Transit, Inc., operating in the District of Columbia, rather than the entire operation of the company, which includes suburbia Maryland. This amendment has the purpose of avoiding the possibility that District of Columbia taxpayers may subsidize companies receiving subsidies under the bill for operations carried on outside the District of Columbia.

Both these amendments were proposed and requested by the District of Columbia Commissioners.

Mr. President, the amendments of the House are acceptable to both sides of the aisle, and I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

Motion was agreed to.

FOREIGN POLICY

Mr. MORSE. Mr. President, I am very sorry that a series of engagements in Oregon, where the Senate Commerce Committee held a hearing on lumber problems on June 4, and in Denver, where my presence was required as the public member of the advisory board of the welfare fund of the electrical industry, upon appointment of the Secretary of Labor, kept me from the Senate during the consideration of the foreign aid bill.

Had I been here, I should certainly have had something to say about the proposals made here relating to various kind of aid to Communist countries. From a reading of the debate which took place on June 6, I am frank to say that I find it impossible to learn what was intended by the series of anti-Communist amendments, or what their effect would be. The debate was uninformative; in fact, there was little discussion at all that would shed light on the intent of the Senate, or indicate that Senators knew precisely what they were voting for.

My original intention was to vote for the Proxmire amendment suspending aid to Yugoslavia for 1 year; but by the time the Senate had ranged far beyond the foreign aid bill into surplus food disposal, and far from the threat of the military power of the Communist bloc into the hazy and indefinite area of what is a Marxist country, then the backers of the original amendment simply lost me. I therefore asked to be recorded against the Proxmire amendment, and for the revision made on June 7, restore authority to dispose of surplus food to nations judged as outside the Communist program for world conquest.

It is an astonishing thing for me to read some of the statements made during the course of the debate. One gets the clear impression that the Senate made no distinction between freedom and totalitarianism; but only between "our dictators" and "their dictators." I would vote to end aid to Yugoslavia for the time being because it is a totalitarian state and because I do not believe the effect of what we have extended so far has helped keep its Communist government out of the Soviet bloc. The factors which caused Tito to break with Stalin were rooted far outside the wishes, desires, or actions of the United States, and I think the factors which seem to be bringing about a reconciliation between Tito and Khrushchev are also beyond the influence of the United States. At least, they are beyond the influence we can exert through foreign aid.

Nonetheless, I would not want the word to go out to the world, as it did without challenge, that the United States is perfectly willing to stand on the necks of other people of the world by supporting right-wing dictators in order to promote our own security. It is long past time for the United States to review our military position with the long-range objective in mind of terminating our bases in such countries as Spain and Saudi Arabia.

Let us never forget that we are occupying those bases at the price of other people's freedom. Senators talked here about Tito's suppression of religious freedom; of the lack of property rights in Poland and Yugoslavia. Do Senators think for a moment that there is religious freedom in Spain, or that the right of private property is exercised in Saudi Arabia by any more than a tiny handful of autocrats? Senators may fool themselves about these facts, but they are not fooling anyone else.

I am for termination of loan aid to Yugoslavia, but I do not stop there. I am also for termination of our military dependence upon fascism and feudalism.

Secondly, it was a great surprise to me to read in the RECORD that so many who think they are the greatest opponents of communism were leading the retreat from the fields where we are fighting communism all over the world.

Just what is the cold war, anyway, if it is not the struggle in Asia, Africa, and Latin America, to see the people of these nations, both old and new, emerge into modern life in the pattern of free institutions, and not in the pattern of communism?

Yet too many Americans hear the word "Marxism" uttered by a young native politician in a new country somewhere in the world, and their only reaction is

to run for their lives. Just why should the great, powerful United States of America be so easily frightened out of the cold war? Why should we surrender so quickly?

When one considers that it will be two or three generations before the underdeveloped continents begin to stabilize their political and economic institutions, it is simply incredible that it should even be suggested that we give up on them so early in the game.

