I presume I should ask for equal time but I do not think this would really reach to the heart of the question.

Meantime, I assure you of my esteem of what I am sure are your high principles and aims.

Sincerely,

O. R. STRACKBEIN,
Chairman.

[From the Steubenville (Ohio) Register, May 31, 1962]

FATHER O'BRIEN CHARGES TV SHOW RIGGED, SLANTED

NOTRE DAME, IND.—A priest who was one of three Catholic spokesmen on a nationally televised program dealing with birth control has charged "the whole format of the program was rigged against those who opposed, on moral grounds, the use of artificial contraceptive devices."

Father John A. O'Brien, research professor of theology at the University of Notre Dame, complained in a letter to Frank Stanton, president of the Columbia Broadcasting System, that the May 10 program "CBS Reports: Birth Control and the Law," was "one sided, slanted and biased."

The priest recounted that after he accepted an invitation to appear on the program, he found the procedure "quite unsatisfactory and bewildering."

"I was before the camera for approximately 2 hours in which I answered a great variety of questions about whose formulation I had nothing to say as well as nothing to say in regard to what portions of this material would be used," Father O'Brien detailed.

"My uneasiness and concern over this unusual arrangement were further heightened by the consciousness that the director of the program itself (Eric Sevareid), was an all-out partisan of the opposing side. Can you imagine any court of justice allowing what portions of the testimony of witnesses of the opposing side were to be presented to the jury and what were to be excluded? Yet this was precisely the strange and almost incredible arrangement to which my two colleagues and I were subjected," he continued.

Father O'Brien emphasized in the letter that there "is a hard core of rigorous intellectual reasoning underlying the opposition of the Catholic Church to the use of artificial contraceptive devices, mirroring the ethical conviction held by virtually all Christendom up until the last decade or two, which never came to the surface in the program."

"On the contrary," Father O'Brien continued, "practically every device was used to promote the use of contraceptives and even to render that mandatory in public institutions, and to belittle and disparage the viewpoint of the opposing side."

Father O'Brien pointed out Federal law requires equal time be allocated each side in airing divergent views of the two major political parties and said substantially the same arrangement should be expected in presenting divergent views of two major religious faiths on such a program.

The priest said he has advocated repeatedly for the removal of birth control in politics, "for ending the cold war on this subject and for the working out of an arrangement in connection with public institutions which will respect the constitutional rights of both sides to follow their religious and ethical viewpoints."

"I greatly fear that programs of the one-sided, biased, and rigged character of 'Birth Control and the Law' will not be conducive to the achievement of that desired end," he said.

The Catholic spokesmen with Father O'Brien on the program were Father Dexter L. Hanley, S.J., a professor of the Georgetown University Law School, Washington, D.C., and John Philbin of the Cana Conference in the Chicago archdiocese.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 12, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalms 86: 7: *In the day of my trouble I will call upon Thee: for Thou wilt answer me.*

Almighty God, grant that the reality and blessedness of Thy companionship and counsel may be with us during these days of stern demands and difficult decisions.

May it be our constant and abiding certainly that Thou wilt help us when we fall and heal us when we fail.

We earnestly beseech Thee that we may sense the pressure and urgency of our high vocation and act without delay in discharging the duties and tasks which await us.

Wilt Thou give wings to our prayers that they may lift us unto the highlands of the spiritual and bring back the blessings we so greatly need, although we know not how to ask for them except with the cry of a broken spirit and contrite heart, which Thou art always ready to hear and answer.

In Christ's name we offer our petition. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 24, 1962:

H.R. 10607. An act to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and for other purposes.

On May 28, 1962:

H.R. 1372. An act for the relief of Rocco Cambrea;

H.R. 1435. An act for the relief of Jacinto Machado Ormonde;

H.R. 1533. An act for the relief of Lee Kyong Ja;

H.R. 5610. An act for the relief of Pierino Renzo Picchione;

H.R. 7777. An act for the relief of Elisabetta Piccioni;

H.R. 8195. An act for the relief of Ronald L. Mutter; and

H.R. 8515. An act for the relief of James R. Banks.

On May 31, 1962:

H.R. 1349. An act for the relief of Fong Chun Hong;

H.R. 1588. An act for the relief of Fong Kai Dong;

H.R. 1604. An act for the relief of Spencer E. Hewitt;

H.R. 1650. An act for the relief of Irene Kemeny;

H.R. 1697. An act for the relief of Viola Borwick Warbis;

H.R. 1701. An act for the relief of Mrs. Kikue Yamamoto Leghorn and her minor son, Yuichiro Yamamoto Leghorn;

H.R. 1703. An act for the relief of Maximo B. Avila;

H.R. 1918. An act for the relief of John D. Morton;

H.R. 2687. An act for the relief of Miss Helen Fappiano;

H.R. 2838. An act to exempt from taxation certain property of the Army Distaff Foundation;

H.R. 3005. An act for the relief of Sister Mary Aurelia (Chiara Di Gesu);

H.R. 3148. An act for the relief of Maddalena Haas;

H.R. 3696. An act for the relief of Gertrude M. Kaplan;

H.R. 4365. An act for the relief of Sp. 5 Daniel J. Hawthorne, Jr.;

H.R. 4380. An act to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana;

H.R. 4563. An act for the relief of Abraham Gelb;

H.R. 5686. An act for the relief of Mrs. Willie Mae Brown;

H.R. 5689. An act for the relief of Felicja Saulevicz;

H.R. 6344. An act for the relief of Mon Fred Young;

H.R. 6464. An act for the relief of Cecil D. Rose;

H.R. 6772. An act for the relief of Hendrikus Zoetmulder (Harry Combres);

H.R. 6773. An act to repeal the act of August 14, 1957 (Private Law 85-160);

H.R. 7477. An act to repeal section 409 of the Public Buildings Act of 1949, requiring the submission of a report to the Congress concerning eligible public building projects;

H.R. 7671. An act for the relief of Louanna L. Leis;

H.R. 7752. An act to amend the District of Columbia Alcoholic Beverage Control Act, as amended, and for other purposes;

H.R. 8030. An act to amend the act admitting the State of Washington into the Union in order to authorize the use of funds from the disposition of certain lands for the construction of State charitable, educational, penal, or reformatory institutions;

H.R. 8482. An act for the relief of Paul J. Pericle;

H.R. 8628. An act for the relief of Joseph A. Tedesco;

H.R. 8916. An act to authorize grants for planning and carrying out a project of construction for the expansion and improvement of the facilities of George Washington University Hospital in the District of Columbia;

H.R. 8941. An act to authorize acceptance of the gift made to the United States by the will of Esther Cattrell Schmitt;

H.R. 9060. An act for the relief of Rhea G. Burgess;

H.R. 9097. An act to authorize the Secretary of the Interior to sell certain public lands in Idaho;

H.R. 9188. An act to relieve Theodore A. Anderson from loss of agricultural conservation program benefits;

H.R. 9409. An act for the relief of Mrs. Iris Ann Landrum;

H.R. 9596. An act for the relief of Daniel E. Moore;

H.R. 9597. An act for the relief of James N. Tull;

H.R. 9647. An act to authorize the Secretary of the Interior to enter into an amendatory contract with the Burley Irrigation District, and for other purposes;

H.R 9699. An act to authorize the Commissioners of the District of Columbia to sell certain property owned by the District of Columbia located in Prince William County, Va., and for other purposes;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

H.R. 9752. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in Greece in 1963, and for other purposes;

H.R. 9753. An act to amend sections 3(7) and 5(b) of the Internal Security Act of 1950, relating to employment of members of Communist organizations in certain defense facilities;

H.R. 9805. An act to change the name of Whitman National Monument to Whitman Mission National Historic Site;

H.R. 9830. An act for the relief of John B. Hogan;

H.R. 10098. An act to authorize the exchange of certain lands at Antietam National Battlefield site; and

H.J. Res. 576. Joint resolution to designate calendar year 1962 as Cancer Progress Year.

On June 8, 1962:

H.R. 1348. An act for the relief of William Burnice Joyner;

H.R. 1395. An act for the relief of Sydney Gruson;

H.R. 1404. An act for the relief of Mrs. Frances Mangiaracina;

H.R. 1712. An act for the relief of Elizabeth Rose DiCarlo;

H.R. 2103. An act for the relief of Antonio C. Ysrael;

H.R. 2672. An act for the relief of Sonia Maria Smith;

H.R. 5652. An act for the relief of Kevork Toroian;

H.R. 8368. An act for the relief of A. Eugene Congress;

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force;

H.R. 9466. An act for the relief of S1c. Jesse O. Smith; and

H.R. 11261. An act to authorize an adequate White House Police force, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 198. A joint resolution deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment; and

S. Con. Res. 78. Concurrent resolution requesting the President to return to the Senate the enrolled bill, S. 1745, relating to District of Columbia schoolchildren's fares, and providing for its reenrollment with a certain change.

JAMES B. TROUP

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10502) for the relief of James B. Troup, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Line 5, strike out "complied" and insert "been lawfully admitted to the United States for permament 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".

After line 6 insert:

"SEC. 2. For the purposes of the Immigration and Nationality Act, the time Sylvia Mattiat 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 316 of that Act."

Amend the title so as to read: "An Act for the relief of James B. Troup and Sylvia Mattiat."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FERDINAND A. HERMENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2865) for the relief of Ferdinand A. Hermens.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, 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, section 352(a) of that Act shall be held not to be nor to have been applicable to any period of residence of Ferdinand A. Hermens, a naturalized citizen of the United States, in Germany after April 30, 1962, and prior to May 1, 1965.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HODGES' HALO

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. JOHANSEN. Mr. Speaker, there is something incongruous and ill fitting about Secretary of Commerce Hodges' newly acquired halo.

On May 23, Mr. Hodges offered some glib and vague testimony, before the Committee on Post Office and Civil Service, about doing away with jobs and eliminating obsolete functions in the bureaucracy.

It was subsequently widely reported—quite erroneously—that he had proposed a 10-percent cut in Federal personnel.

Ever since, Mr. Hodges has been receiving editorial encomiums, hailing him as a wise and courageous exponent of economy.

Even the Chicago Tribune, usually realistic about such matters, editorially urged that other Government Department heads be as honest with themselves and the public as Mr. Hodges.

The truth is—as I stated to the House on June 4—that following his testimony, Secretary Hodges went out of his way to reassure his own Department that he didn't have anything specific in mind in the way of reductions—and to quit worrying.

Since then, the Manpower Utilization Subcommittee staff has abundantly confirmed that he did not—and does not—have anything specific in mind on this score.

What Secretary Hodges does have very definitely in mind points in the diametrically opposite direction.

The Commerce Department budget for fiscal year 1963—now before the Appropriations Subcommittee—calls for an increase of 2,229 permanent positions in that Department.

This is approximately a 10-percent increase in the Department's permanent work force.

Incidentally, these very specific recommendations were already months-old information, buried in the voluminous figures of the 1963 Federal budget, when Secretary Hodges made his recent phony pitch about doing away with jobs.

I do not in the least mind suggesting that Mr. Hodges turn in his halo.

I just hate to disillusion the editorial writers—and the hard-pressed American taxpayers.

INCREASE OF PUBLIC DEBT LIMIT

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 685, Rept. No. 1806), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 12026 as an amendment in the nature of a substitute, and said amendments shall be in order any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 606, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and now yield myself such time as I may consume.

The SPEAKER. The gentleman from California is recognized.

Mr. SISK. Mr. Speaker, House Resolution 606 provides for the consideration of H.R. 2206, a bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. The resolution provides for an open rule with 3 hours of general debate.

H.R. 2206 would authorize the construction and operation by the Secretary of the Interior of the multiple-purpose Fryingpan-Arkansas project in Colorado, for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, and other incidental purposes. The project would constitute a major step in maximum utilization of water and land resources in Colorado.

Supplemental irrigation water would be made available for approximately 280,000 acres of land through the transmountain diversion of an average of about 70,000 acre-feet of water annually, the conservation of floodflows in the Arkansas Valley, the reregulation of winter flows there and the reuse of return flows. In addition, about 20,500 acre-feet of water would be made available annually to meet the rapidly expanding municipal water needs of Colorado Springs, and other Arkansas Valley towns. Operation of the project for flood control would prevent a large part of the flood damages which, under present conditions, occur annually in the Arkansas Valley. The hydroelectric plants and related facilities would provide over half a billion kilowatt-hours of electric energy annually to meet the expanding power and energy needs in the area. Also, the project would benefit fish and wildlife, provide recreational opportunities, help control sediment, and prevent stream pollution.

Mr. Speaker, the following organizations and groups are in support of the rule and the project now pending. It has the unanimous endorsement of the Colorado Legislature, the endorsement of labor: the AFL–CIO, both national and local; the chambers of commerce of the Arkansas Valley; the civic clubs of the Arkansas Valley; the National Reclamation Association of Soil Conservation Groups, State and local; of the veterans' organizations, local; of the National Rural Electric Cooperative Association and local REA cooperatives; the private power companies; Colorado Public Service and Southern Colorado Power Co.; the Upper Colorado River Commission; the Izaak Walton League; the National Rivers and Harbors Congress; the Communications Workers of America; the National Wool Growers Association; the National Lamb Feeders Association; the Denver Chamber of Commerce; the Colorado State Chamber of Commerce; the Colorado Farm Bureau; and the National Farmers Union. The project conforms to the formula of the Chamber of Commerce of the United States. It also has the endorsement of the Arkansas-Red-White River Basin Interagency Commission; the Missouri River Basin Interagency Commission; the Arkansas River Compact Administration. It has the unanimous support of the General Assembly of the Colorado State Legislature.

Mr. Speaker, I urge the adoption of House Resolution 606.

Mr. Speaker, I reserve the balance of my time.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 104]

Addonizio	Goodell	Merrow
Alford	Granahan	Miller, N.Y.
Ashmore	Green, Oreg.	Moorehead, Ohio
Bass, N.H.	Green, Pa.	Moulder
Blatnik	Hall	Nix
Blitch	Hardy	Norrell
Boykin	Harrison, Va.	Pirnie
Brewster	Harrison, Wyo.	Powell
Cahill	Healey	Riley
Clark	Hemphill	Rivers, S.C.
Colmer	Hoffman, Mich.	Roberts, Ala.
Curtis, Mass.	Holifield	Saund
Dawson	Horan	Scott
Dent	Ichord, Mo.	Shelley
Diggs	Jennings	Shipley
Dooley	Jones, Ala.	Slack
Dorn	Kearns	Stratton
Dulski	Kee	Stubblefield
Farbstein	Keith	Teague, Tex.
Fino	Kelly	Thompson, N.J.
Flood	Kitchin	Tuck
Fulton	Laird	Van Pelt
Garland	McMillan	Wilson, Calif.
Garmatz	McSween	Yates
Giaimo	McVey	Zelenko
Glenn	Macdonald	

The SPEAKER. On this rollcall, 357 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. SMITH of California. Mr. Speaker, I yield myself 10 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of California. Mr. Speaker, House Resolution 606 provides for the consideration of H.R. 2206, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Fryingpan-Arkansas reclamation project in Colorado. The resolution provides for an open rule with 3 hours of general debate.

Companion bills have been introduced by the gentlemen from Colorado [Mr. CHENOWETH, Mr. ROGERS, and Mr. DOMINICK]. The State of Colorado is presenting a united front in support of this legislation.

Mr. Speaker, this subject has a rather long legislative history. In the 83d Congress the House rejected a rule on a similar measure. The bill was taken up in the closing days of the session, and the House apparently decided that consideration should be postponed until the following session. In the 84th Congress the House rejected a rule on a similar bill. Again the vote was taken during the closing days of the session. I believe on the day before the House adjourned. It was apparently the sentiment of the House that there was not sufficient time to consider the bill on its merits, and that consideration should be postponed until the following session.

At the time the House took the above action there was a division in Colorado concerning this project. There was opposition to the bill on the western slope of Colorado, from which area the water is to be diverted to the eastern slope. Because of this opposition it was impossible for Colorado to present a solid front for this project, and as a result favorable action was impossible. In the 85th Congress the bill was again granted a rule, but it was late in the session, and the rule was not considered by the House.

In 1959 the sponsors of the project began negotiations with the western slope in an effort to work out an agreement. These efforts were successful, and an agreement was reached in 1960.

Hearings were held in June 1961, and this bill was reported favorably. At this hearing witnesses appeared from the western slope of Colorado in support of the project.

We were advised in the hearing before the Rules Committee that there is now full agreement in Colorado on this project, as evidenced by the fact that all four Members of the Colorado delegation have introduced identical bills. In previous years the gentleman from Colorado [Mr. CHENOWETH] was the sole sponsor of the legislation, as his district will receive most of the benefits of the project.

The Colorado Water Conservation Board has unanimously approved this

project. I understand this agency is the official spokesman for Colorado on water matters.

Mr. Speaker, the Fryingpan-Arkansas project is a multiple-purpose development for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, benefiting fish and wildlife, providing recreational opportunities, and helping to control sediment and stream pollution.

The project primarily involves only one State, the State of Colorado and that State's decision as to the use of its available water resources. It would permit the implementation of an agreement among all official water resources agencies in the State of Colorado for maximum beneficial use of a small portion of the State's undeveloped water resources. It provides for development and operation in both eastern and western Colorado under operating principles which have been unanimously agreed to and are a part of H.R. 2206. An average of 69,000 acre-feet of water from the headwaters of the Colorado River in western Colorado, an amount which is about 2 percent of Colorado's share of the upper basin's expected entitlement, would be diverted annually through the Continental Divide into the Arkansas Basin where the water resources are presently overdeveloped and the need for additional water has become critical.

The project is estimated to cost about $169,905,000 of which about $151 million or 89 percent will be repaid. About 57 percent of the reimbursable amount will be repaid with interest. The 11 percent of the cost which is nonreimbursable is allocated to flood control and fish and wildlife—costs which are traditionally borne by the Federal Government.

The exportation of water from the Colorado River Basin to the Arkansas Basin makes it possible to use, in the Arkansas Basin, additional water which presently cannot be used.

CALL OF THE HOUSE

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 105]

Addonizio	Davis, Tenn.	Green, Oreg.
Alford	Dawson	Green, Pa.
Ashbrook	Dent	Hall
Ashley	Diggs	Hardy
Ashmore	Dooley	Harrison, Va.
Bass, N.H.	Dorn	Harrison, Wyo.
Blatnik	Doyle	Harvey, Mich.
Blitch	Dulski	Healey
Boykin	Ellsworth	Hemphill
Bray	Farbstein	Hoffman, Mich.
Brewster	Flood	Holifield
Cahill	Fulton	Horan
Clark	Garland	Ichord, Mo.
Cohelan	Giaimo	Johnson, Md.
Colmer	Glenn	Jones, Ala.
Corman	Goodell	Kearns
Curtis, Mass.	Granahan	Kee
Keith	Moulder	Stratton
Kelly	Nix	Stubblefield
Kitchin	Norrell	Sullivan
Laird	Pirnie	Taylor
McMillan	Powell	Teague, Tex.
McSween	Riley	Thompson, N.J.
McVey	Rivers, S.C.	Tupper
Macdonald	Roberts, Ala.	Van Pelt
Miller, George P.	Saund	Wallhauser
	Scott	Whalley
Miller, N.Y.	Selden	Whitener
Moore	Shelley	Wickersham
Moorehead, Ohio	Shipley	Wilson, Calif.
	Slack	Yates
Moss	Spence	Zelenko

The SPEAKER. On this rollcall, 342 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

The SPEAKER. The gentleman from California [Mr. SMITH] has the floor.

Mr. SMITH of California. Mr. Speaker, this additional water consists of winter flows, return flows, and floodflows and its use increases the water supply available in the Arkansas Valley to about 163,000 acre-feet. This amount would provide for furnishing supplemental irrigation water to approximately 280,000 acres and, in addition, provide 20,500 acre-feet of municipal water for Colorado Springs and other Arkansas Valley cities. About half a billion kilowatt-hours of electric energy annually would be available from the seven powerplants that are included in the project plan to take advantage of the topography of the area. Flood damages which presently average more than $700,000 annually would be prevented by operation of the project.

The hearings disclosed that this project does not provide for irrigating a new land. The supplemental water supply represents two late seasons irrigations of about 3½ inches each which will make the difference between successful crop operations and failure. This is a program providing relief to the farmers in the Arkansas River Valley who have been suffering over a long period of years from lack of sufficient water for successful irrigation of their crops. Nothing is more distressing to farmers than to have their water give out before crops are matured.

Mr. Speaker, the State of California has indicated opposition to the project. Representatives of the Colorado Water Conservation Board and of the Colorado River Board of California were able to get together and agree, for the most part, on the details of this project. On April 13, 1962, Mr. Northcutt Ely, special counsel of the Colorado River Board of California, wrote to the gentleman from Colorado [Mr. CHENOWETH] and advised the objections we previously raised to the specific provisions of the Fryingpan bill have been met with the single exception noted in my testimony.

The one exception which H.R. 2206 does not contain is one which limits in effect transmountain diversions in Colorado to 25 percent of the total which may be available to that State. Efforts were made to insert this amendment in the San Juan-Chama Navajo irrigation project, H.R. 7596, with negative results. So I have little hope that it can be added to this measure.

California still feels that these Colorado River projects should not be instituted until the Supreme Court has acted in the Arizona-California lawsuit, which has now been continued until fall, and until a complete study has been made of the presently available water in the upper Colorado.

However, I have recently communicated with the appropriate officials of the Colorado River Board of California, and they advise me that Colorado has been most cooperative in accepting all suggested amendments except the one just referred to above. And that if these reclamation projects are to be started, this should be one of the better ones.

Mr. Speaker, I know of no objection to the rule, and urge its adoption. I reserve the balance of my time.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, I wish to add my brief comments in support of House Resolution 606 for the consideration of H.R. 2206. As a Representative of the State of Massachusetts, I am particularly pleased to join with my western colleagues in active support of a water development project which will not only benefit the State of Colorado, but which will likewise further the sound economy of this Nation.

It is sometimes difficult for us who live along the Atlantic coast to visualize the climatic conditions of interior States, such as Colorado, where the average annual rainfall is less than 20 inches. The first and foremost problem of the western pioneer was the securing of an adequate water supply for year-around use. This problem has not abated over the years. Imaginative thinking and dogged determination by the western people, however, have led to the development of a western economy which today is a major factor in our national strength. This Federal Government, through its reclamation program, has often been the catalyst by which riches have been produced from aridity.

The people of Colorado and neighboring States have demonstrated to the appropriate committees of this House a convincing and enduring faith in the merits and necessity of their project. I am advised that to date they have expended almost a million dollars in their own investigation and promotion of this project, in addition to the expenditures by the Bureau of Reclamation. The people of the Arkansas Valley in Colorado have organized themselves into the largest water conservancy district in the history of the State of Colorado. They have bound themselves under State law to raise from ad valorem taxation alone more than $400,000 annually to assist in project repayment.

Mr. Speaker, I am convinced that the people of Colorado know their own needs better than anyone else. I am likewise convinced that their project is a proper

and sound Federal investment. I, therefore, urge the adoption of House Resolution 606.

Mr. SMITH of California. Mr. Speaker, I yield 8 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, as I stood in this well about a month ago and presented as best I could the case for the middle western farmer in opposing the so-called Navajo Reclamation project, so I find myself again today in virtually the same position, and hoping to be able to persuade you not only that there is a case to be made for the middle western farmer but that today we have a case for the taxpayer as well.

I do not make these observations without being mindful of the tremendous importance of this particular piece of legislation to my good friend, the gentleman from Colorado, Representative CHENOWETH, the gentleman from Colorado, Mr. DOMINICK, and also to my good friend from Denver, the gentleman from Colorado, Mr. ROGERS, and of course the chairman who has been in charge of this legislation for many years, the distinguished gentleman from Colorado, Mr. ASPINALL. But despite my love, affection, and admiration for all four of these Members of this body, I feel that my responsibility goes beyond that.

In performing our service in this House, if it were just a matter of standing up to take a position that would accommodate every other Member, our responsibilities would be relatively simple indeed. I do not think however, that is why we are here. That is not why we are selected to represent our areas and people. For all the reasons that I understand and you understand we are here, I think it is necessary in the discharge of our responsibility from time to time to analyze and perhaps oppose a measure, and certainly today would be one of those occasions.

From 10:30 this morning until 12 o'clock, the Committee on Rules heard the gentleman from Arkansas [Mr. MILLS] argue most persuasively, and I am inclined to believe without enthusiasm, that the national debt ceiling should be raised from the temporary ceiling of $300 billion to $308 billion. I think everyone in this House has heard the gentleman from Arkansas [Mr. MILLS] debate and present his legislation on the floor on quite a number of occasions, and you are all aware how persuasive he can be. He reminded the Committee on Rules that he felt we were in a situation this morning where we had no choice: The commitment had been made for these certain obligations against the Treasury of the United States and we had no choice except to proceed to authorize an increase in the debt limit to an amount that would accommodate the refunding responsibility of the Treasury of the United States. I, for one, supported the gentleman from Arkansas [Mr. MILLS] in his request. But, I would like to remind the Members of the House of some other things that the gentleman from Arkansas [Mr. MILLS] said. He said, if we were to be able to reduce the national debt limit, if we were ever going to have a tax reduction, Congress must call a halt on spending at the time of authorization. In my humble judgment, my colleagues, that is today. Why do we pick out this particular project? Well, we are not picking out this particular project—this just happens to be the issue before the House today. We have had the Peace Corps, educational television, and we have had a dozen other issues where we could have faced up to some fiscal responsibility, but we let it go by the board—we let that go over the dam, so to speak. I do not think that establishes any precedent or any justification for just closing our eyes and saying—oh, well, what is the use, this is only $170 million. These Members from Colorado are fine men so we will stand aside and pass this one, too.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I will yield to the gentleman in just a minute. I would like to continue with my particular thought at the moment, I might say to my friend from Colorado [Mr. ROGERS].

During general debate I am sure much will be said that the justification for this project is not dependent upon supplemental irrigation; and that may be true. But, if you will read the committee report, you will find estimated $11 million a year of annual benefits from this project of which over half are dependent upon accelerated agricultural production. If there is a shortage of any kind of food item anywhere in the United States, it has not come to my attention. I would merely cite one example. If the majority and the leadership had felt that they had the votes to pass this farm bill this week, I am sure it would have been on the floor following this particular piece of legislation, probably tomorrow. That bill was to provide for a mandatory reduction in feed grains and a mandatory reduction in wheat. If the Secretary of Agriculture could have had his way, there would have been a mandatory reduction in dairy products. Under the present program, I understand it is only costing $300 million a year to subsidize the dairy industry. And I am not taking issue with that. I notice in the committee report that the principal agricultural commodities to be produced in the Arkansas Valley are products that come from dairy cattle. There are 14,500 dairy cattle, it has been stated, in the valley, and if this project is approved, there would be an increase not only from the stock that is there, but there is to be more stock too.

I am told that the administration position for justifying the dairy section in the farm bill was that under the present support program, it costs $4.70 a hundred for each 100 pounds of milk the Government has to buy—that is surplus milk. But if we pass the agricultural bill, it is only going to cost $2.50 a hundred. So they say, we cannot afford not to pass the agricultural bill; but we are proceeding today to consider an increase in the surplus not only of dairy products but other agricultural products as well. I just cannot see the logic of it. Let me just repeat that for you again.

We are asked to increase the debt limit at 11 o'clock this morning, and come down here at 1 o'clock this afternoon and are asked to pass a bill costing $170 million that will increase agricultural production; and Mr. Speaker, the majority, if they had their way, would pass a farm bill tomorrow to roll back agricultural production again. If there was ever an exercise of inconsistency in policy I think the program of the House this week would head the list.

Before I yield to my freind from Colorado, this is an inquiry I would like to submit to the Chairman of the Interior and Insular Affairs Committee. I have a letter from the executive secretary of the Water Resources Board of the State of Kansas, Mr. Robert Smith. He states as well as it can be stated, I think, the position of the State on this particular project. Without reading the letter I insert it in the RECORD at this point:

MAY 25, 1962.

Hon. Wm. H. AVERY,
U.S. Congressman,
House Office Building,
Washington, D.C.

DEAR MR. AVERY: Inquiry has reached this office relative to the possible effects the Fryingpan-Arkansas reclamation project would have on the State of Kansas. Please be advised that Kansas has not voiced any water policy objections to this project. Briefly, the water picture is as follows:

The project involves, among other things, the diversion of a relatively modest amount of water from the western slope of the Rockies to the Arkansas River Basin on the eastern slope. Kansas interests in the Arkansas River flows in eastern Colorado are established by the terms of the Kansas-Colorado Arkansas River Compact. This compact establishes a basis for the operation of the John Martin Reservoir from which ditch irrigators in both Kansas and Colorado obtain irrigation water when same is available. The bulk of the water to be diverted from the western slope by the proposed Fryingpan project is scheduled for use in Colorado upstream from John Martin. It is not anticipated that the diverted water will significantly increase the flows into John Martin, but such effect as there is would be beneficial.

The project also involves reregulation of the native waters of the Arkansas River, and it is most conceivable that ill-advised reregulation of these native waters would have an adverse effect on the waters available to John Martin and hence to users in both States below John Martin. In recognition of this possibility, the Arkansas River Interstate Compact Administration, made up of representatives of both States, has taken the stand that no reregulation of the native waters shall be undertaken except under a plan of operation which has been approved by the compact administration. Both States incorporated the compact administration views in their review comments. Kansas support of the project, therefore, assumes that any reregulation of the native waters will be subject to the approval of the compact administration.

Very truly yours,

ROBERT L. SMITH,
Executive Secretary.

I would like to have the assurance of the chairman of the committee that if this bill is to pass and the project is to be authorized that all management of what is described as "native water in the Arkansas River" will be submitted for approval by the Kansas-Colorado-Arkansas River Compact Administration.

Mr. ASPINALL. I would answer the gentleman this way: The Fryingpan-Arkansas project has the unanimous con-

sent of the Arkansas River Compact Administration, and the Arkansas River Compact Administration has a representative from Kansas. So the answer is "Yes," native waters will be treated as they are supposed to be treated in compliance with the Arkansas River compact.

Mr. AVERY. I thank the gentleman for his reply. I assumed that would be the answer, but since the inquiry was submitted by the State of Kansas I wanted the RECORD to reflect that particular comment.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. AVERY. I yield.

Mr. ROGERS of Colorado. Further answering the gentleman's question, and emphasizing what the gentleman from Colorado has said, the gentleman from Kansas recognized that there is a compact between the State of Colorado and the State of Kansas which everybody has agreed works perfectly. The enactment of this legislation will not change that situation in any manner whatsoever.

The reason I asked the gentleman to yield is to inquire whether he realizes that the Congress is not giving to the State of Colorado $171 million but that $150 million of it is repayable. Is there any project of flood control or development of that nature that has a repayment feature such as is provided in this legislation?

Mr. AVERY. I would agree with the gentleman I do not think there is, because I think this will be largely repaid by agricultural subsidies, and I do not think there is another project that will be repaid that way.

Mr. ROGERS of Colorado. The point is I do not want the House to be misled.

Mr. AVERY. I do not want to be misled either.

Mr. ROGERS of Colorado. Then the gentleman would readily agree that this legislation provides for repayment of at least $150 million based upon a formula that has been in the reclamation law for a number of years.

Mr. AVERY. I would reply to the gentleman this way: There is a repayment formula in the bill, but as I understand, it applies to the repayment of costs of irrigation and of certain municipal water and power uses, but there is also an offset for certain costs that are not reimbursable. It is a matter of judgment, of course, as to what extent both apply.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on Rules, the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, here we go again on the same old merry-go-round, the Fryingpan-Arkansas project. The advocates have never been able to obtain an approval in this House in the many, many years it has been before us. The last time the bill was up for consideration, the rule was defeated, and the House disposed of the matter very expeditiously. In that way some of us who opposed this bill had the hope it had finally come to rest. But it never rested. In the last session they got a rule, but they did not have the temerity to call it up because they did not have the votes.

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

Mr. SMITH of Virginia. I yield to the gentleman from Colorado.

Mr. ASPINALL. The gentleman, the distinguished chairman of the Committee on Rules, knows that the request was made of his committee in July for a rule, but the Rules Committee did not give us the rule, which is the reason it was not brought up in the last session of the Congress.

Mr. SMITH of Virginia. My figures show differently; in other words, that the Rules Committee did grant a rule. I will check with the gentleman later on in the discussion and verify that. To be frank, I do not think you got out of the Rules Committee without an understanding you were not going to bring it up in that Congress. With that kind of an understanding, I do not think you had much hope of passage.

Mr. Speaker, I have heard my friends over on the left, and I have been with them many times, debate and argue that we must get down to some kind of fiscal responsibility in this Congress, that we must defer some of the things that it would be nice to have until we get in better shape financially. This morning the Committee on Rules passed a resolution which will bring up for your consideration tomorrow an increase of $8 billion in the national debt. You will recall it was in the last 3 months that you passed one raising it $2 billion. You will recall that year after year and year after year for the last 6, 7, or 8 years you have every year at least once and sometimes twice increased the debt limit. Yet, with all the appeals that you gentlemen have made, and I have joined with you in them, to this Congress to bring about some financial responsibility in order to avoid the bankruptcy of this country, it has had no effect.

Mr. Speaker, I expect you are going to vote for this bill today, and you are going to vote for a lot more of them. Do you know how much more money it is expected to be spent or asked for in this session of the Congress, and included in the budget for 1961, which is the only budget that has been completed? It jumped from $81 billion for 1961 to $99-plus billion for this year.

Mr. Speaker, how are we going to pay these bills? How are we going to get the money? I have been voting every time for an increase in the national debt limit on the theory that you had incurred the bills and you must pay them. However, I have now concluded that the time is past when that argument has any effect on this House or the Congress. I therefore propose to vote against that bill. That is the only way you are ever going to stop this wild spending.

The reason this particular project was defeated before on the rule was because we are arguing now about a farm bill. There is a great discussion going on all over the country trying to reduce this $6 or $7 billion annually that we are providing for farm subsidies.

We are raising too much agricultural products, more than the country can consume, and now you are in here with this bill. A couple of weeks ago you came in with the San Juan project; I think it was some $40 million or $50 million, and that one bored a hole through the Rocky Mountains down into New Mexico and put the river on the other side so that they could raise some more produce. And, they said, "Well, we are not going to hurt the surplus." But, it does increase the surplus, so that we are spending $7 billion a year to stop raising things, and here you are spending $40 million in New Mexico and $170 million in Colorado so that you can raise some more produce, to increase your surplus and cost your taxpayers more money. Now, does that make any sense? I appeal to you Members of Congress to think about our present fiscal situation.

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

Mr. SMITH of Virginia. I yield to the gentleman from California.

Mr. SISK. I know that my chairman wants to be completely accurate, and he remembers, probably, that I had some interest in this bill as well as another reclamation bill, and a rule was reported on April 17, 1962, which was something like 6 weeks ago. The distinguished chairman will remember that we did not hold hearings——

Mr. SMITH of Virginia. Are you talking about this bill?

Mr. SISK. That is right.

Mr. SMITH of Virginia. We granted a rule on the bill, yes. What about it? I am glad to stand corrected.

Mr. SISK. I understood the chairman said we granted a rule last year and it was not called up.

Mr. SMITH of Virginia. No. It was the last Congress, I should have said. We granted a rule in the last Congress.

I am just wondering. You know, I cannot keep up with all of these things.

Now, here is what we are doing. We spent $81 billion in 1961. In 1963 we are going to project spending to $100 billion. We increased the debt limit every year over the last 5 and 6 years, and now, after we do all that, and we do not have any money to pay the bills—we are depending upon our tax money—then we get notice that we are going to reduce taxes. We have already passed one tax bill. Many of us thought we were going to raise more revenue, but the net result is, by the prediction of the Joint Committee on Finance of the House and the Senate, that we are going to lose $1 billion. That is what the chairman said, and I trust him more than any other financial expert in this Government. That is going to lose you $1 billion. If we are going to reduce taxes, I do not know how many billion dollars we are going to lose, and here we are going to spend more money, and then we think we have got good sense.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I rise in support of this rule. Those of you who have been here for some years know of my interest in this project. There has been some reference made to

the past history of this project. I want to remind you, as has been pointed out by the distinguished gentleman from California, Mr. SMITH, that twice this project was defeated on the rule in the closing days of the session. One time it was the day before adjournment and another time about a week before adjournment. At that time the State of Colorado was divided on this project. We are now presenting a united front. All sections of the State and all groups are united in a solid drive for this project. I want the House to have all of the facts concerning the history of this legislation. This project has never been considered on its merits. The vote on the rule in 1954 was on July 28, and the vote in 1956 was on July 26. Since that time the project has been revised, and it was possible for all interested parties to agree on the same. I feel we have a much better bill before you today, and one that deserves your full support.

Mr. Speaker, I want to thank my distinguished colleagues, the gentlemen from California [Mr. SMITH and Mr. SISK], for their very splendid statements in behalf of this project. We in Colorado appreciate the support of California on this project. I want to thank my colleague, the distinguished gentleman from Massachusetts [Mr. O'NEILL], for his support and his very splendid statement. I am sorry that my distinguished colleague from Kansas [Mr. AVERY], is opposed to the project. I feel that he is a little out of step on this project, as Kansas really belongs with Colorado in this fight. I know the gentleman from Kansas [Mr. AVERY], is concerned over the farmers of Kansas. I can assure him that they are not going to suffer in the slightest as a result of this project. No new land will be brought under cultivation in this project. We are not seeking to take anything away from Kansas. Kansas is also a reclamation State and we have mutual interests.

Mr. Speaker, the project provides for supplemental irrigation water for land which is already under cultivation. Additional water is necessary in order that they may be assured a crop. The water made available by this project is insurance for these farmers against crop failures because of water shortages.

Mr. Speaker, I want to commend my colleague from Colorado [Mr. ROGERS], who referred to the fact that this is a loan. This is not a gift. This is a project which is going to pay back the money that the Government is going to furnish for construction costs. Insofar as the surplus crops are concerned, it is going to be 12 to 14 years before this water is made available to this land. I submit that no one can predict what our food requirements will be 15 years from now. It is obvious we are going to need more production in order to take care of our increased population.

Mr. Speaker, I take second place to none in seeking sound financial and fiscal policies in this country. I feel that we must have a balanced budget, and curtail expenditures wherever possible. I regret that the matter of increasing our national debt limit has been brought into this debate. However, Mr. Speaker, if we were to follow these arguments to their logical conclusion, the Congress might as well adjourn and go home, since under this approach we would not be able to consider any further legislation at this session. I do not think the Members of the House intend to quit, and we still have much to do at this session. I am satisfied that Congress will consider many other pieces of legislation which will involve Federal expenditures.

Mr. Speaker, I want to remind the Members of the House that this project is not going to have any immediate impact on our budget. This project, as I stated before, will not be completed for 12 to 14 years. The money to be used for the construction costs will not be spent immediately, but will be spread out over that period of time.

By voting for this project today, as I hope you will, you will not be adding to our immediate budgetary problems.

Mr. Speaker, my good friend, the gentleman from Kansas [Mr. AVERY] made reference to dairy products. The Arkansas Valley in Colorado is not essentially a dairy area. I wish to correct the gentleman on that statement. This project is not going to contribute to any surplus dairy products. I am anxious to relieve the gentleman of this apprehension.