Some Members of this body feel perfectly confident that there is no difference between Marxism and communism. Perhaps they can tell me whether a Marxian Socialist is the same as a Marxian Communist, and whether socialism is the same as communism, and what democracy has to do with either one. Probably every Democrat in the Congress calls himself or herself a Jeffersonian Democrat; yet there are as many different Jeffersonians as there are Democrats.

Many Americans have solemnly quoted to me Karl Marx as an authority on the nature and purpose of the income tax. Does that make them all Marxists?

We had better recognize in this country that not every Asian, African, and Latin is a disciple of Jefferson. Too many of them have learned more about Marx and Lenin than about Jefferson. Does that mean we should quit right now trying to compete? It is about time that we understood how long a contest this is going to be, and that we will never hold our own, much less win the contest without being vigorous and aggressive in pressing the virtues of free political and economic institutions. We will never be able to do that job if we pack up and leave every country that seems to us to be getting off to a bad start. It is in these countries that we should be most determined to stay, and to keep a foot in the door.

Finally, I am in complete agreement with the stress given to the failure of communism to feed its people. The foremost task and the greatest test of any economic system is how it produces and distributes food. Communism has failed miserably, and we have succeeded admirably, in this function.

SURPLUS FOOD IN COMMUNIST COUNTRIES

I do not believe we should now subsidize that failure of communism by furnishing food to their governments to distribute as their own. But there are ways we can demonstrate the difference between our systems. One way is to continue to send food into Communist countries—yes, even Communist-bloc countries—under supervision. The Senator from Connecticut [Mr. DODD] mentioned the possibility of sending food to Communist countries for distribution under the direction of individual Americans. I would favor that, and I would also favor furnishing food to be distributed by the International Red Cross, or even the United Nations.

Mr. President, we have not even started to scratch the surface of the potentiality of the United Nations as a distributing center in such a humanitarian cause. The present presiding officer of the Senate [Mr. METCALF] has heard me say before—and I am proud to repeat—as a Christian, I do not think we can ever justify walking out on our Christian principles. Anyone would have a hard time ever convincing me that we can reconcile the teachings of the Master with aiding and abetting starvation of human beings in the world.

What we must do is to draw a line of procedural difference between the turning of food over to Communist governments to distribute as their own and to use as a weapon for strengthening their hold upon the people and the distributing of that food to God's children, even though they may be the slaves of a Communist state, through procedures such as are set up by the International Red Cross, or by the United Nations, or, as the Senator from Connecticut suggested, by American individuals or private organizations.

I shall not run for political cover, Mr. President, merely because some say it is not good politics to suggest that we keep faith with our Christian principles when we implement those principles in terms of seeking to prevent starvation of human beings.

In my judgment, we will strengthen the cause of freedom and respect for democracy around the world to the extent that we are willing to put into practice the religious principles which are preached to us on Sunday and which we profess to worship on Sunday.

Mr. President, I make these comments today in respect to the matter of food for the starving as separate and distinct from foreign aid to Iron Curtain countries.

A constituent of mine has suggested that we offer to furnish food for a United Nations distribution in Communist China. I think we should push the idea. No doubt the idea will be dimly received in Communist China, but it is time we stopped giving so much credit to what the Communists are going to say. Let Red China turn down the idea, if it wishes to do so. That should not deter us from making the offer.

I make my suggestion, Mr. President, on the basis of the procedural recommendation that this distribution be done through an international organization such as the United Nations or the International Red Cross.

I cannot imagine a more graphic way to demonstrate the difference between the productivity of free agriculture and the failure of Communist agriculture. It is a difference that should not be lost on the rest of the world.

U.S. MILITARY AID TO NATO COUNTRIES

Mr. President, had I been present and participated in the debate on foreign aid before the vote was taken I would have had something to say about another phase of this matter, because we must take a long, hard look at foreign aid to countries which are now able to aid themselves.