Mr. Speaker, I want to say this in closing. This is a good project. This is a project which has had careful consideration, study, and planning over a period of many years. It has had the support of three administrations. President Eisenhower always gave this project his full support. He recommended the Fryingpan in several budget messages from 1955 to 1960. President Kennedy has endorsed this project. It has had the support of four Secretaries of the Department of the Interior—two Democrats, and two Republicans. The project now has completely bipartisan approach.

Mr. Speaker, as I mentioned a moment ago, the State of Colorado is appealing to Congress to make this loan so we can construct this project, and use some of our own water. I am sure you will not regret this action and that when the project is in operation you will be fully convinced that this is a good investment, not alone for the State of Colorado, but for the entire Nation.

Mr. Speaker, I urge the Members of the House to visit our Western States and see these reclamation projects in California, Texas, Oklahoma, the great Northwest, the Missouri Basin, and the Rocky Mountain States. I would like to have you see these great multiple-purpose projects which have been completed and are now in operation. I am sure you would be convinced that this is a good program, not alone for the immediate area where the project is located, but for the entire area, and the Nation as a whole.

Mr. Speaker, I hope the rule will be adopted without opposition. I urge you to vote both for the rule and the bill. I assure the Members of the House that their support of this project will be sincerely appreciated.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNUAL REPORT ON THE OPERATIONS OF THE MUTUAL SECURITY PROGRAM FOR THE PERIOD ENDING JUNE 30, 1961—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 432)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers and illustrations, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Transmitted herewith is the final annual report on the operations of the mutual security program for the period ending June 30, 1961. The report was prepared under the direction of the Administrator of the Agency for International Development as coordinator of the foreign assistance program, with participation by the Department of State and the Department of Defense.

This report marks the end of one decade in our aid programs and the beginning of another; the transition from what was primarily a decade of defense to a decade of development. The past decade has seen the strengthening of many of our friends and allies so that they have been enabled not only to thrive without our grant assistance, but also to bear an increasing share of the responsibility of helping the less-developed nations.

Fiscal year 1961 can perhaps best be characterized as a year of reevaluation for the foreign assistance program. A Presidential task force was set up early in 1961 to review the program thoroughly—from basic policy to future objectives. The work of this task force, and subsequently the constructive efforts of the Congress, resulted in the Foreign Assistance Act of 1961, which created the Agency for International Development and in effect inaugurated the decade of development.

For the new decade, new tools have been forged to implement the changes in program emphasis toward economic and social progress through self-help, long-range development, and a shift from grant assistance to loans. These objectives can be realized, however, only if the strength and will of the free world against overt aggression and subversion from within are maintained. We must continue, therefore, to carry forward an effective military assistance program to sustain the safeguards and defensive arrangements necessary for the peaceful development of the free world.

JOHN F. KENNEDY.

THE WHITE HOUSE, *June 11, 1962.*

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. ROGERS of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on

the State of the Union for the consideration of the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2006, with Mr. FASCELL in the chair.

The Clerk read the title of the bill.

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

Mr. ROGERS of Texas. Mr. Chairman, I yield 15 minutes to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, let us first put this program in its proper perspective. We are talking about water resource conservation and wise-use programs. This program of reclamation can no more be divided from water resource conservation programs authorized and constructed and operated for the Department of Agriculture, in conformity wih watershed programs, or from flood control or rivers and harbors improvement or from HEW and its pollution program, than one member of the human body can be taken from the body and considered as the whole body itself.

There has not been any fight and there will not be any fight made on flood control, because flood control is a good program. It gives to the body politic the compensating benefits for the investment made. There will not be any fight made upon the watershed program of the Agriculture Department because it is a good and sound program. I do not know how many of you remember, but when we authorized the small watershed program we authorized a Federal expenditure that could reach $11 billion, dependent entirely upon how the program is sold to the Committee on Appropriations. It might interest you to know that in one State, for example, in the State of Virginia presently there is taking place a Federal cost in the small watershed program of $17,235,965. The Federal Government is rather attentive and sympathetic to the needs of such State; and it should be. This is not a sectional program.

Why it is that we have to singly point out the reclamation program and try to separate it from the rest of the water conservation programs I have never been able to understand. To build a strong nation you do not try to weaken some of the links. It is just not the thing to do.

With that in mind, I do not believe it is necessary for me to try to sell to this body the necessity of water resource conservation and wise use of those natural resources. I think this body is pretty well sold on that idea, because year after year, session after session, we accept our responsibility and we authorize programs and we appropriate the money.

When we get to the place that we fail to do so, then remember that the most important, the most valuable resource that this Nation has outside of its people, its young people, especially, is water, without which this Nation can be expected to decline and waste away.

Mr. Chairman, the legislation before the House today would authorize the Secretary of the Interior to construct, operate, and maintain the Fryingpan-Arkansas project in the State of Colorado. This is a multiple-purpose development for furnishing supplemental irrigation water, furnishing municipal water, controlling floods on the Arkansas River, supplying electric power and energy, and providing fish and wildlife benefits and recreational opportunities. This project would constitute a major step in maximum utilization of water and land resources in Colorado.

The Fryingpan-Arkansas project, along with the San Juan-Chama project which was approved a few weeks ago, constitute a major portion of the program for new reclamation project authorizations that will be considered in the 87th Congress. The approval by the House of this legislation is most important from the standpoint of keeping authorizations in balance with construction appropriations and continuing a sound and orderly Federal reclamation program.

Mr. Chairman, the Federal reclamation program is a program for turning the waters of the West to their maximum usefulness. It is oriented toward full economic development of the West—development which is largely dependent upon the availability of water—water for farms, water for cities, water for industry. The program is designed to put our land and water resources to work—creating new homes and opportunities. It creates new wealth that would not otherwise exist, broadens the tax base, and provides a dependable market for manufactured products from other areas of the Nation. Development of the West to date must be credited almost entirely to the development and beneficial use of the water resources. Almost every population center west of the 100th meridian, outside of seaport cities, has had irrigation farming as a key factor of its origin. While the Federal reclamation program has played an important role, more than three-fourths of the total irrigated acreage in the Western States today was initiated as private development.

Today we have run out of simple projects; however, we have not met the need for continued development. Due principally to our exploding population and expanding industry, the pressures are greater than ever to maintain the pace of economic development. Today our planning is based upon maximum use of the available water resources for all purposes. With the multiplicity of uses that are involved, the projects proposed for Federal construction are those which cannot be undertaken on a solely local basis. The Fryingpan-Arkansas is such a project. It is designed to make maximum use of a portion of Colorado's limited water resources. It involves extensive Federal interests as well as State and local interests. It involves the exportation of water from western Colorado, the source of most of Colorado's remaining undeveloped water, to the Arkansas Valley where the need is greatest.

Extensive waste would result if attempts were made to serve the various purposes of the project separately. It is not physically or economically feasible for the farmers in the Arkansas Valley to develop only a supplemental supply of water to meet their late season needs or for the Federal Government to build such a project.

Neither is it feasible for the cities in the Arkansas Valley to develop only a source of water to meet their municipal and industrial needs. The electric power development would not be feasible by itself and it would not be feasible for the Federal Government to build storage on the Arkansas River for flood protection alone. However, all these project purposes are adequately served by the Fryingpan-Arkansas project and, in addition, extensive recreation and fish and wildlife benefits will be provided, as well as storage capacity to serve future needs in western Colorado, and the multiple-purpose development is completely feasible from both an engineering and economic standpoint.

The most important purpose of the Fryingpan-Arkansas project is to furnish supplemental water to 280,000 acres in the Upper Arkansas River Basin where, at the present time, the waters are overappropriated and serious losses in crop production on presently irrigated acreage are an annual occurrence. In a sense, the project could be characterized as a "rescue operation" because that is actually what it means to the Arkansas Valley lands. Even with the six-tenths of an acre-foot of late season water made available by this project, long-term average shortages of around 16 percent will still prevail. However, the small amount which would be made available is most important because it represents the difference between successful crop operations and failure for these lands. This small supplemental supply will stabilize the livestock industry in the valley and will permit flexibility in farming operations so that cropping practices can shift to meet marketing demands.

This is the kind of increase in efficiency which Secretary Freeman recently referred to as being entirely consistent with sound long-term agricultural objectives. With a more dependable water supply, the farmers will turn to more diversified cropping and away from those crops which have been contributing to our surplus problem.

I might point out at this point, in answer to a proposal that has been made so often, that the Arkansas Valley portion of the project would be physically infeasible without the exported water from western Colorado. The entire plan for making about 183,000 acre-feet of water usable in the Arkansas Valley is dependent upon a series of exchanges in the upper reaches of the Arkansas River Valley which require the availability initially of the 69,200 acre-feet of exported water.

Although legislation to authorize the Fryingpan-Arkansas project has been

before the Congress since 1953, the project is only now ready for authorization. All the problems which have previously stood in the way of authorization have, in my opinion, now been satisfactorily resolved. Never has a project been as thoroughly studied by Federal and State agencies and by the Congress as the Fryingpan-Arkansas project. While this is the fourth time legislation to authorize this project has been approved by the Interior and Insular Affairs Committee, it is the first time that the project comes to the House with almost unanimous support.

For instance, this is the first time that the legislation has had the full support of both eastern and western Colorado. This is the first time that the project serves the dual purpose of promoting development on both sides of the Continental Divide. It would develop the waters of the Fryingpan River for use in both eastern and western Colorado under operating principles which have been unanimously agreed to and which are, by reference, a part of the legislation. For the first time, the Colorado River Water Conservation District of western Colorado had a representative before our committee testifying in support of the legislation and the southwestern water conservation district also gave its support to the project. Also, for the first time, the economic and repayment studies of the modified plan of development show that the project meets all the standards and criteria normally required for feasibility of reclamation projects without any exceptions. Also, for the first time, there has been practically no objection to the legislation from those agencies and groups in southern California which previously expressed fear that this small transmountain diversion of water would adversely affect the quality of water in the lower Colorado River. They undoubtedly now recognize that this small diversion, which is only about 2 percent of Colorado's share of the upper basin's expected entitlement, cannot possibly have any appreciable effect upon the quality of the water downstream.

The gaining of this new support has not detracted from the support previously given the project. It has the wholehearted support of the Public Service Co. of Colorado and the Southern Colorado Power Co. which are private utilities operating in the project service area. Just last week Mr. R. T. Person, president of the Public Service Co. of Colorado, stated in a letter to me:

> We would like to reiterate to you our wholehearted support of this worthy project. Our support is based on the company's recognition that water is one of our most vital resources and its proper utilization, conservation and development are inseparably linked to the continuing growth and economic progress of this region and the entire Nation. It is our firm belief that the proposed Fryingpan-Arkansas project is a needed and worthy reclamation undertaking deserving the broadest cooperation and support, as the economic development of the Arkansas Valley is dependent upon this project for its future growth.

The Fryingpan-Arkansas project was specifically endorsed by former President Eisenhower in his last several budget messages to the Congress. It also has the unqualified support of the present administration and was mentioned specifically by President Kennedy in his message on conservation as a project which should be authorized and constructed as soon as possible. Secretary Udall personally testified before the committee on H.R. 2206 as to the need for and his unqualified support of this project. Secretary of Agriculture Freeman has specifically endorsed this project.

The official report of the Department of Agriculture approving the enactment of H.R. 2206 was received about a year ago. Just yesterday the committee received a supplemental statement from Secretary Freeman in which he said:

> We understand the project would not bring new lands into production but would involve the reorganization of existing irrigation facilities and the supplying of supplemental water to make possible increased efficiency in the management of existing irrigated farms in the project area and minimization of waste that comes from losses in years of short water supply. This is consistent with a major objective of this Department to provide appropriate and needed services for improvement of the family farm pattern and of farm and rural living. It is in keeping with the provision of technical assistance to individual farmers and ranchers, taking into account present national production needs, to help develop efficient use of soil and water resources and to protect productive agricultural land to meet future national needs. We recognize that most of the farm products coming from irrigated land are not those for which there are serious overproduction problems. The provisions of additional water to supplement present inadequate water supplies, as is proposed by the Fryingpan-Arkansas project, helps enable project farmers to adjust their production plans so they can respond to variations in production needs.

The Upper Colorado River Commission has endorsed the project by formal resolution. The Colorado River Water Conservation Board, the official agency of the State of Colorado, in matters pertaining to water resources development, has unanimously approved and endorsed the Fryingpan-Arkansas project. Governor McNichols, in a statement to the committee, endorsed the project and stated that it occupied the highest priority in the development of the water resources of Colorado.

The point I am making is that the Fryingpan-Arkansas project we have before us today is physically different, economically and financially improved and enjoys much greater support than the Fryingpan-Arkansas project previously considered. From the standpoint of the physical plan, the Reudi Dam and Reservoir on the Fryingpan-Arkansas River has been substituted for the Aspen Dam and Reservoir on the Roaring Fork River. This relocation of the western Colorado storage feature from Aspen to Reudi has resulted in almost four times the original storage capacity. This change provides storage to serve western Colorado in the foreseeable future in addition to the replacement storage needed in connection with the Fryingpan-Arkansas transmountain diversion. There is no question but what the water from Reudi Reservoir will be fully utilized in western Colorado in the near future. In the meantime, as another indication of the solid support for the Fryingpan-Arkansas project in Colorado, the Southeastern Colorado Water Conservancy District has agreed to sign a contract for repayment of the entire cost of the Reudi Reservoir until such time as the excess storage capacity is used to serve western Colorado and the water users receiving this service assume a portion of the reservoir cost.

With respect to feasibility, the project before us today shows a much improved repayment picture. The power allocation will be repaid with interest in 41 years after completion of all power facilities. The municipal water supply allocation will be repaid with interest in 40 years following completion of construction. The irrigation allocation will be repaid within 50 years.

The gentleman from Texas, Mr. WALTER ROGERS, chairman of the subcommittee handling this legislation, will give you further details on the physical plan of development and the financial and economic aspects of the project.

Mr. Chairman, seldom in the history of reclamation has any group of people demonstrated a more convincing faith in the necessity of the reclamation project than the people of the Arkansas Valley. In addition to years of untiring efforts they have expended more than $700,000 to bring the project to its present status. In 1958, the people of the Arkansas Valley organized themselves into the largest water conservancy district in Colorado and, by so doing, demonstrated their willingness to raise from ad valorem taxes alone approximately $516,000 annually over the repayment period to assist in project repayment and operation. An additional sum of half of this amount can be raised to cover any deficiencies or defaults in contractual obligations. This is a recognition on the part of all the people of the Arkansas Valley of the value of the development to the overall economy of the area. It is an indication that they recognize that extensive indirect or secondary benefits will flow from the construction and operation of the project. Over 50 percent of the irrigation revenues will come from ad valorem taxes.

I also would like to point out this, that there is being received at this time in the neighborhood of $450 million each year in income taxes from the Federal Government's investment in irrigation programs. That is twice the amount that we yearly ask for authorization and appropriation for this program. That is how successful the reclamation program has been since its inception in 1902.

You know as well as I know that the reclamation program has more than paid for itself in the last 12 years. That means that we have received into the Federal Treasury more money, just under $4 billion, than we have paid out for the whole reclamation program since 1902.

Simple projects such as those that were authorized in the early years of irrigation are constructed. There are no more of them. Those projects were the cream of

the crop. They have been taken care of either by private enterprise or by early authorizations and early projects of the reclamation program. So what we have left are these multiple-purpose projects, projects that cannot be handled by single groups, cannot be handled by single local governmental entities, projects that within themselves can be handled only by Federal aid and supervision. One of such projects we have before us today.

May I say generally, and it will be shown to you by those who have the responsibility for giving the details, that this project is one of the best projects as far as reclamation law and established policy is concerned that has been brought to the Congress during my tenure of office in Congress. Its physical feasibility is satisfactory, its economic feasibility is satisfactory, its financial feasibility is satisfactory. It has one thing that no other reclamation program has had, to the extent at least that this project has, and that is the sharing of costs by all local people of the project area. When it is pointed out to you what these procedures mean, I think you will understand what I am talking about.

I should like for just a moment to refer to this map.

Let me show you what is involved. Let us not be misled by any statement about taking water from one watershed to another. That has been done since we have been a nation. Of course, it was not done for reclamation purposes, but it was done for other purposes which were just as necessary at the time that such programs were authorized and built as reclamation is today. For the first decade, the State of Colorado saw transmountain diversions for mining purposes as well as for irrigation purposes just the same as this project which is on a little bit larger scale than the early projects. We have in the State of Colorado at the present time transmountain diversions that are much larger than this. One of these is the so-called Colorado-Big Thompson project in the northern central part of the State and the other, the Denver diversion, for Denver to get its municipal water. So transmountain diversion is nothing to be shied away from simply because some remarks are made about digging holes in the mountains. It is practical and feasible and it is in the interest not only of the State of Colorado but the people of the Nation.

There is one other thing I would like to bring out before I refer to the map. I represent the western part of Colorado. However, not all of my district is on the western slope. The fact of the case is that where the construction is going to take place in this project, most of it is in my district. And where the water to be used, most of that is in the district of my colleague, the gentleman from Colorado [Mr. CHENOWETH]. But, up until just recently we did not have an agreement between western Colorado and eastern Colorado as far as this project is concerned because western Colorado wanted to know whether or not it had sufficient water to send across the ridge into eastern Colorado and still take care of its needs, present and future. We have had surveys which show this project can be authorized and constructed and still the interest of western Colorado be protected, and that is the reason why we are today supporting this legislation. I think it is in the best interests of our Nation Not only are the Federal congressional district representatives united in support of this legislation but also the Legislature of the State of Colorado unanimously—65 members of the house and 35 members of the senate passed a resolution showing their support of this project.

If you can find any more unanimity in a State, I would like to know about it. The purpose of the project is to take water out of the Fryingpan tributaries and send it across the mountains through this tunnel which is indicated here on the map and drop it into the Arkansas Valley and send it down to the users, the agricultural, municipal, industrial, and power users in the Arkansas Valley. That is all that is involved here. The tunnel is not a big tunnel. It is not nearly as large or as long as other tunnels in the State of Colorado. One reason we had so much difficulty before was that in Aspen, it was proposed that there be a reservoir of 28,000 feet, 2 miles above the city. The people of Aspen did not want that. They did not want the reservoir above their city.

So the agreement that has been arrived at is for a reservoir almost four times as large, to be built over the Divide on the Fryingpan River. The water is available—do not let anybody tell you that the water is not available. The Ruedi Reservoir is to be used for river regulation and also it is to be used for any feasible uses in the future, down in this area indicated here on the map, for agricultural uses and, perhaps, a small power drop—and down in this area, indicated on the map, for municipal uses. The western slope feels that it is protected and it feels its potential uses can be taken care of. The eastern slope feels like it can be taken care of with what is proposed in this legislation.

These lands shown in green on the map are the lands that are under irrigation at the present time. There are between 300,000 and 350,000 acres, if I remember.

Of these lands, only 280,000 acres will be served by this project. These lands are water deficient in the neighborhood of, perhaps, an acre-foot of water per year.

This legislation would provide that they would get about six-tenths of an acre-foot of water annually which would allow for two late irrigations and make farming activities financially feasible in what now is a water-short area. The amount of water is not as much as they would like to have, but at least it would firm up their farm operations.

I spoke a while ago in regard to the contribution to be made by the taxpayers of the district. These areas which are shown in purple, or lavender color, and a part of them outside of the irrigated land area, are the areas of the conservancy district. These are the areas which will have an ad valorem tax. You notice that the city of Colorado Springs, the city of Pueblo, Canyon City, Buena Vista and others are not going to receive too many direct benefits as far as their cities are concerned, but they will pay part of the irrigation construction cost that is authorized in this bill. The merchants, the professional people, the workers, the whole people all know the indirect benefits that will accrue to them, and they have pledged themselves to pay about $500,000 a year toward the cost of this project.