Let me say that I think the report of the Senate Committee on Foreign Relations bears out the wisdom of the amendment which the Senator from Idaho [Mr. CHURCH] tried to add to last year's bill, ending military assistance to our NATO partners in Western Europe. I voted for the Church amendment of 1961, but it did not pass. That was due primarily to the Berlin crisis, which convinced many Senators that we had to go ahead with military aid to other NATO partners, or else appear to be drawing back from our European commitments.

We know now, in spite of the sharp reaction of the United States to the Berlin crisis, including the calling up of the Reserves and an extra large expenditure to "beef up" our military forces in Europe, that other NATO members did not follow suit to the same extent, even though they are closer to the threat than we and even though their economic condition enables them to carry their own defense burdens.

Mr. President, sometimes I wonder if our NATO allies are laboring under the impression that it is only the security of the United States which is at stake, which brought about the NATO Treaty in the first instance. I have a right to speak about the NATO Treaty, because the RECORD will show that the then Senator from New Hampshire, Mr. Tobey, the Senator from Vermont [Mr. AIKEN], and the Senator from Oregon were selected by the Senator in charge of the NATO Treaty, Mr. Vandenberg, to assist him in presenting the NATO Treaty to the Senate for ratification.

Mr. President, the underlying thesis of the NATO Treaty was, "All for one, and one for all." I believe it is, in article 5 of the treaty, stated in black and white that an attack upon one is an attack upon all.

Mr. President, I think the time has come, most respectfully but without equivocation, to point out to our NATO allies that they have not been upholding their burden of expenditures under the NATO Treaty. The sad fact is that the American taxpayers have been carrying an undue share of the burden.

That is why last year I supported the Church amendment. I am glad that a modified Church amendment has been made a part of the bill. I do not think it goes far enough, but at least it is a start.

We discussed this problem in the Committee on Foreign Relations this year, Mr. President, but because the military aid section of the 1961 bill covered 1962, we did not go into military aid this year in the bill. The committee report went into the problem, with a special section on NATO.

In the committee report this year it was stated, in part:

> The world has changed a great deal since NATO's birth, but NATO has not changed with it. At present the Organization is not sufficiently geared to the requirements of the alliance. On both sides of the Atlantic, there is an understandably compelling interest, if not fascination, in the expanding economic interdependence of the Atlantic Community. However, the political and military relationships of NATO members are failing to evolve, and are lagging well behind these rapidly maturing economic relationships.

For myself, I think the time is long past when the European members of

NATO should be expected to pay their own share of the costs of the Organization. All we are asking is that they pay their fair share, and that the American taxpayers not be asked to pay much more than their share, as is being done at the present time. With the advent of the Common Market, and the difficulties the United States will have selling American products there, our balance-of-payments problem may well worsen. Military aid to Western Europe was justifiable only when those nations were financially unable to provide for themselves, but I do not think that condition prevails any longer.

As I have said, I am very pleased that a start was made to terminate this aid by the addition of a modified Church amendment to the bill; leaving, however, wide discretion to the President of the United States in respect to the matter of military aid to NATO.

I hope that next year when military aid will be an integral part of the foreign aid bill, the Senate will face up to the NATO problem. In the meantime I hope that the present administration, which is the administration of my own party, will make clear to our allies in NATO that there must be a tapering off of the huge American expenditures now going into NATO. There must be an assumption of a greater financial responsibility on the part of the NATO countries, particularly France, England, and West Germany. For that matter the statement goes for all the NATO countries.

The American people are perfectly willing to do their share in providing the sinews of defense for the protection and security of freedom in the NATO countries and elsewhere in the world. But I am also convinced that the American taxpayers have had just about enough of what amounts to too great a degree of one-sided streetwalks on this subject. The American taxpayers are taking a very careful look at our balance-of-payments problem.

In fact, if there are any politicians in the Congress who think the voters are not ahead of them in this matter, then let me warn them that they had better talk to the voters, because the voters know that we cannot continue to pour wealth out of the United States.