Let me now refer to this chart: in this column we have the total cost of the project, $169,905,000, and this cost starts out with nonreimbursables in the amount of $18,908,000. Of that, approximately $15 million is for flood control. The rest of it is fish and wildlife, recreation, and so forth.

In this column, we have the cost of the project broken down into these various allocations: Irrigation $66,097,000, all of which it reimbursable; then we have allocated to power $62,667,000, all of it reimbursable with interest at the rate the Federal Government has to pay for long-term loans.

In this column we have municipal and industrial allocations in the amount of $22,233,000, all of which is reimbursable with interest at the same rate.

In this area we have flood control $15,014,000. This is nonreimbursable.

Now we come to the column showing $150,997,000, which is the amount of reimbursables; and we find that irrigation revenues of $46,686,000 will be paid by the users or by the taxpayers, and that is broken down showing the water users paying $21,720,000, with the ad valorem tax bringing to the program $24,976,000.

I know of no project, flood control or otherwise, where the people of the area not directly served by the project—this is in addition to any water toll that the users have to pay—I know of no project that has that kind of sharing program.

In this area we have the power program repayment: $82,078,000. Besides paying its own costs with interest within the 50-year period power will make a contribution to irrigation of $19,411,000, which is considerably less than the ad valorem taxpayers will contribute.

In this area of the chart we have set forth the revenues from the municipal and industrial users. The amount shown on the chart, of course, does not include the interest payment that will be made. In other words, this project has a repayment possibility that very few projects have, and that is one of the things that has not only brought about the endorsement of all of those organizations which were mentioned by the gentleman from California [Mr. SISK] when he made his statement on the rule, but it has the complete and unanimous support of all the representatives of the State of Colorado.

Mr. Chairman, this has been studied for 35 years. I think this is one of the beautiful things about this kind of a program. That is the reason that we are here unanimously supporting the legislation. Where it failed of permission to be considered by the House in previous years, it has now been made into a good project.

I think the people of Colorado and the Bureau of Reclamation should be congratulated and commended for bringing a project to us that can stand this lengthy and detailed study.

It has been mentioned in argument on the rule that $700,000 have already been contributed by the people of this area—that is, the Colorado governmental agencies and the conservancy district—in order to further this project. This is a rather large sum to be raised by the people themselves in the interest of their own project.

Let me refer to the remarks made by the gentleman from Kansas [Mr. AVERY].

It was only in the last Congress that the Congress authorized a project for the State of Kansas, a project which was based upon potential irrigation, although it is true that most of it provides for municipal water and flood control. But it would not have had the support of this Congress if it had not been for the irrigation features. At that time there was no one from Kansas that I heard of complaining about agricultural surpluses, about the question of financing, or anything like that at all. The fact of the matter is that the record will show that the gentleman who made the remarks against this project a while ago made no such utterances against the project in his own State of Kansas.

Mr. Chairman, I desire to answer the points made by those signing the minority report.

The report of the Regional Director, Bureau of Reclamation, dated July 5, 1950, refers to the Fryingpan-Arkansas project as the "initial development, Roaring Fork diversion, Gunnison-Arkansas project," and discusses the possibility of future diversion from the Gunnison River. However, the comments and recommendations of the State of Colorado on that report dated August 7, 1951, made it clear that the State of Colorado did not contemplate the diversion of water from the Gunnison River and that the operating principles did not provide for any such future project. The State recommended that this be made clear in the final report and that, in line with this understanding, the name of the project be changed to "Fryingpan-Arkansas Project."

The report of Secretary Chapman, dated October 19, 1951, goes along with the recommendations of the State of Colorado. The report was sent to the President and later to the Congress on June 9, 1953, with the name changed to "Fryingpan-Arkansas Project" and on the basis that this is a self-contained project and not dependent in any way on additional future diversions. Since that date, no active consideration has been given by the Department of the Interior or the Bureau of Reclamation to diversions from the Gunnison River to the Arkansas Basin. It was also made completely clear by Colorado witnesses at the first hearings on the Fryingpan-Arkansas project in June 1953 that the State of Colorado had no plans for future diversions from the Arkansas River.

H.R. 2206 specifically states in section 1 that nothing in the legislation shall constitute a commitment to exportations of water beyond that required for the Fryingpan-Arkansas project. Decrees issued by the State courts of Colorado after 1950 have committed the Gunnison River waters to other purposes and preclude the development of the Gunnison-Arkansas project referred to in the Bureau's original report. The operating principles which are a part of H.R. 2206 also would preclude such a development.

Mr. Chairman, while the Fryingpan project bears the same name as the project proposed on which previous hearings have been held, important changes have been made which greatly improve the project, and result in substantial new benefits to both eastern and western Colorado. Specifically the following changes have occurred:

First. Aspen Reservoir—28,000-acre-foot capacity—on the Roaring Fork River has been dropped.

Second. Ruedi Reservoir—100,000-acre-foot capacity—on the Fryingpan River has been added.

Third. The area to be served by the Ruedi Reservoir is entirely different than the area proposed to have been served by Aspen Reservoir; that is, oil shale developments in the vicinity of Rifle will derive substantial benefits from Ruedi Reservoir.

Fourth. The increased cost of Ruedi Reservoir over the cost of Aspen Reservoir—$5 million—has been guaranteed repayment by the Southeastern Colorado Conservancy District.

Fifth. The water treatment plant for Pueblo has been deleted.

Sixth. The location of the heading for the pipeline to Colorado Springs to be built at the expense of Colorado Springs has been moved a substantial distance.

Seventh. Refinements of facilities to assure wintertime operation have been made. Opponents have pinpointedly attacked wintertime canal operations. The Bureau of Reclamation has reappraised this aspect and fortified the system by making minor changes which insure perfect wintertime operation.

Mr. Chairman, the Fryingpan project is a true multipurpose project; it goes hand in hand with the increased population, and insures resource development and conservation, as well as agricultural security. The towns and cities of the Arkansas Valley require municipal water of a quality suitable for drinking purposes. Melting snow gathered at an altitude of 10,000 feet provides the best possible source and the Fryingpan captures this snow water for the cities. No one portion of the project can be isolated and separately appraised. By combining snow waters at high elevations with the drop in altitude of 5,000 feet to the farming land makes possible the generation of electric energy serving two purposes rather than one. In turn, the Pueblo Reservoir at an altitude of 5,000 feet adds flood control protection and irrigation benefits. All these factors combine to make the project financially feasible. The minority report is misleading: The $63 million of the project costs charged to irrigation purposes produces 183,600 acre-feet of water for all purposes.

There will be a ready market for all power that can be generated by the time the power is available—construction will require about 10 years—and a price of 6.5 mills per kilowatt hour is assured. Mr. L. R. Patterson, vice president of a private investor utility, the Public Service Co., of Colorado, speaking for that company and also for the Southern Colorado Power Co., confirmed the statement of James R. Meyers, president of the Arkansas Valley Generating & Transmission, Inc., and manager of the Southeastern Colorado Power Association—REA co-ops—and agreed there will be no problem in obtaining 6.5 mills. Both men testified that preference customers will consume most if not all of the power locally; but, if not, the Public Service Co. stated it is willing to buy or wheel any power available. Any statements to the contrary ignore the testimony of these experts—see pages 129–131 of hearings. The assurance of a market is demonstrated by the fact that all power to be generated by the Colorado River storage project has already been oversubscribed.

Mr. Chairman, the suggestion that the system of canals and powerplants cannot operate during extremely cold winter months is completely false. Existing systems, operated by both private and public power agencies, operate at temperatures at and below the temperatures which will be experienced by these project facilities.

Operating techniques have been developed at other installations which, coupled with relative design changes—from lower elevations in warmer climate powerplants—permit the operation of powerplants without undue interference from ice. It is a known physical fact that water reaches its maximum density at 39° F. The water used during the winter months will be released from the lower levels of the reservoirs and the temperature at which the water is released will be in the 39° F. range.

Ice covers will be permitted to form on the surface of the canals and will be maintained by relatively constant levels in the power canals by the use of float-controlled automatic gates, strategically placed along the canals. This ice cover serves as an insulating mat on the surface of the canal and the water flows freely under this cover. Pictures are available to prove this.

Provisions are included in the designs and cost estimates for heating the trash rack structures—when and if necessary—as well as for heating the gates and seals at the check structures so that the trash racks and gates will operate freely. These measures are standard operating and design procedures developed by the engineering profession to permit operation of powerplant facilities during the cold winter months at this latitude and elevation.

The portion of the project charged to irrigation features is $66 million, and for this 280,000 acres of land can receive supplemental irrigation water, being the difference between a paying crop and no crop. It means having water available for the last two irrigations of any growing season—$5.40 per acre-foot for this kind of water is a sound investment. At

this stage of the season a farmer has already invested in seed, cultivation, and existing irrigation charges. He has gambled on success or failure for the year. The difference is the last two irrigations. The price of $5.40 is the price fixed by the farmers under the project as that which they are able and willing to pay in accordance with reclamation law. No new land will be irrigated. The repayment of the $66 million is also secured by a portion of the power revenues. The Government is assured of the repayment of the $66 million charged to irrigation.

The optimum of benefits has been combined in this project. The benefit-cost ratio of 1.6 to 1 is one of the highest ratios of any reclamation projects in recent years. This is a result of the blending of all requirements in one project. Personnel of the Bureau of Reclamation testified to the benefit-cost ratio under the existing formulas approved by the Department of the Interior.

Mr. Chairman, the minority proposes that the Pueblo Reservoir should be built and no waters imported from the Colorado River. Pueblo Reservoir by itself is not an answer to the water requirements in the Arkansas Valley. It would provide flood protection, make possible winter storage of water, would save evaporation losses, and impound these waters, plus waters that would spill from John Martin Reservoir. The quality of the water would fail to meet the requirements of the needs of the cities and towns. The minority suggestion would prevent the city of Colorado Springs from obtaining any waters and Colorado Springs is an underwriter of the Fryingpan project and a part of the repayment district. The minority proposal would deny any benefits to western Colorado, and is poor piecemeal planning. Waters imported from the Colorado River greatly strengthen the project. Water of fine quality drops 5,000 feet before use. This imported water benefits the cities and generates power. The 69,000 acre-feet of imported water makes possible the exchange and regulation of Arkansas water that results in a new water supply total of 183,600 acre-feet. The minority suggestion would strike all of these benefits.

Mr. Chairman, the minority report would stress that Colorado has 1 percent of the Nation's farms taken out of production by the soil bank program. The minority ignores the fact that the area in the soil bank program in Colorado is substantially outside of the boundaries of the Fryingpan project. The project area is less than one-tenth of 1 percent of the acreage of the United States, devoted to recent so-called surplus crops—corn grain, sorghums, and wheat, whereas the total population of the project acreage is 341,000 or less than two-tenths of 1 percent of the U.S. population. These figures show that on a per capita food-consumption basis the project area does not contribute to any food or crop surplus. No tobacco or cotton is produced in the project area. The project does not contemplate any new land. All irrigation benefits are restricted to lands presently irrigated with an inadequate supply of water. With a firm supply of water a greater percentage of garden and vegetable crops will be grown, crops not in a surplus category.

The Arkansas Valley is a feed-deficit area, 80,000 cattle being produced and fed. Irrigated acreage makes possible crop diversification. The Fryingpan project is a rescue operation designed to preserve an existing economy and not to bring raw land into cultivation.

There is no conflict between the objectives of the Departments of Interior and Agriculture. Secretary Freeman has repeatedly stated that sound planning requires and contemplates reclamation development. Water resources development in the moisture-deficient western areas has been one of the greatest factors in establishing the West as an asset to the Nation, rather than a dependency.

It will take approximately 10 years to complete construction of the Fryingpan project. The increase, if any, in the production of agricultural products will not become a reality for many years, and such increase will be in an area where no surplus or only a very small surplus problem exists. Geographically, dispersion of food sources is important to the United States.

Mr. Chairman, the minority report is in error. Every unit of Colorado government having the duty to pass upon any water plan, to protect any water resource, or to participate in any water planning, has officially approved the Fryingpan project. The Colorado River Water Conservancy District, the district having responsibility for water resources in the counties of origin, has approved and is supporting the Fryingpan project. The Southwestern Water Conservancy District, representing the San Juan Basin of Colorado, has also approved the project. The voices of a few chronically dissatisfied individuals should not cloud the issue. The Colorado Water Conservation Board, the official agency representing Colorado, has approved the Fryingpan.

The policy of the United States is to provide financial assistance to local schools in those areas where the number of children attending schools is affected by activities of the U.S. Government. This policy was adopted in the acts of September 23 and September 30 of 1950. The White House through the Bureau of the Budget has objected to section 5. There is no objection to its deletion by amendment either in the House or in the Senate. Language comparable to section 5 was incorporated in the bill authorizing the Trinity project in California.

The first sentence of section 6E copies language found in the Colorado River Storage Project Act, as does the first half of the second sentence, but starting with the phrase "and any person or entity whose rights may be affected," appears new language to which the Department of Justice and the White House have objected.

The deletion of this language in the House by amendment or in the Senate can be anticipated. There is no need for such language. The fifth amendment to the U.S. Constitution affords protection to any individual damaged by any activities of the United States. Likewise, a State may sue the United States in the U.S. Supreme Court.

The objectionable language might result in a veto of the act by the President, and this hazard should be avoided.

Mr. Chairman, House Document No. 130—operating principles for the Fryingpan project—gives the Aspen area protection it does not now have and cannot get in any other way. Under Colorado law the Roaring Fork River at Aspen can be dried up at any time its flow is required to satisfy decreed ditch rights. The Twin Lakes Co. owns valid decrees on the Roaring Fork and has the right to divert most of the flow of that river. House Document No. 130 in paragraph 11, permits a contract to be made whereby the Twin Lakes Co. will refrain from drying up the Roaring Fork River to the extent that an exchange of 3,000 acre-feet of project water is made available to the Twin Lakes Co. Aspen Reservoir was deleted from the project at the request of the Aspen area, and without Aspen Reservoir the recreational interests have more protection if the Fryingpan is built than they presently have.

The minority report is in error. By virtue of the provisions of House Document No. 130—paragraph 9—the Fryingpan project has a first or prior right over the Basalt project to divert waters to eastern Colorado the extent of 120,000 acre-feet in any 1 year, or 50,000 acre-feet more than the permitted average annual diversion. The cumulative annual average over a long period will not exceed 69,200 acre-feet. This prior right represents all waters physically collectible at an altitude of 10,000 feet. The Bureau of Reclamation has never contemplated diversion for the Fryingpan project, in excess of the quantities or priorities specified in paragraph 9. A full and ample supply of water is assured the Fryingpan project.

The Secretary of the Interior—section 1B of H.R. 2206—is authorized to investigate the feasibility of a 5,000-acre-foot reservoir in the vicinity of Aspen. No construction is authorized. Feasibility of such a dam must be demonstrated by a written report. Any implication in the minority report that an Ashcroft Dam is authorized or will be built is unjustified and unwarranted.

Mr. Chairman, the Fryingpan-Arkansas project falls squarely under reclamation law in all respects and the multiple-purpose concept of making maximum use of available resources. The combining of purposes in one project results in a completely sound and feasible development and prevents a waste of resources which would occur if development were attempted on a single-purpose basis. It is ideally suited for development under reclamation law. It involves extensive Federal interests and is beyond the capability of local enterprise. It benefits an area where the people themselves have gone as far as they can in meeting their needs. Irrigation in the Arkansas Valley, up to this point, has been by private development.

I am sure that all Members of the House who have supported the Federal reclamation program in the past as a means of assisting economic development

of the entire Nation will find this project completely consistent with the objectives of this great program and will give it their enthusiastic support.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Chairman, I rise in support of H.R. 2206, introduced by my colleague, the gentleman from Colorado [Mr. ASPINALL], a bill authorizing the construction, operation, and maintenance of the Fryingpan-Arkansas project in Colorado. I have sponsored this project from its inception. I have introduced a companion bill, H.R. 2207. My colleagues in the House, the gentlemen from Colorado [Mr. ROGERS and Mr. DOMINICK], have also introduced companion bills.

The Fryingpan-Arkansas transmountain water diversion project is a multiple-purpose project located entirely within the State of Colorado. It derives its name from the Fryingpan River in western Colorado, from which river water will be diverted to the Arkansas River in eastern Colorado.

The purpose of the project is to divert surplus water from the Colorado River Basin in western Colorado to the Arkansas Valley in eastern Colorado. The project will provide supplemental water for irrigation, and also water for municipal, domestic, and industrial purposes, as well as flood control. Hydroelectric power will be generated at seven powerplants. There is also an allocation for the preservation of fish and wildlife resources, and recreation.

This project has been before the House previously, but has never been considered on its merits. In 1954 the House in the closing days of the session rejected a rule for the consideration of the project, and again in 1956 the resolution for a rule was defeated just before adjournment. The Senate has three times passed bills authorizing this project.

The bill now before the House presents a revised project, and in my opinion a much better project than contained in the previous bills. The most important change has been the substitution of the Ruedi Reservoir on the western slope for the Aspen Reservoir. The Ruedi Reservoir will provide storage for 100,000 acre-feet of water for the benefit of western slope water users.

The entire cost of the Ruedi project is being guaranteed by the Fryingpan, and under the operating principles the Ruedi Reservoir must be in operation before any water will be diverted to the eastern slope. This affords full protection to the water users of western Colorado, and there is now complete agreement on this project in Colorado.

This is a feasible project and has been carefully planned by the Bureau of Reclamation. I want to emphasize at the outset that this is a reclamation project, and not a power project. We are primarily interested in the water the project will make available. The development of power is incidental to the water features of the project.

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

Mr. CHENOWETH. I yield to my colleague from Colorado.

Before yielding I want to commend him on his most comprehensive and convincing statement. He presented the details of the project to the House in a most interesting and informative manner.

Mr. ASPINALL. Is it not true that there is in the legislation and that there is in the operating agreement to which reference is made in the legislation protection for all people who have prior present and potential rights in western Colorado?

Mr. CHENOWETH. The gentleman is absolutely correct. Under the provisions of this bill the Ruedi Reservoir would be first built, and under the operating principles which have been agreed upon, and which are included in this bill by reference, that project must be in operation before any water is diverted from the western to the eastern slope.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Also in section 3(c) there is additional protection to those on the western slope. It says:

> Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project * * * shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever.

That gives further protection to those on the western slope that we will take this water from.

Mr. CHENOWETH. I thank my colleague from Colorado for making that contribution. That further bears out the fact that there is complete agreement among the water users of the western slope.

Mr. Chairman, I am also happy over the fact that an agreement has been reached with the State of California on this project. On April 13, 1962, Mr. Northcutt Ely, special counsel for the Colorado River Board of California, advised me by letter that except for an overall limitation on transmountain diversions that California had no objections to this legislation. This is most gratifying, as we have been working to obtain this agreement for many years. We are most pleased that the way has been cleared for members from California to support this project.

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

Mr. CHENOWETH. I yield to my distinguished friend from Iowa.

Mr. SCHWENGEL. First, I would like to say that I am very much interested in conservation in America, and that I am impressed with the presentation of the gentleman from Colorado [Mr. CHENOWETH] of this project at this time. However, there are some questions that come to mind which I think ought to be answered at this point. I want to assure the gentleman that I have not yet made up my mind as to how I am going to vote on this question.

Mr. CHENOWETH. I hope that I may be of some help to the gentleman from Iowa in making up his mind to vote for this project.

Mr. SCHWENGEL. If the gentleman will yield further, how many people will be directly benefited when this project is completed, and as it is being offered here before the House of Representatives today?

Mr. CHENOWETH. I would say several hundred thousand people.

Mr. SCHWENGEL. Three hundred thousand people?

Mr. CHENOWETH. Yes. My congressional district has a population of over 450,000, but not everyone would be benefited by this project. But I would say in the neighborhood of 350,000 people would benefit, directly and indirectly, from this project.

Mr. SCHWENGEL. Three hundred and fifty thousand people?

Mr. CHENOWETH. Probably.

Mr. SCHWENGEL. If the gentleman will yield further, how many millions of dollars are involved in this project?

Mr. CHENOWETH. One hundred sixty-nine million, nine hundred and five thousand dollars, estimated, is the total cost of the project.

Mr. SCHWENGEL. Did the gentleman mention the figure of 350,000 people who would be benefited?

Mr. CHENOWETH. Yes. I think about that number.

Mr. SCHWENGEL. If the gentleman will yield further, based upon a per capita basis, that is quite an investment, is it not?

Mr. CHENOWETH. I have never figured it on that basis, I will say to the gentleman from Iowa. However, these people who are committing themselves to the repayment of this project are anxious and are willing to pay whatever the cost may be to obtain this water.

Mr. SCHWENGEL. I understand that.

Mr. CHENOWETH. These people have pledged their property to repay these costs. Their property is included in a water conservancy district, organized under the laws of the State of Colorado. The tax that is now being paid is four-tenths of a mill. That tax will then go up to 1 mill, which will produce something over $500,000 a year when the project is in operation. They are willing to pay this money back. All they want is a loan and the Federal Government to advance the money to construct this project. The cost of the same will be repaid, and for the most part with interest.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ROGERS of Texas. I yield the gentleman 5 additional minutes.

Mr. CHENOWETH. I thank the gentleman from Texas for yielding me additional time.

Mr. SCHWENGEL. If the gentleman will yield further, if my arithmetic is correct, we are investing around $40,000 of Federal money for every person living in this area; are we not?

Mr. CHENOWETH. I have never figured it on that basis, I will say to my good friend from Iowa. The gentleman from Colorado [Mr. ASPINALL] in his

statement called attention to the increased amount of money which is returned to the Federal Treasury in taxes as a result of these reclamation projects. I think it is a good investment. What the investment is for every man, woman, and child in the area I do not know. I have never considered the cost on that basis.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to my colleague from Colorado.

Mr. ROGERS of Colorado. As I understand it, the gentleman from Iowa [Mr. SCHWENGEL] wants to know definitely how many people will be benefited as a result of the construction of this project, and what it would cost. Further, based upon those facts, the gentleman wants to try to arrive at a figure as to the cost per person.

Mr. SCHWENGEL. I want to know first how many people will be directly benefited if this project is built.

Mr. ROGERS of Colorado. In the first place, the gentleman from Colorado [Mr. CHENOWETH] failed to mention the regulation of the water on the western slope with the construction of the Ruedi Reservoir, which could be included in the number that he has set forth.

Secondly, of the moneys that are advanced, or of the $171 million, at least $150 million is repayable. So, it is impossible for the gentleman from Colorado [Mr. CHENOWETH] and myself to say to the gentleman from Iowa [Mr. SCHWENGEL] with any certainty as to how much it would be for each individual who may live in the southern part of the State or the western part of the State.

In addition to that, there are the power projects. Electricity may be sent to the various parts of the State of Colorado. While one cannot say that it will directly benefit everyone, nevertheless, we in Colorado feel that it will benefit the entire State, which has a population in excess of 1.75 million people.

Mr. CHENOWETH. I would like to support what the gentleman from Colorado [Mr. ROGERS] has just stated. The entire State will benefit from this project.

Mr. SCHWENGEL. If the gentleman would yield further, in that sense it could help the whole of the United States?

Mr. ROGERS of Colorado. That is right.

Mr. SCHWENGEL. If the gentleman will yield further, my point is, and the gentleman still has not answered the question, how many people will be directly benefited as a result of the construction of this project so we can arrive at the per capita cost?

Mr. ROGERS of Colorado. If the gentleman from Colorado [Mr. CHENOWETH] will yield further, may I say to the gentleman from Iowa we have never in any of these projects taken an individual count of the heads on, say, a project which is estimated to cost $20 million, or which amount the Government would be out, of which most of it is for flood control, no more than if the gentleman from Iowa had a flood control project and came to us and stated what it would cost to control a river, and how much it would cost the people in the gentleman's district per head.

Can the gentleman tell me——

Mr. SCHWENGEL. Oh, yes, I can.

Mr. ROGERS of Colorado (continuing). How much per head it would cost for the people in his district or in any flood control area for a specific project?

Mr. SCHWENGEL. I can.

Mr. CHENOWETH. Mr. Chairman, I want to see the gentleman from Iowa [Mr. SCHWENGEL] satisfied concerning the figures he is seeking.

Mr. SCHWENGEL. I am just trying to get some facts and figures that I can use as a basis for considering the worthwhileness of this project.

Mr. CHENOWETH. This will benefit not merely the people in this immediate area, but the people of the entire State and the entire Nation. I contend an investment in reclamation is a good investment for the entire country. I think the State of Iowa will benefit from this just as much as any other State.

Mr. SCHWENGEL. On a per-acre basis we know how much is involved here. The minority report says that we will be spending $1,560 per acre for a full water supply. On that basis, this is a rather expensive project.

Mr. CHENOWETH. I do not think it is anything like that. I think around $250 per acre is a more accurate figure. What I am trying to impress upon the Members is that all of this money is going to be repaid. The farmer is going to pay for his water. The district will be taxed. The money will be paid back to the Federal Government, with interest.

Mr. KING of Utah. Mr. Chairman, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Utah.

Mr. KING of Utah. Mr. Chairman, I should like to correct what may have been a mathematical error. Based upon benefits to 400,000 people, according to the amount involved, I come to a figure of $425 as the cost per person; which I think is a very reasonable figure.

Mr. CHENOWETH. I know the gentleman is an expert mathematician and I appreciate his contribution.

Mr. Chairman, the residents of the Arkansas Valley are asking for a loan—not a gift. They have obligated themselves to repay every cent of the construction costs of this project. Their property is included in the Southeastern Colorado Water Conservancy District, organized under the laws of the State of Colorado, which will sign a contract for the repayment of construction costs allocated to irrigation, power, and municipal water. This property will be taxed to assist in repayment of these costs. The farmers using project water will pay for the same. The towns and cities using water for municipal purposes will pay for this water, with interest.

Mr. William I. Palmer, Assistant Commissioner of Reclamation, in his appearance before the House Subcommittee on Irrigation and Reclamation last year, had this to say about the Fryingpan:

> We, in the Bureau of Reclamation, believe that this project meets every standard test of current reclamation doctrine, as defined by many recent acts of Congress. All reimbursable costs are returnable within a 50-year period of time, and the project is economically justified by the most severe test that has yet been suggested for public works construction. Satisfactory repayment entities have been created under Colorado law and have continuously urged enactment of authorizing legislation so that appropriate repayment contracts might be consummated. The State of Colorado and previously divided factions thereof, we understand, are united in their support of the development.

This project provides for the annual diversion of 69,100 acre-feet of water from the western slope to the eastern slope of Colorado. This will be accomplished by a tunnel 5.3 miles in length, and some 10 feet in diameter.

In addition, it will be possible to capture intermittent floodflows of the Arkansas River and reregulate these waters. The water supplies of the Arkansas Valley would be increased by about 183,000 acre-feet annually. This would furnish 163,100 acre-feet of supplemental water for the 280,000 acres of farmland now under cultivation, and would supply 20,500 acre-feet for municipal purposes.

No new land will be brought under cultivation by this project. The irrigation water will be used to supplement the water now being used on some 280,000 acres of irrigated land in the Arkansas Valley in Colorado. There is an annual shortage of water in this area, and this additional water will be used to firm up crops, which might otherwise be lost for lack of sufficient water at the proper time.

This project is not going to add to the surplus stock of agricultural commodities in this country. On the contrary, the project will enable the farmers of the Arkansas Valley to plant those crops which will bring them the highest yield per acre. These are not crops which are now in surplus. At the present time the farmers must plant those crops which they feel can be harvested. This will depend on the amount of water available. If they had the assurance of adequate water in the late season they would plant the specialty crops which bring them the most money, and provide a higher net cash yield per acre. This project will give them that assurance.

The water made available under this project can be regarded as insurance for the farmers in the Arkansas Valley. They are now confronted each year with the possibility that they will not have sufficient water to finish out the high value crops which are grown in this area. If they knew that adequate water would be available at all times during the growing season they would plant more of these crops each year. Under this project the farmers will raise more sugarbeets, alfalfa, onions, tomatoes, and other high value crops. This has been the experience under the Colorado Big Thompson project in Colorado, which has been in successful operation for some years.

The Arkansas Valley is a very fertile and productive area. The principal crops raised are alfalfa, sugarbeets, corn, sorghums, vegetables, and different types of seeds. There are two sugarbeet factories in the valley. The American Crystal Sugar Co. has a plant at

Rocky Ford, and the National Sugar Manufacturing Co. operates a plant at Sugar City. There is a tomato cannery which also processes pickles, and a number of alfalfa dehydrating plants. The valley is the home of the famous Rocky Ford watermelons and cantaloups. Turkey raising and cattle feeding are very important to the economy of this area. It is necessary to ship in large amounts of grains to supply the turkey and livestock producers. The feed grains produced in the valley are consumed locally, and will not add to our farm surplus.

There is also a growing need for additional domestic water in this area. Some 20,500 acre-feet of this water will be used to supply cities and towns with municipal water. Included are Pueblo and Colorado Springs, the second and third largest cities in Colorado, as well as a number of other cities and towns in the Arkansas Valley.

I would like to make it crystal clear at the outset that this is not a new project, hastily conceived and lacking necessary engineering data and support. This project has been under consideration for many years and has received exhaustive study and planning by the Bureau of Reclamation. Many years ago in Colorado men with vision conceived the idea of bringing surplus water from the western to the eastern slope of Colorado, in order to satisfy recurring water shortages in the Arkansas Valley. This project is the culmination of their dreams. Many of these pioneers in water development have passed on to their reward, but others are living and I hope will live to see their dreams fulfilled.

This project is being sponsored by the Southeastern Colorado Water Conservancy District, which has been organized under the laws of the State of Colorado. This district comprises the lands which will be served with supplemental irrigation water under this project, and consists of some 280,000 acres. The total assessed value of the lands contained in the district is over $450 million. This district also includes the cities of Colorado Springs and Pueblo, and other towns and cities in the Arkansas Valley, which will receive municipal water.

The conservancy district is the legal entity which will sign the repayment contract with the Federal Government on this project. It has been operating for several years and is being financed by a four-tenths of a mill levy on all the property included in the district. The district has a most competent board of directors, and has prospered under their efficient direction. A tax of 1 mill will be levied upon all of the real property in the district when the project is in operation. The office is located at Pueblo, where monthly meetings of the board are held. The president of the district is Mr. J. Selby Young, of Colorado Springs.

This project has had the approval of three administrations, two Democratic and one Republican. The first approval was by Mr. Oscar L. Chapman, Secretary of the Interior, on May 4, 1951. The second approval was by Mr. Douglas McKay, Secretary of the Interior, on April 28, 1953, and later by Secretary Fred A. Seaton. The project has again been approved by the present administration and by Mr. Stewart Udall, Secretary of the Interior.

The project has had the strong, personal endorsement of two Presidents of the United States, former President Dwight D. Eisenhower and President Kennedy. In several budget messages to Congress from 1955 to 1960, President Eisenhower annually recommended authorization of the Fryingpan project. He included funds for the project in 1955 and 1956, and continued to recommend its prompt authorization. President Kennedy has also endorsed the project and has urged Congress to authorize the same.

The Fryingpan project has the unanimous approval of the Colorado Water Conservation Board, which speaks officially for the State of Colorado on all water matters. I wish to commend Mr. Felix L. Sparks, executive director of the board, for the fine job he did in working out the agreement between the water users in the western and eastern slopes. It is largely through his efforts that Colorado is today presenting a united front on this project.

The project has the approval of the Colorado River Water Conservation District, and the Southwestern Colorado Water Conservation District, both of which have agreed to the operating principles as contained in House Document No. 130, 87th Congress. These districts represent the water users of western Colorado.

The project has also received the unanimous endorsement of the Upper Colorado River Commission. At a meeting of the commission held in Denver on May 11, 1961, a resolution was adopted by unanimous vote endorsing the Fryingpan project. This commission has the responsibility for the administration of the Upper Colorado River Basin compact. The endorsement and approval of the project by this commission is most significant, and indicates that all of the upper Colorado River States have approved the project.

The Fryingpan project has the approval of all of the States which are parties to the Colorado River compact, as well as the State of Kansas, which has a compact with the State of Colorado for the division of the waters of the Arkansas River.

The estimated cost of the project based on 1961 prices is $169,905,000, which is allocated as follows:

Irrigation	$66,097,000
Power	62,667,000
Municipal water	22,233,000
Flood control	15,014,000
Fish and wildlife	3,839,000
Recreation	55,000
Total	169,905,000

A limitation of $170 million has been inserted in H.R. 2206. In my opinion the project can be constructed for a smaller amount. This is also the opinion of many others, including engineers and water leaders. I wish to emphasize that it will require a period of from 12 to 14 years to complete construction of this project, during which time interest will be paid on construction costs. Every effort will be made to reduce the cost of construction to the lowest possible figure.

This project is beyond the ability of local interests to finance and construct. All of the money will be repaid to the Government, with the exception of the items charged to flood control, fish and wildlife, and recreation, amounting to $18,908,000, which costs are nonreimbursable. The remainder of the construction costs will be repaid with interest, except the allocation to irrigation, which is interest-free under reclamation laws.

The farmers will contribute to the repayment costs by paying for all of the project water which they use at the rate of $5.40 per acre-foot. Farmers will also pay for storage of their own water during the winter months at the rate of $2.25 per acre-foot. This water will be stored in the Pueblo Reservoir. The towns and cities will pay for the water they use for domestic purposes. Hydroelectric power will be sold to preference customers and to private utilities.

The annual receipts under the project have been estimated as follows:

Conservancy district	$516,160
New irrigation revenues	364,965
Power revenues	2,371,150
Municipal water	832,710
Total	4,084,985

Under the provisions of this bill, the power costs will be repaid in 41 years, with interest, after completion of the power facilities. The revenue from power sales will then be used to assist in the payment of the amount allocated to irrigation, but which is beyond the ability of the water users to pay during the period specified. It is estimated that the irrigation allocation will be repaid in a period of 50 years, after completion of construction. The amount charged to municipal water will be repaid with interest in 50 years. It is estimated that water users, and revenues from the conservancy district, will pay some 70 percent of the total amount allocated to irrigation, or about $46,685,000. The balance of $19,411,000 allocated to irrigation will be paid from surplus power revenues.

The bill provides that the Secretary of the Interior shall not proceed with the construction of any of the municipal water-supply systems until he is satisfied that it would be infeasible for the local communities involved to construct these facilities, either singly or jointly. If these facilities are constructed by the local cities the cost of the project will be reduced in the amount of $14,240,000.

This is a self-contained and independent project, using water belonging to the State of Colorado which has been allocated under the upper Colorado River compact. Only 69,100 acre-feet of water is to be diverted from the Colorado River Basin. Under this compact, Colorado was allocated 51.75 percent of 7,500,000 acre-feet, amounting to 3,850,000 acre-feet of water in the Colorado River. The amount to be used by this project is less than 2 percent of this total. Colorado is now using less than 2 million acre-feet of the Colorado River water to which she is entitled under the terms of the

compact. Colorado furnishes 70 percent of the water in the Colorado River.

No other State is affected by this project. This water belongs entirely to the State of Colorado. Not a drop of water is taken from any other State. The project merely provides for the use in Colorado of water which has been allocated to us under the terms of the upper Colorado River compact.

The State of California has withdrawn its objections to the project. On April 13, 1962, Mr. Northcutt Ely, special counsel for the Colorado River Board of California, advised me that the objections we previously raised to the specific provisions of the Fryingpan bill have been met with the single exception noted in my testimony. The exception to which Mr. Ely refers is the proposal for an overall limitation of 25 percent on all of the transmountain diversion out of the Colorado River Basin. It was impossible to reach an agreement on this proposal, as we feel such a limitation cannot be approved under the compacts dividing the water between the several States, and under the constitution of the State of Colorado.

The water will be collected on the western slope by a system of 50 miles of covered conduits and tunnels. The water to be diverted will come from Hunter Creek and the Fryingpan River, which are tributaries of the Roaring Fork River. The water will be brought to the eastern slope through the Continental Divide by means of a tunnel.

There are three earthen dams in the project which will be used to store water. Two of these dams are now in existence and will be enlarged. The first of these is the Sugar Loaf Dam near Leadville, which now has a capacity of 17,000 acre-feet. This reservoir will be enlarged to a capacity of 117,000 acre-feet. The second is the Twin Lakes Reservoir, which now has a capacity of 56,000 acre-feet, and will be enlarged to 260,000 acre-feet.

The third dam will be located just west of Pueblo and will have a capacity of 400,000 acre-feet. The overall storage capacity of the project will be 777,000 acre-feet.

The project will produce about 123,900 kilowatts of hydroelectric energy from a series of seven powerplants. Six of these plants will be in the vicinity of Leadville and Salida, where there is a total drop of 2,250 feet in elevation. The seventh plant will be located at the Pueblo Reservoir, just west of the city of Pueblo. It is estimated that the total firm power output of these plants would be 507 million kilowatt-hours annually. It is proposed to sell firm power at 6.5 mills.

Most of this power will be purchased by REA cooperatives in this area, including the Southeast Colorado Power Association at La Junta, the San Isabel Electric Association at Pueblo and the Sangre de Cristo Electric Association at Salida. These REA associations serve more than 35,000 rural people living in 17 counties in southeastern Colorado, comprising approximately one-fourth of the State's total area.

These REA groups have been intensely interested in this project and have always given the same their wholehearted support. They have first claim on this power as preference customers. All of these cooperatives are in need of cheaper and additional power in order to supply the demands of their customers, and at the same time meet their financial obligations to the Rural Electrification Administration in Washington.

Practically all of the power now available to the REA cooperatives comes from private utilities. There has been a very happy relationship between the REA groups and the private power companies in this area. The private utilities, the Southern Colorado Power Co. and the Public Service Co. of Colorado, have agreed to make their transmission facilities available for the distribution of this power. They have also offered to purchase all of the power not required by the preference customers.

The Fryingpan-Arkansas project is designed as a completely self-contained unit. Its approval by Congress implies no commitment for any future transmountain diversion project from the Colorado River Basin to the Arkansas River Basin, and there are no plans for any such project.

The Fryingpan-Arkansas project is feasible and has a favorable benefit-cost ratio. An economic analysis of the project indicates that over a 100-year period the project benefits will exceed the cost in a ratio of about 1.65 to 1.

Mr. Royce J. Tipton, of Denver, a recognized engineer of national and international reputation, in a statement before the House committee, commented on the project as follows:

> My conclusion is, after having been intimately identified with the evolution of the project as a member of the engineering advisory committee of the policy and review committee, that the project is well conceived from an engineering standpoint, and that it will provide the maximum possible benefits from the water supplies made available by it. From the standpoint of need for the project, and the engineering feasibility of it, I strongly urge its authorization.

The water to be diverted by this project will be sold for $5.40 per acre-foot. Farmers from the Arkansas Valley have appeared before the committee and stated without hesitation that they are willing to pay this price for this water. They stated that in many cases this additional water would mean the difference between a crop or no crop at all. They assured the committee that the farmers in the Arkansas Valley are able, ready, and willing to pay this amount for this supplemental water. These farmers have always given the project their full support.

The project has the enthusiastic support of the people of the Arkansas Valley. Many civic, fraternal, and community organizations have endorsed this project. The desperate need for this additional water is fully recognized and these people are most anxious to have this project constructed at the earliest possible date.