Psychologically, I think the position of the American dollar in Canada is having a terrific psychological effect on the American people. We are not accustomed to going anywhere in the world and not finding the American dollar not worth 100 cents to the dollar.

But the dollar is not worth 100 cents across the border in Canada. One can explain to his heart's content what the motivations of Canada may be in regard to the subject. The sad fact is that it is a warning sign. It has been going on in Canada for the past several years. There is talk in other places in the world in regard to the basic value of the American dollar.

Therefore, I would warn from the floor of the Senate today that I think it is incumbent upon us and the President of the United States, representing the executive branch, to take a look at the huge sums of money that we are pouring into NATO when our allies are demonstrably failing to uphold their burden of the expenditures.

Therefore, I shall continue to urge that we reevaluate our military aid program, and where we find a country such as West Germany, France, Italy, and England capable of assuming a much larger share of the cost of its own defense, we have a right to say, "It is about time that you impose the taxes necessary to pay for your own defense. We will contribute in a joint allied NATO defense our share. But not yours, too."

NEED FOR SUPPORT FROM ALLIES IN SOUTHEAST ASIA

We must take a look at the entire foreign aid program from the standpoint of other nations that now have the ability to pay, assuming their share of the burden, for Berlin is not the only trouble spot in the world. There are other hot spots.

I would have Senators turn from Europe now and take a look at southeast Asia. The United States has been paying practically the entire military bill for some years in Laos, as far as the government we recognize is concerned. I ask the question, Why should we alone be paying most of that bill? Is the problem of Laos a problem that threatens the security of the United States alone? Do none of our allies have a security problem in regard to southeast Asia?

Oh, yes, representatives of the State Department will probably come forward, as some of their witnesses have before the Foreign Relations Committee, and call attention to some token contributions. But, Mr. President, I say they are token compared with the largess that the United States has poured into Laos. Here again I wish to suggest that free nations are going to have to stand together and be willing to pay together the price of making freedom secure. The United States cannot continue pouring out its millions and its billions while other nations likewise having an ability to pay always seem to be doling out a relative pittance.

Not only am I talking in terms of money today in regard to the subject of foreign aid from a military standpoint, but also I am talking in terms of bodies—the bodies of the flower of our youth, the military personnel of the United States.

Of course, we have made perfectly clear that we intend to fight and die, if necessary, for the protection and the security of freedom in those areas of the world in which the Communist challenge threatens the security of the free world. But I raise the question on the floor of the Senate today, What about Great Britain? What about Canada? What about New Zealand? What about Australia? What about the Philippines? What about the rest of our allies in the free world? How many troops are those countries indicating they are willing to send into the trouble spots of the world, whether it is Laos or South Vietnam or elsewhere in the world, where freedom may be threatened? And money is no substitute for bodies.

As I have listened to the briefings on South Vietnam and Laos, I find it difficult to escape the conclusion that basically to date it is still pretty much unilateral action on the part of the United States, with a little fringe assistance from our allies. I say to my administration today that I have been across the country in the past few days talking to the people, and the people likewise are perplexed.

I walked on the floor of the Senate earlier today and heard a little discussion of what our tax dollar should be.

We cannot separate this either from the whole question of foreign aid. We cannot separate the tax issue either from the whole question of balance of payments. We cannot separate it either from the value of the American dollar, about which I spoke only a few minutes ago. I say most respectfully that I do not share the point of view, which I heard expressed on the floor this afternoon, that we should not proceed now to a consideration of a program of tax reduction. It is linked to some of our foreign outgo with regard to which I believe there can be the saving of huge sums of money.

There is NATO; there are military bases in totalitarian countries, Fascist in nature. There is military aid to so-called totalitarian governments, be they Fascist or Communist. I have tried to indicate this afternoon that I believe we ought to revise our policy in regard to these practices which cause the outpouring of millions of dollars for military aid to such types of governments, be they Fascist or Communist.

Substantial savings could be made in all these areas.

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

Mr. MORSE. I yield.

Mr. DWORSHAK. As I came into the Chamber I heard the Senator from Oregon criticize the failure of the United States to request the assistance of the United Nations in the military activities in southeast Asia. Is that correct?

Mr. MORSE. No; the Senator misunderstood me. I was not talking about the United Nations in respect to southeast Asia, but about the SEATO alliance and its specific members.

Mr. DWORSHAK. The Senator did not mention the United Nations?

Mr. MORSE. Not in regard to this subject. I mentioned the United Nations earlier in regard to the matter of developing a procedure for distributing food. I said I thought it was a procedure that we ought to examine, to determine to what extent that kind of procedure might be workable in carrying out what I consider to be a sound Christian principle, namely, that we cannot stand idly by and let people starve merely because they happen to be slaves of a Communist dictator.

Mr. DWORSHAK. Does the Senator from Oregon believe that it is a defensible position for our Government to take, particularly the State Department, that we maintain unilateral military action in southeast Asia, instead of requesting the United Nations to take positive action which will serve notice upon

the Red leadership of China and Russia and the satellites that there will be no toleration of continuous infiltration and aggression by the Soviets in southeast Asia?

Mr. MORSE. I am sure it is permissible to say on the floor of the Senate, what I have said in discussions in executive sessions of the Committee on Foreign Relations, because what I say now, in my judgment—and I want to show what my motivation is—in no way violates any of the confidences of these executive sessions. For quite some time in the Foreign Relations Committee, I have been raising what I consider to be pertinent questions—some may consider them to be impertinent—as to whether it was a wise policy to be following what amounts in fact to unilateral action not only in South Vietnam but in some other places of the world. I thought we had a clear duty to call upon our allies, and that I preferred to do it through the United Nations. We should find out to what extent they propose to be of assistance to us in southeast Asia.

However, as to the comment of the Senator, I believe we can, so far as unilateral action is concerned as an American policy, justify it from the standpoint of our own defense and security. What I have tried to point out in the committee is that this involves the defense and security of every free nation in the world. The other free nations of the world ought to do more than they have demonstrated they are willing to do thus far in giving support to us as we go forward with our men and our millions to defend freedom in southeast Asia.

I may say also that I am a little worried about conventional unilateral action in southeast Asia. I am very frank with the Senator from Idaho when I say that I have heard no evidence which convinces me that it would be militarily wise for us to let an American army get bogged down anywhere in Asia in a conventional war. We make a great mistake in letting Russia pick the spot to which we will send American boys to fight for freedom. If we get an American army over there, I fear that it might find itself in some difficulty. It might suffer heavy casualties. Then we would find a demand made that we resort to nuclear weapons.

If we were still in a unilateral position—mark my premise, Mr. President—if we were still in a unilateral position, and we did not have the other allies with us, and we used nuclear weapons, I ask the Senator from Idaho: Are we sure what the reaction of our allies would be then, and are we sure what the reaction of the neutrals would be then?

That is why I have suggested that it is very important that this be united action.

Earlier in my speech, going back to the NATO treaty, I pointed out that the underlying basis was that it was based upon the suggestion that it was one for all and all for one. That was article V of the treaty.

I feel the same way about southeast Asia.

As I talk about the fiscal problems confronting my Government today, I am trying to point out that we cannot separate fiscal problems from the great foreign aid outgo, which we have been pouring out around the world, helping nations get into a position where they have the ability to help themselves. What I deplore is that I have seen little evidence of any great enthusiasm on their part to help themselves, to pay the bills, as long as Uncle Sam is willing to pay.

Mr. DWORSHAK. Mr President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. DWORSHAK. Obviously our military forces are unilaterally helping to hold the line against Soviet aggression in Thailand, Laos, and in Vietnam. It is difficult to forecast what may happen. I am sure the Senator will agree with me that it will be a much easier task to request United Nations support and participation while we are in what we might call a stalemate, rather than to wait until an acute situation develops and then request the U.N. to intercede. Will the Senator agree with me on that?