Among the many groups supporting this project, and who have submitted resolutions in favor of the same, are:

National Farm Loan Association of Pueblo.

Local No. 113, International Brotherhood of Electrical Workers.

Chamber of Commerce of Pueblo.

Colorado State Federation of Labor.

Colorado State Association of REA Cooperatives.

Holbrook Mutual Irrigating Co.

Resolutions from numerous city councils, town boards, and county commissioners.

Resolutions from many senior and junior chambers of commerce.

Resolutions from many Rotary, Kiwanis, Lions, and Elks Clubs, and American Legion posts.

Numerous civic organizations and clubs.

Many labor organizations.

Several sportsmen's clubs.

This is a reclamation project to be constructed under general reclamation laws. It is a good investment for the Government. The initial cost will be repaid to the Federal Government in full, and with interest, except for the amount allocated to irrigation, which is interest-free under reclamation laws. All that we are asking is a loan. The Government will advance the money, for construction costs, and it will be repaid as mentioned above.

I want to thank my colleagues in the House who have expressed their interest in the Fryingpan-Arkansas project, and for their support, both in past years and on the present bill. I urge you to vote for the bill and to authorize this project which is in the best interests of not only Colorado, but the entire Nation.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Chairman, what we are dealing with today is the most vital resource we have: water. Without this, there is not any community that can survive. Without this, no land can produce any edible vegetation nor any crop of any kind.

The Arkansas River Valley in Colorado is a fertile area. It is a growing area in both population and industry. But a critical shortage of water exists in the basin, a shortage that menaces the whole economic stability of the region. The average rainfall, for example, in the region is one-third the average rainfall in St. Louis, New York, or Washington; one-fourth that of Atlanta, and one-fifth the average rainfall in New Orleans. With existing water supplies, the problem of pollution, chloride content, alkalinity, hardness, and turbidity is one of the most serious in the whole country. It is imperative that additional supplies of water be secured if this region is to continue to develop. The Fryingpan-Arkansas project is the only hope for new water—no other source is available as the underground water is already up to the rate of recharge.

At present, the extreme fluctuations of the Arkansas River produces both floods and drought, leaving the farmers of the valley to face each year with complete uncertainty. Flood damage is estimated to average $700,000 a year, and the constant threat of drought and crop failure has an adverse and depressing

effect on all business in the region. The purpose of this project is to correct both these conditions.

The situation in this area of southeastern Colorado is strikingly similar to the conditions which existed in my own district of northeastern Colorado prior to the construction of the Colorado-Big Thompson project.

Experience has shown that the Colorado-Big Thompson has been of enormous benefit to northern Colorado. It has stabilized the economy of that region, and was largely responsible for avoiding what could have been a major disaster during the drought years of 1953 to 1957.

It is interesting to note that in the area under irrigation from Colorado-Big Thompson water—and I think you all will be interested in this—the farms in general have shifted from crops which are classified generally as surplus to more stable crops, including vegetables and additional farm livestock feeding operations.

Prior to the completion of the Colorado-Big Thompson project the crops grown in the area were barley, corn, oats, sorghum, wheat, alfalfa hay and other hay, irrigated pasture, other forage, ensilage, dry beans, sugarbeets, vegetables, seeds, and fruits.

Now look what has happened since the Colorado-Big Thompson project made it possible for the farmer to plant for his most productive market because he has the additional water. Barley acreage and yield decreased 23 percent. Corn and oats dropped 17 percent. Wheat acreage dropped a phenomenal 71 percent. But vegetable production increased almost 36 percent.

The same results can be anticipated in the Arkansas Valley when this project is completed. Of the five major crops which make up virtually our entire inventory of surplus agricultural commodities—wheat, corn, cotton, tobacco, and sorghum—the Arkansas Valley does not now produce any cotton or tobacco, and this project would not change that picture. No cotton or tobacco will be produced by the water supplied from this project. The production of wheat is not economical under irrigation and it will decline sharply. Wheat is uneconomical by comparison with other irrigated crops. It cannot compete with vegetables where they can be grown on the same land. The Fryingpan-Arkansas project is not going to irrigate any new land. It will better irrigate some land already under irrigation. Perhaps even more important, will be the assurance of a more adequate water supply to the cities of Pueblo, Colorado Springs, Rocky Ford, La Junta, Las Animas, Lamar, Canon City, and Leadville.

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

Mr. DOMINICK. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I want to commend my colleague on the very interesting and persuasive statement he is making. I am very much interested in the statistics he has given concerning the operation of the Colorado-Big Thompson project. He calls our attention to the fact that some of these crops—in surplus—have been reduced because of the additional water made available.

Mr. DOMINICK. I thank my colleague.

Mr. CHENOWETH. I should like to have the gentleman impress this fact on the gentleman from Kansas [Mr. AVERY] and that the same thing that happened in connection with the Colorado-Big Thompson project will occur in the Arkansas Valley if the Fryingpan project is constructed.

Mr. DOMINICK. I am sure that would be true. When you provide water for irrigation purposes, the result of this is you put into production crops which are the best cash crops you can get, which are not those now included in the surplus products.

There is one more thing which I think must be emphasized; that is, I think the stumbling block to most of the water power projects is not here present—that is, the public versus private power fight. It is not in this project. We do have public power in this, but the private utility companies as well as the cooperatives have assured us they are in complete agreement about the need for and the planned operation of the Fryingpan-Arkansas project.

There is no element of relief in this project. The only amounts that are not going to be repaid are for fish and wildlife, recreation, and flood control, which you have already heard my colleagues, the gentlemen from Colorado [Mr. CHENOWETH and Mr. ASPINALL], talk about. These things are necessary as part of a multipurpose project, and they will benefit the entire State—and the Nation, for that matter.

This project has been under study for 30 years. It has been ready for 10 years. The disagreements which have blocked passage in prior years have been resolved in the State and the urgency gets greater every year.

This is an authorization bill, not an appropriation bill. Appropriations, when they are made, will be repaid directly to the extent of almost 90 percent. The construction will occur over a period of 12 or 14 years depending upon the amount of appropriations in future years, and there will be no appreciable effect as far as I can see in this or in next year's budget. So I earnestly ask all those who are present, for their support in voting for the enactment of what I conceive to be one of the best and most important reclamation projects we have ever had before us.

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

Mr. DOMINICK. I am delighted to yield to my colleague.

Mr. WICKERSHAM. I notice the gentleman from Kansas in inquiring about this program, agreeing with what you say, that this would be a lot better for Kansas because they would raise a lot less wheat; is that right?

Mr. DOMINICK. As far as I can see, this will result in a benefit to Kansas and by virtue of the amount of corn, wheat, and sorghum that would be taken out of production in the Arkansas Valley, it would give them room, perhaps, for a little more market.

Mr. WICKERSHAM. The gentleman from Iowa and the gentleman from Kansas are both very able men, and I can appreciate the fact that they are interested in finding out the facts. Is it not true that more people go to Colorado from Kansas and from Iowa than almost any State in the Union for recreation facilities and also stay there all summer long?

Mr. DOMINICK. From Kansas, from Iowa, from California, and from Texas, we have an invasion which we welcome every year. We hope they will keep coming and this will make it even more pleasant for them to come.

Mr. WICKERSHAM. There is one little project in my district in Oklahoma which is one-fourth this large, and 2¼ million people come there each year for recreational purposes and the additional business that is generated has been worth hundreds of thousands of dollars.

Mr. DOMINICK. I think the gentleman has made an excellent point and I sincerely appreciate his contribution.

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

Mr. DOMINICK. I am glad to yield to the gentleman from Kansas, my good friend.

Mr. AVERY. I certainly appreciate the gentleman yielding, particularly in view of the fact that reference has been made to the gentleman from Kansas, and I can only conclude that it might possibly have been me because I did address the Committee this afternoon.

Mr. DOMINICK. Yes, and it was so intended.

Mr. AVERY. No. 1, I want it to be abundantly clear that you do not need to pass this project to accommodate Kansas. We are getting along pretty well just the way things are. You do not need to pass the farm bill to accommodate Kansas, we are getting along without that and we can get along without this project too. If the transient and tourist business from Kansas into Colorado is pretty important, then I would suggest that we just go along and leave things in status quo. But, if you pass this farm bill and pass the pending bill, we are not going to have enough money to go to Colorado.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the authorization of the Fryingpan-Arkansas project, as provided for in H.R. 2206, would permit the State of Colorado to put to maximum use a small portion of its undeveloped water resources. About 69,000 acre-feet of water would be diverted from the Colorado River Basin to the Arkansas River Basin. This small amount is only about 2 percent of Colorado's share of the Upper Colorado River Basin's expected entitlement under the Colorado River compact of 1922 and the Upper Colorado River Basin compact of 1948. By this transmountain diversion from western Colorado to eastern Colorado through the Continental Divide, additional water in the Arkansas basin will be made usable

so that the total project water supply for the Arkansas Valley amounts to about 183,000 acre-feet.

The project would provide supplemental irrigation water for approximately 280,000 acres of land in the Arkansas Valley and about 20,500 acre-feet of municipal water for Colorado Springs and other Arkansas Valley towns. Operation of the project would prevent flood damages along the Arkansas River which presently average more than $700,000 annually. The hydroelectric plants and related facilities would provide about half a billion kilowatt-hours of electric energy annually. In addition, the project would benefit fish and wildlife, provide recreational opportunities, help control sediment, and prevent stream pollution.

The Fryingpan-Arkansas project is a self-contained multiple-purpose development wherein each function is related and contributes to the support of the overall project and its feasibility. The project would be operated in a manner which has been agreed upon by the State of Colorado and all agencies within the State which have responsibilities in connection with the development and use of water resources.

I would like to explain briefly the Fryingpan-Arkansas project plan of development and operation. A system of canals and tunnels, referred to as the collection system, would be constructed on the upper tributaries of the Fryingpan River and the Roaring Fork River in western Colorado for collecting an average of about 69,000 acre-feet of water annually which would be diverted to the Arkansas Valley through the 5.3 mile Fryingpan-Arkansas Tunnel. On the eastern slope the water would be stored in the Sugar Loaf Reservoir, which is to be enlarged under the project plan from its present capacity of 17,000 acre-feet to 117,000 acre-feet. From there, the regulated water would flow through the Elbert Canal and powerplant and into the Twin Lakes Reservoir which would be enlarged from its present active capacity of 56,000 acre-feet to 260,000 acre-feet. In addition to the imported water, water from the Arkansas River would be diverted into the Twin Lakes Reservoir by construction of the Snowden Diversion Dam and Canal. The enlargement of the Twin Lakes Reservoir would also permit the Twin Lakes Canal Co. to export an additional 14,000 acre-feet of water annually. From the Twin Lakes Reservoir the water would be diverted through five additional powerplants before reaching the Arkansas Valley service area. The principal storage facility on the Arkansas River would be the 400,000 acre-foot Pueblo Reservoir where the flows would be regulated for irrigation, for municipal use, and for flood control. An additional powerplant would be constructed at the Pueblo Reservoir.

The entire power system, consisting of seven powerplants and related facilities, would have an installed capacity of 123,900 kilowatts. Specific municipal water facilities for conveying water to Colorado Springs and other Arkansas Valley towns would be constructed by the United States only if construction by the communities themselves proved infeasible.

I would like to return briefly to western Colorado and discuss the Ruedi Dam and Reservoir which would be constructed on the Fryingpan River, about 14 miles above Basalt, Colo. The Ruedi Dam and Reservoir, with a capacity of about 100,000 acre-feet, would provide the replacement water for the water diverted to the Arkansas Basin and would also provide additional regulatory storage capacity to serve future multiple purposes in western Colorado. Only about 28,000 acre-feet of capacity is needed in connection with the diversion to the Arkansas Basin. It is this feature of the project which provides for development and use of water in both eastern and western Colorado. The legislation also requires the Secretary of the Interior to investigate and report upon the need for an additional reservoir of about 5,000 acre-feet capacity on the Roaring Fork River above its confluence with the Fryingpan River. The purpose of such an additional reservoir would be to offset any adverse streamflow conditions on the Roaring Fork River in the vicinity of Aspen which might occur as a result of the Fryingpan-Arkansas project operations.

The Fryingpan-Arkansas project, consisting of the works which I have just described, is estimated to cost $169,905,000. This amount includes $13,761,000 for the municipal water delivery system which may be constructed by the communities themselves, thus reducing the project cost.

Of the total estimated cost of $169,905,000, $18,908,000 is allocated to nonreimbursable purposes and $150,997,000 is allocated to reimbursable purposes. The nonreimbursable purposes are flood control, $15,014,000; fish and wildlife, $3,839,000; and recreation, $55,000. The reimbursable purposes are irrigation, $66,097,000; municipal water, $22,233,000; and electric power, $62,667,000. The entire cost of the Ruedi Dam and Reservoir is included in the cost of the Fryingpan-Arkansas project for repayment purposes even though three-quarters of the storage capacity will be available to serve future needs in western Colorado.

The amount allocated to electric power would be repaid with interest by the 41st year after completion of all power facilities. The amount allocated to municipal water supply would also be repaid with interest in a period of 40 years following completion of construction. If the municipal water delivery system is constructed by the Federal Government, it would also be repaid with interest within a 50-year period. The amount allocated to irrigation would be repaid within 50 years from revenues received from water users amounting to $21,709,000, revenues received from ad valorem taxes amounting to $24,977,000, and revenues from power operations above those required for repayment of the power investment amounting to $19,411,000.

The Department's economic analysis of the Fryingpan-Arkansas project indicates that on an annual basis the total project benefits will exceed the costs in a ratio of 1.65 to 1. The total annual benefits are determined to be about $11 million, comprising irrigation benefits amounting to $5,007,000, municipal and industrial water benefits amounting to $1,274,000, power benefits amounting to $3,606,000, flood control benefits amounting to $720,000, fish and wildlife benefits amounting to $172,000, recreation benefits amounting to $80,000, and sediment control amounting to $141,000.

Mr. Chairman, the subcommittee of which I am chairman has given thorough and detailed study to H.R. 2206 and to the Fryingpan-Arkansas project. Last year the subcommittee held 2 days of public hearings on this legislation during which only one witness appeared in opposition. He was representing a number of others. In addition, the committee has exhaustively studied this project in previous years. The project before us today has been modified since it was previously considered and is much improved from both a physical and economic standpoint. In addition to the standard provisions in the bill for project authorization purposes, the bill includes language to assure operation of the project in accordance with all the compacts, statutes, and treaty which make up the so-called law of the Colorado River and to fully protect the rights of all the States in the Colorado River Basin. The committee adopted only minor and clarifying amendments to the bill.

The Interior and Insular Affairs Committee concluded that the proposed Fryingpan-Arkansas project is sound from an engineering, economic, and financial standpoint and meets every standard test of current reclamation doctrine and policy. The committee concluded also that the project is urgently needed to stabilize the livestock industry in the Arkansas Valley, to permit flexibility in farming operations so cropping practices can be adjusted to meet market demands, and to help alleviate the present unstable economic conditions that exist due to the effects of drought and a restricted water supply.

Mr. Chairman, the Committee on Interior and Insular Affairs recommends that the House approve H.R. 2206.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield at that point?

Mr. ROGERS of Texas. I am happy to yield to my chairman.

Mr. ASPINALL. And in conformity with the statement the gentleman has just made it would be necessary for the Secretary of the Interior to have a finding that it is infeasible for these municipalities to build their own municipal lines and systems before the Secretary will have authority. Is that correct?

Mr. ROGERS of Texas. The gentleman is correct.

Mr. ASPINALL. And if the Secretary so finds, an amount is included within the overall amount that will be authorized by this bill, but if the Secretary does not so find then the amount of $170 million must be reduced by the amount of $13 million. Is that correct?

Mr. ROGERS of Texas. That is correct. I thank the gentleman for his contribution.

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

Mr. ROGERS of Texas. I yield to the gentleman from Kansas.

Mr. AVERY. I do not like to presume upon the time of the members of the committee on that particular project, but I think it is important to point out the distinction between the utilization of the various assets in this project. Those of us who are appearing here in opposition today certainly have no quarrel to make with the opponents over the Water Conservation Act.

It is purely irrigation that will have the effect of accelerating agricultural production at this time, to which we object.

Now, my question is, Has the committee considered the various increments of this project, such as the Pueblo Reservoir, that I understand is to provide a substantial amount of flood control with which we are sympathetic, and if this is to provide flood control, very obviously it would have to stabilize the water supply in the Arkansas River from that point to wherever the assets will be dissipated? Has that approach been considered, leaving out irrigation?

Mr. ROGERS of Texas. You mean to finance the entire program without irrigation?

Mr. AVERY. If you leave out irrigation, you would not have to take up so much water. Could you fully utilize the water that belongs to the water users, forgetting about the irrigation, and stabilizing enough water for the other uses?

Mr. ROGERS of Texas. I think possibly you could, but unless you tie this entire project together, I think your cost would shoot upwards measurably, and when you try to approach on a per capita cost or per-acre cost, I think it would be completely out of proportion to what we have here because of the payback ability of the project.

Mr. AVERY. Could the gentleman tell us what the estimated cost of the Pueblo Reservoir would be?

Mr. ROGERS of Texas. That is in the report to which I refer my good friend.

Mr. AVERY. I am advised it is $38 million.

Mr. ROGERS of Colorado. Mr. Chairman, if the gentleman will yield, $37,758,000 is the figure given.

Mr. ROGERS of Texas. Now, that is on page 6 of the report: Pueblo Dam, Reservoir, and powerplant, $37,758,000.

Mr. AVERY. Now, I do not want to prolong this, but may I submit this final question? Can that project be justified as economically feasible as a separate entity?

Mr. ROGERS of Texas. The Pueblo Reservoir?

Mr. AVERY. Yes.

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, studies show that it would not be considered feasible, and standing by itself, Pueblo Reservoir would not be built. But, standing with the rest of the units of the project, the stepping down and lowering of the water as it comes down and the benefits that will come from these other installations show that the reservoir can be built, and the cost that is allocable to flood control is consistent with formulas presently used for such purposes.

Mr. AVERY. I must say that I regret that that particular aspect of the project could not stand by itself, because I think there would be no opposition to it. And, it seems to me it is in perfect conformity to the recognized obligation of the Federal Government. But, when you add irrigation to that at a time of surplus, I just cannot find myself in agreement with my friend from Texas and my friend from Colorado.

Mr. ROGERS of Texas. Let me say this in regard to the surplus, and I think the matter ought to be pointed up very clearly. As the gentleman knows, we have been over this project a number of times, and I looked upon it with a great deal of skepticism when it first became my opportunity to get into it. But, the fact of the matter is this, that these surpluses are going to be settled in either one of two ways in this country. They are going to be settled by control of the production of the product itself or they are going to be settled by permitting the price to go so low that it will not be in any way feasible to grow them. Now, what is going to happen I do not know, and the gentleman, I am sure, is waiting to see what happens to the farm bill. But, in this particular instance we have a water supply lack. If these people in this general area could have more water, I think they would grow nonsurplus crops. What has happened is this, and I believe the record will reflect and I think the hearings will reflect it, and I refer the gentleman to them, that all of the feed grains and the corn that went into the Commodity Credit Corporation—I do not believe any corn has gone into the Commodity Credit Corporation, but any that has, has been redeemed by the farmer, and the same thing is true of grain sorghums that went into Commodity Credit Corporation storage, which, of course, burdened the economy with surpluses, but it has been redeemed by the farmer, which simply means it was fed out.

So, livestock operations in this area are much more profitable if these people can grow this and feed it out.

Mr. AVERY. Mr. Chairman, will the gentleman yield 1 minute further, and then I shall not ask him to yield again?

Mr. ROGERS of Texas. I yield to the gentleman from Kansas.

Mr. AVERY. I do not think it is fair to draw a line between products that are in surplus and products that are not. There are some that are supported and some that are not. I do not know of a single agricultural product that is in short supply. If there are some in short supply I would like to know about them.