Mr. MORSE. Yes. I have pressed that point of view in the Foreign Relations Committee as State Department witnesses have been before us. Again I believe I violate no confidence—although I may be getting very close to the line—that we have been given assurances that these procedures are being explored. That is all I can say on the floor of the Senate.

Mr. DWORSHAK. Three months ago I wrote a letter to the State Department on this subject. The reply that I received, which I do not believe is confidential or classified in any way, advises me that the State Department had properly briefed and informed the United Nations about developments in southeast Asia, but that no request had been made of the United Nations to provide any help; but that if a situation required it, subsequently a request would be made by our Government for the United Nations to take definite and specific action.

Mr. MORSE. In fairness to the State Department, I believe this supplementary comment should be made by me.

Thus far we have been working through SEATO. As the Senator from Idaho knows, SEATO is an appropriate alliance, consistent with the United Nations, which we entered into to bind together the free nations of southeast Asia to meet an emergency which might arise threatening freedom. The theory is that if SEATO does not work, we must fall back upon the United Nations.

In my judgment, SEATO is not working very well. The responses thus far from Australia and New Zealand have been what I call token or fringe responses. Those countries will make some showing, perhaps by supplying a few planes or perhaps a small contingent of men. But it seems to me that we must be assured that all the SEATO countries will act together as a unit; that the principle is "All for one and one for all"; not the United States for all. There has been very little return from the other nations by way of assistance to us.

TAX REDUCTION NEEDED TO STIMULATE ECONOMIC GROWTH

I say to the Senator from Idaho [Mr. DWORSHAK] that I was speaking only of the problem of foreign aid, particularly military aid, although to some extent the aid relates to economic assistance, in some parts of the world, as well. I have been talking about it because of its relationship to the fiscal problems which confront the Republic at this time, problems which I believe are very serious. That is why I wished to make the few comments I am making today, setting forth my position in regard to the tax reduction program.

This is not a new position for me. I have been advocating a tax reduction program for some time, always hitching it to my suggestion that there could be a tax reduction in the United States if we could get other countries, which have now achieved the ability to carry their share of the burden financially, to do just that. Let us not forget that under the Marshall plan, under the point 4 program, and under the various loans and grants which we have made to our allies—and most of our largess has been in the form of grants, not loans—we have put many of those countries in a position where they have little national debt in comparison with the national debt of the United States. At least, they are in a very sound financial position.

They have built modern plants with our dollars, and have been throwing those plants into competition with American industry. They are moving into a free, healthy economy, which will express itself in the form of the Common Market, a market which will create some economic problems for the United States. But I would not stop it, for I recognize that such a result represents economic progress and economic growth, and that a prosperous Europe can enhance prosperity in the United States if we will only take the steps necessary to insure it.

What are some of the steps I think we shall have to take in order to meet that kind of economic competition? We must do those things which are necessary to expand our economy. Oh, I know we hear from time to time reports from Government departments, such as the Department of Commerce and the Department of Labor, and others, that the national production is rising; that the national income is increasing. That is true. But I ask: Fast enough? In my judgment, the answer to that question is "No."

One reason why our economy is not expanding as rapidly as it should is that American business after American business is not willing to invest in its own expansion. This fact cannot be explained away or shuffled off with the argument that it is just their selfishness coming to the fore.

What is wrong about having an American businessman, under the profit system, seek to make a reasonable profit, a part of which he can reinvest in plant, or to modernize or change his plant, and thus create new jobs, out of which new profits and new taxes will flow? It be-

comes a matter of judgment. How high should a tax be? It is possible that 52 percent on corporations is too high, if we desire to have American business expand its working plant, although we know that a high proportion of that plant is now idle. In any case, it is due for study.

Therefore, I am on the opposite side of the argument I heard today that this is not a time for tax reduction. I believe tax reduction is overdue by about 6 years. But of one thing I am convinced: Tax reduction is due now. I think the President was quite correct in the statement he made at his press conference yesterday, when he announced that his administration will devise a tax program to submit to Congress next January, a program which will include some tax reductions up and down the line. I intend to support that program. I may disagree with a detail here or there. I may support amendments to various sections of the final proposal. Or I may endorse the proposal in its entirety if I find myself in agreement with it in its entirety.

The only purpose of my speech on this subject today is to put myself on official record that I intend to support a tax reduction program, because, in my judgment, a tax reduction program of the nature that the President spoke of yesterday in principle will strengthen the American dollar. It will help to expand the American economy. It will do justice to many taxpayers who, in my judgment, are being overtaxed at the present time.

Oh, it may be asked, "Mr. Senator, how do you propose to pay the bill?" I have tried to indicate earlier in my speech that I believe there can be a tax reduction if we will take a close look at our whole foreign outgo, particularly in the field of aid to countries which we have refurbished, so to speak, to the point where they ought now to be asked to pay their own military bills, and ought to come in with us as partners in the alliance which seeks to defend freedom throughout the world.

I shall have more to say on this subject from time to time. I merely wished to make it perfectly clear to the President today that so far as his tax program is concerned, I shall support him. I also respectfully suggest to him that his administration ought to proceed to take the steps necessary for a careful reevaluation and analysis of our military expenditures around the world, and start to make it clear, in the spirit and intent of the Church amendment, which I supported last year, and a part of which, in principle, was included in the bill this year, that we intend to cut back our military aid program throughout the world.

Mr. DWORSHAK. Mr. President, at this point will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Oregon yield to the Senator from Idaho?

Mr. MORSE. I yield.

Mr. DWORSHAK. Of course the Senator from Oregon knows that yesterday the Senate approved, by an overwhelming majority, the authorization bill for the foreign aid program for the next fiscal year—a bill authorizing appropriations of much more money than that made available during the current fiscal year. Does the Senator from Oregon approve of that policy?

Mr. MORSE. Well, in the committee I offered a few amendments to that bill, and some of them were adopted. The largest item in the bill was an authorization covering 4 years. But, as I have said, the bill passed yesterday did not cover the military-aid costs at all, because our bill of last year covered military aid for both the fiscal year 1961 and the fiscal year 1962. When we get back here next January—and I hope to be here then, but I leave that up to the voters of my State—but when the Senate returns here next January, if I am then a Member of the Senate, I shall press for the thesis for which I pressed today; namely, for substantial cutbacks in military aid.

Mr. DWORSHAK. Mr. President, will the Senator from Oregon yield again?

Mr. MORSE. I yield.

Mr. DWORSHAK. The Senator from Oregon, like myself, has heard many speeches and pleas in this body, during this session, to stop the outflow of gold and to improve our balance-of-payments situation, which during the past year had a deficit of about $2.5 billion. But the fact remains that practically every policy recommended by the New Frontier administration in the White House and practically all the appropriation bills and authorization bills and legislative policies formulated in this body are media for expanding our spending and extending our responsibilities throughout the world—those for foreign aid and for unilateral action, militarily and otherwise.

I ask the Senator from Oregon if it is consistent for either the White House or the Senate to contend that we can expand all these responsibilities and this spending and can accept these greater burdens, while at the same time there are contradictory speeches to assure the taxpayers of the United States that effective action is being taken to correct some of these liabilities, such as the outflow of gold, which are a serious threat to the stability of our Government.

Mr. MORSE. I wish to say to the Senator from Idaho that the burden of my speech was that we must stop some of this unilateral action which is not going to strengthen the economy of our country. But in regard to foreign aid, I am not going to take a blanket position and say that I am opposed to all foreign aid, for I am not; and neither is the Senator from Idaho, as his votes show.

But let me illustrate my position; after all, specific examples are the proof. Let us consider the aid we give to Latin America under the oncoming Alliance for Progress program. The Senator from Idaho knows that in my capacity as chairman of the Subcommittee on Latin America, I have been a strong advocate, in the Foreign Relations Committee, of loans, not grants. And I am proud to say that the Foreign Relations Committee—and I am sure I accurately describe the position taken by a substantial majority of its members—has come to the point of view that we should be making loans, rather than grants. Of course, some grants will have to be made—for instance, for food to be sent to food-shortage areas and for some of the health programs and for malaria control, and some grants will have to be made in connection with schools. But the wealth-creating projects should be financed on the basis of loans, not grants.