Mr. ROGERS of Texas. Let me say this to the gentleman from Kansas in answer to that: I think the reason for that is this: When you get back to the basic problems involved, there are two kinds of agricultural problems. One is surplus agricultural commodities, and one is a shortage of agricultural commodities. We have one problem while Russia and China have another. I prefer ours. I think the reason we have surpluses is because we had the foresight to do the things in the western part of this country in reclamation and in working the land as we have to provide the needed food and fiber for the people of this country.

Mr. AVERY. The gentleman still did not mention any products that were in short supply. Are there some agricultural products in short supply?

Mr. ROGERS of Texas. There are some agricultural products that are not supported which I think should be developed in this general area.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Let me say for the benefit of the gentleman from Kansas [Mr. AVERY], I am sure that the gentleman concedes there is a short supply of sugar. This is an area where sugarbeets grow in abundance. This project would not contribute to any surpluses that we have. That is at least one of the products, and there are others such as cantaloups and vegetables that are grown in the Arkansas valley. Are they in a surplus state? I do not think so.

Mr. AVERY. Are they in a short supply? That was my question.

Mr. ROGERS of Colorado. Yes, they are in short supply.

Mr. SCHWENGEL. Where?

Mr. ROGERS of Colorado. We have to import approximately 45 percent of our sugar.

Mr. AVERY. We are talking about cantaloups.

Mr. ROGERS of Colorado. Yes, we are talking about cantaloups. As the gentleman from Kansas knows, the cantaloup season goes from area to area. For the benefit of the gentleman, the season starts in California and then when the California season is finished, it goes to Arizona. The season runs in Arizona about 2 months—the middle of August. Colorado farmers harvest from August 15 to October—those delicious Rocky Ford cantaloups.

Mr. AVERY. They are delicious. On that I can agree.

Mr. ROGERS of Colorado. And, they are not in surplus supply. If the gentleman thinks they are in surplus supply, try to buy some of them down here about the first of September.

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

Mr. ROGERS of Texas. I will be happy to yield to my good friend, the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. If you will turn the farmers loose to raise all the sugarbeets they want to, they will bury the gentleman from Colorado [Mr. ROGERS] with sugar.

Mr. ROGERS of Texas. Let me say this to the gentleman from Iowa: He knows of my interest in that. We are going to do our very best to try to do that very thing.

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

Mr. ROGERS of Texas. I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. I want to commend the distinguished chairman of the subcommittee on a very splendid, com-

prehensive, and convincing statement, and for his support of this project. I want to remind the gentleman from Kansas [Mr. AVERY], that this area in Colorado is a deficit area insofar as feed grains are concerned. We buy feed grains from Kansas, Oklahoma, and Texas, as well as other States.

Mr. AVERY. Maybe that will help the gentleman understand my position out there.

Mr. CHENOWETH. I assume the gentleman wants our business in the State of Kansas. We are happy to do business with our friends in Kansas.

Mr. GROSS. We will sell and ship you some more.

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

Mr. ROGERS of Texas. I yield to the gentleman from Kansas.

Mr. BREEDING. I would like to direct my remarks to the distinguished gentleman in the well, the gentleman from Texas [Mr. ROGERS]. I would like to tell the gentleman that I think he has overlooked one of the most important things in this debate. I do not believe it has been mentioned, and that is the fact that this kind of program will raise the water table in my own State of Kansas. In my congressional district there is located at the western end of my district many thousands of acres of irrigated land. We think this will help raise the water table so we will have more water for the growing of these sugarbeets and cantaloups and what have you that grow in that area. I might also point out that the gentleman from Kansas [Mr. AVERY] said he did not know of any agricultural commodity that was not in surplus.

I would like to remind the gentleman that in the present Agricultural Act there is a provision to permit oil crops to grow on this diverted acreage and turn back the payment on these crops that we are continuously importing today. We do not have enough castor oil, we do not have enough of various kinds of oil that these crops produce.

In the legislation that is coming up there is also such an amendment in there to provide that these crops may be grown on the diverted acres. I would point out that important feature that has to do with raising the water table. In the western part of the State of Kansas, especially where we have thousands of acres of deep-well irrigation we feel that this will raise the water table.

I am one Kansan in support of this project.

Mr. ROGERS of Texas. Mr. Chairman, I thank the gentleman for his excellent point, because everyone who resides in the Great Plains area of this Nation is familiar with the problem he is talking about, and appreciates it.

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

Mr. ROGERS of Texas. I yield to my good friend from Iowa.

Mr. GROSS. What would be the interest rate? The gentleman has referred several times to repayment with interest. What will be that interest rate?

Mr. ROGERS of Texas. I think the interest rate as figured on this project is 2.632 percent, which is the interest rate on long-term Government obligations.

Mr. GROSS. Can the Government borrow money on that basis now?

Mr. ROGERS of Texas. I doubt that seriously.

Mr. GROSS. So do I.

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

Mr. ROGERS of Texas. I yield to my chairman.

Mr. ASPINALL. This is dependent, of course, on the money market at the time construction starts and the average interest cost for long-term loans over the preceding 15 years. Money is made available by this legislation for loans at rates conforming to such formula.

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

Mr. ROGERS of Texas. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. It is well known that the gentleman from Colorado and the gentleman from Texas are very thorough and very conservative. After studying all these projects you have had before your committee and after perfecting them, would not the gentleman say this is one of the best if not the best that has come before your committee?

Mr. ROGERS of Texas. I would say this, that this project is an investment in America. I think if we are going to meet the challenges of the future, whether they be from the Soviet republics or from any other ideology that conflicts with the basic constitutional freedoms guaranteed in this country, we had better build up our own resources and not waste time doing it.

Mr. WICKERSHAM. Would not the gentleman also say that this would provide for less production of Government-supported commodities and provide for many more commodities which are nonsupported?

Mr. ROGERS of Texas. I think that is correct.

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

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

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

[Roll No. 106]

Addonizio	Fulton	Laird
Alford	Gallagher	McMillan
Andersen, Minn.	Garland	McSween
Ashmore	Giaimo	McVey
Auchincloss	Gilbert	Macdonald
Baker	Glenn	Mason
Barrett	Goodell	Merrow
Bass, N.H.	Granahan	Miller, George P.
Blatnik	Green, Oreg.	Miller, N.Y.
Blitch	Green, Pa.	Moeller
Boykin	Gubser	Moore
Brewster	Hardy	Moorehead, Ohio
Cahill	Harrison, Va.	Moulder
Carey	Harrison, Wyo.	Nix
Celler	Healey	Norrell
Colmer	Hébert	Pirnie
Corman	Hemphill	Powell
Curtis, Mass.	Hoffman, Mich.	Rains
Davis, John W.	Holifield	Riley
Davis, Tenn.	Horan	Rivers, S.C.
Dent	Hosmer	Roberts, Ala.
Diggs	Ichord, Mo.	Saund
Dingell	Jennings	Scott
Donohue	Jones, Ala.	Seely-Brown
Dooley	Kearns	Selden
Dorn	Kee	Shelley
Farbstein	Kelly	Sheppard
Flood	Kitchin	Shipley
	Kluczynski	Slack
	Stubblefield	Smith, Calif.
	Thompson, N.J.	Smith, Miss.
	Tupper	Spence
	Vinson	Widnall
	Wallhauser	Wilson, Calif.
		Yates
		Zelenko

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 2206, and finding itself without a quorum, he had directed the roll to be called, when 336 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, you have heard this bill described in glowing terms about what it does. Now I would like to tell you some of the things that are wrong with this bill, because I have been opposed to it since it was introduced first in 1952. I am satisfied, Mr. Chairman, that if this bill is passed it will be the forerunner of the huge Gunnison-Arkansas project. I realize that some of the proponents of this legislation are sincere in their belief that they have convinced the Bureau of Reclamation that this project, the Gunnison-Arkansas project, should not be built.

However, the very arguments that they have given in favor of it point to the fact that this is still in the minds of the career employees in the Bureau of Reclamation.

The gentleman from Texas [Mr. ROGERS] pointed out what I think are some of the finest examples of the fact that this Gunnison-Arkansas project is still in the minds of the people in the Bureau of Reclamation. First he said that the Sugar Loaf Reservoir is going to be enlarged from its present capacity of 17,000 acre-feet to 117,000 acre-feet. Is it not rather strange that we have been told that we are only going to divert 69,000 acre-feet of water and yet the first reservoir that we talk about already has an increase in its capacity of 100,000 acre-feet? The next one is that the present capacity of the Twin Lakes Reservoir is 56,000 acre-feet and it is going to be enlarged to 260,000 acre-feet, so immediately there is a surplus of 200,000 acre-feet in that reservoir. It is interesting to note that the Sugar Loaf Reservoir is owned by the Colorado Fuel & Iron Co., one of the principal sponsors of this legislation. And I might say that if the House Committee on Government Operations would like to do a little investigating, they ought to look into the lobbying activities and the expense accounts of the Colorado Fuel & Iron Co. and the number of people they have sent here. I am sure that they would find a very interesting report would be made because this company, which will be one of the real beneficiaries of this project, has for years been very, very active in seeing to it that many people were brought here from Pueblo and surrounding areas to lobby for this project.

Then there is the Twin Lakes reservoir which has been referred to. I would like to remind a few of the Members who have been in Congress for some number of years a little bit about the Twin Lakes Development Corp. The RFC made the first loan to the Twin Lakes Development Corp. and after it paid back some of the money it was in such dire circumstances that it went to the RFC to get another loan to help pay the interest and give it some more operating capital.

At the time that the RFC had its assets liquidated by order of Congress, the same people in Colorado who are now asking that the Congress of the United States invest $169 million in this project thought so little of the 4-percent bonds of the RFC that they were only willing to pay 15 cents on the dollar for this asset.

It is also interesting to note that among those assets which disappeared from the RFC, and nobody has been able to find out where, were 30,000 shares of stock in the Twin Lakes Development Co. I would like to know and so would a good many other people like to know what happened to this stock. If this bill passes this stock will skyrocket in value.

Congress has turned this bill down before. It has turned it down because while today we have a fine example of State unanimity, it is so unanimous that we have even seen the two distinguished Members of the other body that come from the State of Colorado here—in fact, the word came to me that some of them asked certain of the House employees whether they were going to vote for the bill. Certainly I did not think this project was in such shape that it was necessary to ask House employees whether they were going to vote for it.

I am surprised at the depth to which some people will go to see that a project is passed.

Let us look at some of the testimony that has been given in prior years on this project. You have heard people say that there is plenty of water. Do not let anybody disrupt or change your thinking that there is plenty of water for this project. So that we may understand the difference between this project and the others, I would like to quote the author of the bill in the testimony he gave to the House Committee on Interior and Insular Affairs. The gentleman from Colorado [Mr. ASPINALL] stated:

There is very little difference between this bill and the other bills that have been considered.

As near as I am able to determine, the only difference between the other bills that have been considered by the House Interior Committee and the bill that is presented before you is that you have substituted a 28,000-acre-foot reservoir above Aspen, Colorado, for a 100,000-acre-foot reservoir known as the Ruedi Reservoir.

In 1953 the gentleman from Colorado [Mr. ASPINALL] stated:

Mr. Chairman, before our colleague—

He was referring to our colleague from Colorado [Mr. CHENOWETH]—

Mr. Chairman, before our colleague leaves the witness stand, I wish to make one observation and one statement. My colleague has referred to the fact that this project provides for the transmountain diversion of surplus water from the Colorado River Basin in western Colorado. Now I am not sure that my colleague would be willing to go on record before this committee that there are surplus waters at the present time in western Colorado for transmountain diversion. In other words, that is not a statement of fact, that is a statement of what this project is based upon.

The gentleman from Colorado [Mr. ASPINALL] further stated:

I want that distinctly understood by the committee, because one of the best students that we have of western Colorado water resources in western Colorado is Mr. Silmon Smith, who states that the western slope is already overappropriated and that there is no water present there for transmountain diversion. So that the committee has a definite understanding that that question is involved at the same time as we study the economics and the feasibility of this project, it is absolutely necessary to understand that.

When we go back into the House, I shall insert into the RECORD, if permission is granted, Mr. Silmon Smith's analysis showing that in 1952 there was no water to build this project, and I am sure there has been no new water coming into western Colorado for this project.

Analysis of Colorado's share of Colorado River and its consumptive use, present and potential

[In acre-feet]

Theoretical water for upper basin States (note 1)	7,500,000
Allotted to Arizona (note 2)	50,000
Colorado, New Mexico, Utah, Wyoming (note 2)	7,450,000
Colorado share of 51.75 percent (note 3)	3,855,375
Colorado share of Mexican treaty shortage (note 4)	106,475
Colorado share holdover reservoir evaporation (note 5)	414,000
Subtotal	520,475
Total for Colorado use (note 5)	3,334,900
Western Colorado present use (note 6)	1,129,000
Eastern Colorado present use (note 7)	544,000
Subtotal	1,673,000
Remaining for Colorado use (note 7)	1,661,900
Potential irrigation—western Colorado:	
Gunnison River shed (note 8)	192,000
Colorado (above Gunnison River) shed (note 9)	150,000
San Juan-Dolores in Colorado (note 10)	294,305
Yampa-White shed (note 11)	187,620
Little Snake shed (note 12)	72,635
Total	896,560
Remaining after western Colorado irrigation	765,34
Western Colorado potential municipal consumption (note 13)	23,000
Remaining for industrial use and evaporation	742,340

Analysis of Colorado's share of Colorado River and its consumptive use, present and potential—Continued

[In acre-feet]

Potential irrigation—western Colorado—Continued	
Pulp and paper mill, Colorado River (note 14)	3,000
Oil shale and related industry (note 15)	300,000
Evaporation from use reservoirs (note 16)	50,000
To care for all errors in irrigation estimates, and coal synthetic fuel, Atomic Energy Administration, and all other future industry in western Colorado (note 17)	389,340
Total	742,340
Balance remaining for diversion	0
Colorado share possible salvage inflow-outflow measure on historic use basis (note 18)	37,933
Diversion plans with no water available:	
1st phase Gunnison-Arkansas (note 19)	68,000
Blue-River-South Platte (note 20)	430,000
Gunnison-Arkansas gravity diversions (note 21)	590,000
Gunnison-Rio Grande diversion (note 22)	20,000
Diversion reservoir evaporation (note 23)	30,000
Total	1,138,000

Note 1: Colorado River compact, 1922; article III(a).

Note 2: Upper Colorado River Basin compact; article III(a)(1).

Note 3: Upper Colorado River Basin compact; article III(a)(2).

[In acre-feet]

Note 4: Average 1914–45 virgin flow Lee Ferry [1]	15,638,500
Inflow Lee Ferry to Hoover Dam [2]	1,060,000
Inflow Hoover Dam to Gila [3]	150,000
Natural channel loss Hoover Dam to Gila [4]	1,030,000
Virgin flow of Gila River [5]	1,270,000
Total	17,088,500
Upper and lower basin [6]	16,000,000
Balance available for Mexico	1,088,500
Compacted to Mexico [7]	1,500,000
Shortage to be made up equally by lower and upper divisions [8]	411,500
Upper division share [9]	205,750
Colorado 51.75 percent share [10]	106,475

[1] Final report engineering advisory committee to Upper Colorado River Basin Commission. Nov. 29, 1948, p. 3.

[2] Bureau of Reclamation 1956 Report on Colorado River, H. Doc. 419, 80th Cong., 1st sess., p. 282.

[3] Same authority, p. 283.

[4] Same authority, p. 283.

[5] Same authority, p. 284.

[6] Colorado River compact, art. III(a) and III(b).

[7] Treaty with Mexico February 1944, 78th Cong., 2d sess., pt. III Colorado River, art. 10(a).

[8] Colorado River compact, art. III(c).

[9] Colorado River compact, art. III(c).

[10] Upper Colorado River Basin compact, art. IV.

Incidentally, the "further equitable apportionate" of the Colorado River in 1963, as referred to in article III(f), Colorado River

compact, will not take place because there is none to apportion. It should also be noted that this shortage results from the virgin flow over the long flow period and if the average flow of the more recent period had been used, the shortage would be some 15 percent greater.

Note 5. Report of Regional Director Larsen, Region IV, submitted March 1949, reports at page 12, Colorado River storage project, nine reservoirs in upper basin with a total capacity of 48,065,000 acre-feet necessary to iron out wet and dry cycles and provide necessary silt basins in order to fulfill the upper division obligation not to deplete the river flow below an aggregate of 75 million acre-feet for any period of 10 consecutive years (article III(d)) and his studies show an annual evaporation rate on these reservoirs ranging from 1.5 percent to 3.2 percent with the rate of 2.6 percent on the Gler Canyon Reservoir site, the construction of which he urges. The presently estimated annual evaporation on these holding reservoirs is 800,000 acre-feet of which Colorado must bear 51.75 percent, to wit: 414,000 acre-feet. Any change of reservoir sites will decrease or increase this figure.

Note 6: Page 186, Bureau of Reclamation 1946 Report, House Document No. 419, 80th Congress, 1st session.

Note 7: Page 186, same authority; showing existing and presently authorized projects. These transbasin uses consist of the following: Grand River Ditch, Moffat Tunnel, Williams River diversion, Twin Lakes diversion, Colorado-Big Thompson diversion, and other existing small diversions. In this computation, Colorado-Big Thompson has been scheduled at 310,000 acre-feet.

Note 8: Report of area engineering office, region IV. This is an increase of 44,400 acre-feet over the amount presented to the Colorado Water Conservation Board by its engineering staff in December 1948.

Note 9: Present estimate on uncompleted study in progress by Area Engineering Office, region IV. This is an increase of 52,160 acre-feet over the amount presented to the Colorado Water Conservation Board by its engineering staff in December 1948.

Note 10: This is the estimate furnished to the Colorado Water Conservation Board by its engineering staff in December 1948 pending the completion of the survey by region IV, and based upon the error made by this engineering staff in its report on the Colorado River and the Gunnison River is more than 39 percent too low. Pending the completion of the Bureau survey in western Colorado there is no better figure available.

Note 11: This is the estimate of Colorado Water Board staff in December 1948, and although it is the best figure available until region IV of the Bureau has completed its study, this figure may be considered 39 percent too low for the reason above set out.

Note 12: This is the estimate of Colorado Water Board Engineering Staff in December 1948 and same observations apply as above.

Note 13: This figure does not include municipal use in collection with synthetic fuel development. No sufficient study has been made and it is believed to be too small.

Note 14: This is the presently contemplated consumptive use of water of the paper and pulp mill project to be located on the Colorado River west of Glenwood Springs.

Note 15: Mr. Boyd Gutherie, in charge of the United States shale experimental plant in January 1949 at Grand Junction, Colo., to the Colorado River Steering Committee, gave it as his opinion that the consumptive use of water for processing shale at the rate of 1 million barrels per day, and for the incident municipal use would be 268,000 acre-feet of water per year. Based upon his findings at the experimental plant, it was his opinion that such an operation would be in effect within a decade, and that in the event of war the peacetime operation would be doubled or trebled. It will be remembered that the experimental plant is located on the U.S. Naval Shale Fuel Reserve (any failure to properly report Mr. Guthrie is the fault of the compiler and not Mr. Guthrie). Mr. Guthrie made no effort to estimate the required consumption of water by incidental activities which would normally accompany such a development and the figure of 32,000 acre-feet has been added to his estimated minimum peacetime operation to cover that factor, making an even 300,000 acre-foot estimate.

Note 16: There will be of necessity reservoirs serving the presently authorized diversion projects and also reservoirs in western Colorado for use of irrigation and industry in addition to the main stem impounding reservoirs and from all of these there will be evaporation depending in amount upon their location. It is impossible to definitely arrive at this amount and this figure has been arbitrarily adopted as a minimum.