Not only that, but I have also stressed the point that the loans should not be general blanket loans to a government, but should be related to specific projects—in fact, I like to call myself a project-to-project man—so that the money can be drawn on a line-of-credit basis. That is why I have been such a strong advocate of our using the financial institutions—whether it be the Export-Import Bank, the International Bank, or others which are available. We should do this through financial institutions, where surveillance can be exercised on the expenditure of the money—checking the expenditures on a line-of-credit basis against the construction of the project. If that is done, I am not so much concerned about the label "foreign aid," because that kind of foreign aid will create wealth, and will help us, in turn, expand our own economy.

As the Senator from Idaho knows, this year in the Foreign Relations Committee we adopted an amendment—and I understand it survived the Senate—which will make very clear that the money that is loaned for the purchase of the goods that will go into such projects shall be spent in the United States, unless the country concerned has within it facilities capable of producing those goods, on which the money can be spent, provided that the goods needed are available either in that country or in the United States.

Now we have been confronted with a problem which disturbs me very much: We find that a considerable amount of our money—too much of it, I think—involved in a foreign aid program has been given away. More is going for loans, but let us not forget that even up to date we have given most of the money away. I hope we are reducing the ratio, and I hope that when I stand on the floor of the Senate next year, I can say that we are then lending more money than we are granting.

I feel that my constituents are entitled to this statement of position which I have made this afternoon on the floor of the Senate, since I was away on official business when the bill was under consideration.

ADJOURNMENT

Mr. MORSE. Mr. President, unless some other Senator wishes to address

the Senate at this time, I now move that the Senate adjourn, under the order previously entered, until Monday, June 11, 1962, at 12 o'clock meridian.

The motion was agreed to; and (at 3 o'clock and 5 minutes p.m.), the Senate adjourned, under the order previously entered, until Monday, June 11, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 8, 1962:

D.C. PUBLIC UTILITIES COMMISSION

Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1965.

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:

To be senior assistant dental surgeons

Ronald C. Gunn
Robert C. Smith

To be assistant dental surgeons

Gerald S. Morrill
Paul D. Frazier
Roger A. Meyer
Paul M. Feldstein
Ronald J. Wroblewski
Thomas C. Francis
Martin L. MacIntyre
Daniel R. Collins
Blair W. Thurgood
Arnold R. Henderson
Vincent L. Gillis
Clark E. Fullmer
Charles E. Tomich
Rudolph E. Micik
Robert A. Winkler

To be senior assistant sanitary engineers

Willard S. Sweeney
Albert V. Soukup

To be assistant sanitary engineers

Robert W. Zeller
John T. Talty

To be junior assistant sanitary engineers

Robert D. Shankland
David A. Bella
William J. Keffer
Bernard W. Dahl
Frank P. Parte
Sidney E. Clark
Raymond V. Knutson
Richard G. Hunsinger
Richard C. Tortoriello
Meredith H. Saxer
Leroy C. Reid, Jr.

To be senior assistant sanitarians

Thomas A. Ford, Jr.
Frank W. Mackison
Jack Womack
Bert W. Mitchell

To be assistant sanitarian

Vernon R. T. Bergman

To be senior assistant veterinary officers

John R. Mitchell
George M. Baer
James B. Brayton

To be assistant veterinary officers

Leonard C. Marcus
Edward H. Adelstein
Arlis D. Boothe

To be senior assistant nurse officers

Virginia B. Brown
June G. Allison
Floris E. Hadley
Frances M. Snyder

To be junior assistant nurse officers

Judith A. Sullivan
Sara G. Giles
Richard A. Lindblad
Patricia J. Kneip