Note 17: There remains in the Colorado River for consumptive use by Colorado 389,-340 acre-feet of water. Referring back to items 10, 11, and 12 where no sufficient study has been made, it is reasonable to assume that they are 39 percent too small and if it shall later be determined that such is a fact, as has already been determined on the Gunnison and Colorado (above Grand Junction), then there will be required to complete the irrigation program in western Colorado 216,-278 acre-feet of water which must be subtracted from the 389,340 acre-feet, leaving 173,062 acre-feet for all other purposes, and unless the flow of the Colorado River gets up to the long-term average, this will be further reduced by an additional Mexican treaty burden. Whatever amount may remain, whether it be 389,340 or 173,062 acre-feet must cover all industrial uses, including metal mining, recovery of atomic energy strategic materials, hydrogenation of coal, and an increase in the oil shale recovery program which might ensue in the event of war. The exact requirements for these purposes are, of course, at this time not possible of exact determination.

It is apparent from the summary report to the United States Bureau of Mines by the Corps of Engineers, United States Army, submitted in May 1949, that the recovery of synthetic fuel values in western Colorado from shale and coal will be measured by the water available for treatment and not by the amount of shale and coal which will not be exhausted in several hundred years.

On page 10 of the Bureau's 1946 Report on the Colorado River, House Document 419, appears the following: "Enormous beds of bituminous and subbituminous coal within the basin (of Colorado River) in eastern Utah, southern Wyoming, and western Colorado are estimated to contain nearly one-fourth of all the coal reserves in the United States. Mines in these areas now supply most of the coal requirements in the Rocky Mountain and Pacific coast areas."

On page 71 of the same House Document 419 prepared by the Bureau of Reclamation in 1946 appears the following language: "The Colorado River Basin is a part of America's frontier. It is, perhaps, as little developed as any comparable area in the United States. Yet it is known that here lie buried one-sixth of the entire world's coal reserves, billions of barrels of oil in shale and sand (equivalent to many times the known petroleum reserves in all the oilfields of the United States) and vast treasures of other minerals including petroleum, natural gas, copper, lead, zinc, gold, silver, rare hydrocarbons, vanadium, molybdenum, phosphates, and many others. For only a few of these can it be said that development has had even a good beginning. Development of the basin's land and water resources is little beyond the half-way mark toward ultimate potentialities."

On page 80 of the same House Document 419 appears the following language: "Coal: The upper basin contains enormous reserves of coal, mostly of bituminous and subbituminous grade. Reserves here are much larger than those in any other section of comparable size in the world and amount to approximately one-third of all the coal deposits in the United States and one-sixth of those in the entire world. Some of this coal is below present mineable depths, but mineable reserves alone are nearly one-fourth of the Nation's total deposits. Coal reserves within the upper basin are roughly estimated at 400 billion tons. Bituminous coals from the upper basin are considered the highest quality bituminous coals on the western market. They are low in ash and moisture, extremely low in sulphur and highly volatile with a high heat value."

On page 82 of the same House Document 419 appears the following language: "Oil shale: The upper basin also contains the largest deposits of oil shale in the United States. The reserves of this potentially important mineral fuel account for approximately 82% of the 75 billion barrels of recoverable oil in shale in the United States, which is equal to four or five times the known reserves of petroleum in all the oil fields of the Nation. The extractions of the oil from shale will require the establishment of plants near the deposits. Whether oil shale or coal or both are utilized to meet future needs for oil and gasoline, these mineral fuels are of great potential importance."

On page 83 of the same House Document 419 appears the following language: "This array of mineral fuels and carbonaceous materials is not approached by any region in any other part of the world. The extent to which these materials may provide the basis for future mining and mineral processing within the basin and in contiguous areas cannot be foretold definitely, but it is certain that their effect on future industrial development will be important.

Note 18: By the report of the Engineering Advisory Committee to Upper Colorado River Basin Compact Commission, November 29, 1948, at page 6, it is estimated that by using the "inflow-outflow" measurement of water use, there will be salvaged to the upper basin 73,300 acre-feet of water of which Colorado's share would be 37,933 acre-feet. This figure is based on the historic flow, and does not purport to show the total salvage under maximum use and the total salvage is unknown to the compiler; nor may it be assumed that this method of measurement will eventually be adopted by all interests.

Notes 19 to 23:

See Bureau of Reclamation project report Gunnison-Arkansas Project No. 7-8a 49-0 and Blue River-South Platte Report No. 7-8a 1-0; both dated June 1948.

With reference to these items a short discussion of the Colorado law is appropriate. Colorado from the beginning has espoused the doctrine of prior appropriation of water. The Colorado River compact was executed on the theory of equitable division of the water and in order to protect the slower developing interior where the water originates, from the faster developing Pacific coast area (which furnishes no water to this river), and to protect the interior from the doctrine of prior appropriation. The Colorado River compact contemplated use of some of the water from the river in Colorado outside the river basin. Transmountain diversions have been made from the basin to eastern Colorado by agreement and on the theory that such water was surplus over the needs of western Colorado and would otherwise be forfeited to the lower basin users.

There has always been a doubt as to how much, if any, of Colorado's share was not needed for the development of the natural

basin. The Bureau of Reclamation has undertaken this study, and the people have relied upon the Bureau to complete the study. The work of the Bureau has been of inestimable value to the arid West, but its work is far from complete. Western Colorado has urged the early completion of the study in Colorado in order that the development might proceed in an orderly manner. For more than 10 years last past, however, the Bureau has expended more than twice as much of the public money in seeking to discover projects to divert the water out of the natural basin than it has expended to discover how much, if any, water is available for export without damage to the natural basin. Western Colorado has vigorously and without much effect protested this program. We have urged the completion of the in-basin study. Some years ago the arid West was divided into regions for study and development. Colorado was placed in two regions: Region IV and Region VII. The areas divide at the crest of the Continental Divide. The Colorado Water Conservation Board advised against the division of the State between two regions. The results have been worse than we feared. We have competition instead of cooperation. We have confusion instead of coordination.

In an effort to correct this situation the Colorado Legislature in 1943 enacted an amendment to the Water Conservation District Act and on page 636, Chapter 192 of the 1943 Colorado Session Laws appears this language: "Provided, however, that any works or facilities planned and designed for the exportation of water from the natural basin of the Colorado River and its tributaries in Colorado, by any district created under this Act, shall be subject to the provisions of the Colorado River Compact and the Boulder Canyon Project Act, as amended; that any such works or facilities shall be designed, constructed and operated in such a manner that the present appropriations of water, and in addition thereto, prospective uses of water for irrigation and other beneficial consumptive-use purposes, including consumptive uses for domestic, mining and industrial purposes, within the natural basin of the Colorado River in the State of Colorado, from which water is exported, will not be impaired nor increased in cost at the expense of the water users within the said natural basin; and that the facilities and other means for the accomplishment of said purpose shall be incorporated in, and made a part of, any project plans for the exportation of water from said natural basin in Colorado." This language incorporates the policy of the State of Colorado in the use of the waters of the Colorado River within the State. It is binding upon any development operating through a water conservation district. Theoretically at least, the Bureau of Reclamation has recognized this policy as binding upon its development of Colorado's water use.

The figures appearing herein are facts developed almost entirely by the Bureau. They are available to anyone who searches. How, in good faith in the face of these facts, can the Bureau continue to expend millions of dollars of public monies on plans to divert more than a million acre-feet of water, which it knows does not exist? We take pride in the splendid accomplishments of the Bureau of Reclamation, and only recently the Bureau broke all records in an emergency repair of a failed project tunnel which otherwise would have most seriously damaged the economy of western Colorado; and we are glad of this opportunity to express our gratitude.

It is not the purpose of the writer to criticize all of the personnel of the Bureau of Reclamation. It is a large and far-flung organization. There are some who recognize the facts as they are, but these seem powerless to correct the situation.

The people of eastern Colorado do not wish or intend to destroy western Colorado. The eastern slope people are being told that "the water we seek to divert and which you can use in eastern Colorado, is surplus and cannot be used in western Colorado and unless diverted to eastern Colorado, it will be lost to California and Arizona." The men who tell this to the eastern slope people should know it is not true. We, of western Colorado, where originates more than 70% of all the water which flows to Lee Ferry (the dividing point between the upper basin and lower basin) and 65% of all the water which flows in the entire Colorado River Basin (including the Gila River) deplore the failure of the representatives of the Bureau of Reclamation to speak up and tell the facts to the people of Colorado.

Since the Colorado River compact was executed in 1922, it has been found there is and was less water in the river than it was formerly assumed. When the treaty with Mexico was executed there was granted to Mexico about twice the amount of water we could spare without loss to the basin in the United States. When the Upper Colorado River Basin compact was executed, Colorado accepted less water than she knew she needed. This was upon the theory that the resulting shortage would be suffered by the proponents of transmountain diversion. In spite of all these facts, the engineers in charge of Bureau diversion projects proceed as though they had never heard of them with possibly minor exceptions; for example: We don't hear much said about a proposed third Gunnison-Arkansas diversion, called the pumping unit, of an additional 800,000 acre-feet which has not even been listed among the diversion plans on the first sheet.

The people of western Colorado do not want a river authority. We do not want such an authority for the same reason that we prefer an inefficient bungling representative or democratic form of government to a streamlined efficient dictatorship.

We realize the need of some coordination between Regions IV and VII; between the Bureau of Reclamation and the Bureau of Mines; between the Bureau of Reclamation and those persons who think God put water in lovely mountain streams for some purpose other than building tunnels, dams and ditches; between the Bureau of Reclamation and the people who live in the area which furnished the water.

If the figures on the foregoing analysis are not correct, there are many able engineers who will be glad to correct them, including those who made the figures. If the planned diversions, for 1,138,000 acre feet of surplus water which does not exist, proceed to construction, just which and what water will be taken from western Colorado's development? Will they stop all irrigation development in the natural basin, which they admit is about one-half completed, in order to raise more sugar beets on the eastern slope prairies? Or will they take the water which will be required to develop the United States oil shale reserve and the world's greatest coal resources? We think these questions should be answered. We trust this Commission will answer them and report the answers to the President of the United States from whom you take your authority.

With appreciation for the opportunity to present the viewpoint of the people at the "grass roots," this is

Respectfully submitted.

SILMON SMITH.

And so that if there were no water in the Colorado River to build this project in 1952 there is none now.

This fact is further substantiated by the following letter from Henry L. Stein, secretary-treasurer of the Salvation Ditch Co., in a letter to Congress dated June 2, 1962. The letter states:

SALVATION DITCH CO.,
Aspen, Colo., June 2, 1962.

Members of Congress of United States of America, Washington, D.C.

GENTLEMEN: Salvation Ditch Co. is a typical, cooperative irrigation project of the western slope of the Rocky Mountain region. We believe that we represent the largest single unit of water use in Pitkin County, Colo. Presently about 1,800 acres of land are under cultivation by virtue of Salvation Ditch and about 2,000 additional acres are potentially to be benefited. About 50 people are directly dependent upon the irrigation of this ditch. Crops involved are largely alfalfa, small grain and some potatoes and grass pasture for livestock.

Our membership feels that the Fryingpan project will badly damage the values represented by Salvation Ditch and the lands which it effects. Our legal water rights with sources in Roaring Fork River, Hunter Creek, and Woody Creek will be endangered by the requirements of the project and the economy of at least 20 families will be immediately threatened. Perhaps if the national wealth were somehow being increased by this project the sacrifice could be endured but having studied the fantastic conclusions of the Department of Reclamation over the years there is still no clue to any national benefit to be derived from the project.

We are told that our senior adjudications of 103 cubic feet per second at our headgate on Roaring Fork will forever after be honored. But from the same source comes a promise that a minimum of 15 cubic feet per second will be maintained in the Roaring Fork at Difficult Creek which is 2 miles above our headgate. Vague promises are made of a major ditch with its source in Castle Creek which will discharge into Roaring Fork above our headgate and supplement our water supply. But such a ditch would cost several millions of dollars and be forever after a major maintenance problem. The same or a smaller consideration would construct a modest dam below Aspen where our water rights plus the several tributary streams would allow storage during high water season and generation of ample power for the entire valley. But so modest a project fails to interest the Government offices who seem bent upon massive destruction with only theoretical promises in result. We say this because, as long-time farmers and ranchers in this valley, we know that the 54,000 acre-feet of water which the Fryingpan project is designed to gather and divert to the Arkansas River drainage just simply does not exist. Further, even if it did exist, the total benefits to be realized to the Nation from diversion of this water would not equal a tenth of the huge cost of the project to say nothing of the multiple losses the project would inflict upon such going values as our Salvation Ditch.

Sincerely,

HENRY L. STEIN.

The next thing I would like to call to the attention of the members of this committee is something that has been carefully neglected and that is the collection system which is being talked about to collect this 69,000 acre-feet of water. This will be done in a series of ditches and canals that are to be built at elevations of 10,000 feet down to 9,500 feet. I might recall to the members of the Committee on Appropriations, if any of the members are here, that in 1948 you called before you the representatives of the Reclamation Department to explain to you why the Colorado-Big Thompson project had pyramided in cost, and you were told it was because they found at

elevations of the collection of water from the Colorado-Big Thompson, it had been necessary to change completely the engineering and to cover all of the ditches. If this is so—therefore, the unreasonable costs of the Colorado-Big Thompson project.

In this project the water will be collected at much higher elevations. At this same hearing the gentleman from Colorado [Mr. ASPINALL] stated to the Commissioner of Reclamation that it would be impossible to collect water in the springtime because these ditches would be filled with ice and snow from the preceding winter.

If they were filled with ice and snow from the preceding winter in 1952, the record is still the same—they will be filled with ice and snow in 1962, if this project is authorized.

Therefore, the collection system as designed will not work. It will be necessary to go to the Committee on Appropriations to cover these ditches and it will add at least $100 million to the cost of this project.

I would like to say to the members of the committee, it is remarkable the gyrations that the Bureau of Reclamation will go through to prove their point. Believe it or not, I was always told that still mountain water would freeze at 32° Fahrenheit. But in the testimony that was given to the House Committee on Interior and Insular Affairs in the 84th Congress in the years of 1955 and 1956, we had witnesses appear who said first that the water would not freeze. Why would it not freeze? Because the water coming out of the reservoirs will be at a maximum density of 39°. It not only has 144 British thermal units of heat to overcome the freeze, but it has 7° of superheat and as it flows down 60 miles of canal, believe it or not, the Bureau of Reclamation says it would get into the tunnel just before it froze. I can just tell you in the Colorado-Big Thompson, they tried the same thing and it did not work there. I am sure it will not work here.

I would like to call another feature to the attention of this committee because I think it is extremely important.

I have been under the impression that month after month and year after year and in administration after administration, I have seen the cost indexes rise. Believe it or not, we have with us now a project in which the cost indexes are going down. I do not believe it is possible, but that is the testimony before our committee. In 1953, Mr. Lineweaver, then Assistant Commissioner of Reclamation testified that this project would cost $72,898,000:

Mr. LINEWEAVER. Yes, sir; we will make that comparison and reconciliation, Mr. SAYLOR, and we will have it available tomorrow. Mr. Powell, who is the area engineer, will be a witness following Governor Aandahl's appearance tomorrow morning and will have that comparison and reconciliation available for you.

(COMMITTEE NOTE.—The cost comparison is as follows:)

FRYINGPAN-ARKANSAS PROJECT COST COMPARISON

The cost estimate has been raised from $147,440,000 (October 1949) to $172,898,000 (January 1953) by using unit costs for construction items prevailing as of January 1953 and further by changing the contingencies and other items as indicated in the following table:

	October 1949 estimate	January 1953 estimate
Estimated construction cost	$102,244,270	$114,625,598
Contingencies:		
Percent	22.5	22.6
Amount	$22,985,430	$26,236,402
Field cost	$125,230,000	$140,862,000
Construction facilities:		
Percent	1.22	2.25
Amount	$1,521,900	$3,171,000
Investigations, designs, supervision, and surveys:		
Percent	13.2	15.4
Amount	$16,558,000	$22,881,200
General expense:		
Percent	2.7	2.5
Amount	$3,419,000	$3,503,800
General service equipment		1,053,000
Constructed features (CBT)		1,427,000
Noncomparable 1949 costs:		
Dillon interconnection	100,000	
Limon interconnection	75,000	
O. & M. during construction	536,000	
Total cost	147,440,000	172,898,000

The Fryingpan-Arkansas project is estimated to cost $169,905,000 on the basis of prices prevailing at the present time. The cost of the various features would be as follows:

Ruedi Dam and Reservoir	$12,831,000
Fryingpan-Arkansas tunnel	9,213,000
Sugar Loaf Dam and Reservoir enlargement	6,063,000
Twin Lakes Dam and Reservoir enlargement	8,311,000
Pueblo Dam, Reservoir, and powerplant	37,758,000
Salida, forebay and afterbay	1,225,000
South Side collection system	9,679,000
Hunter Creek extension canal and diversion dam	672,000
North Side collection system	16,282,000
Snowden diversion dam and canal	1,030,000
Elbert Canal and powerplant	6,528,000
Twin Lakes-Otero, and Wapaco Canals, Otero and Wapaco powerplants	12,926,000
Princeton, Pancho, Salida Canals, Princeton-Pancho-Salida powerplants	20,646,000
Transmission lines, substations, and switchyards	11,934,000
Municipal water system	13,761,000
General property	1,046,000
Total construction cost	169,905,000

He further testified that between January 1953 and October 1953 the cost of this project had increased to $177,432,000. You heard the gentleman from Colorado [Mr. ROGERS] and the gentleman from Colorado [Mr. ASPINALL] explain that instead of the small reservoir which was to be built above Aspen, Colo., we now have a reservoir four times that size and that it had increased the cost in the neighborhood of $12 million. They come before you and giving you the Bureau figures on this project 10 years later say it will cost $169,905,000.

Mr. Chairman, this is for 1½ inches of water. Do not let anybody talk to you about giving them 6 inches of water, they are going to get 1½ inches of water out of this 69,000 acre-feet for power and for municipal uses, and the balance for irrigation is to come out of the reregulation of the Arkansas River.

This is substantiated by testimony before our committee.

Mr. CHRISTY. In conclusion, the Arkansas Valley in Colorado is in desperate need of supplemental water supply for irrigation, municipal and industrial purposes.

Full use has been made of existing water supply that is economically feasible for development by means of separate projects—this account of the difficulty of proper division of water under priority doctrine of water rights due to variations in timing of the runoff.

Possible reregulation of winter diversions, concentration of storage to reduce evaporation losses, as well as the proper use of new water from the Colorado River Basin, together with proper use of remaining flood runoff, must of necessity come through a large multipurpose project, including hydroelectric power, wherein the benefits can be divided throughout the whole Arkansas Basin in Colorado according to need.

Mr. HOSMER. Was your figure that they would have to charge around $7 or $8 an acre-foot to sustain this $10,881,600 revenue?

Mr. SAYLOR. That is correct. It is a simple matter of mathematics; 69,200 acre-feet, and they expect to get $10,881,600 in 40 years.

Mr. ASPINALL. If the gentleman will yield, there is not any 69,200 acre-feet, because you have losses of 15,500. So really your net irrigation supply, as I understand the report on page 16 is 53,700.

Some members of the committee, particularly the gentleman from Florida [Mr. HALEY] who has been on this committee since we have begun the hearings, have recommended to the Bureau of Reclamation that they consider the Arkansas feature as a separate function. I have just received figures from the U.S. Army Engineers of what would have happened had the Bureau of Reclamation and the Army Engineers done the thing that the gentleman from Florida [Mr. HALEY] and the gentleman from Pennsylvania, myself, urged, built the Pueblo reservoir in 1952. There would never have been a year, from that time down to the present, that there would not have been as high as 930,000 acre-feet of water to be used for the production of power and for irrigation in this Arkansas Valley; and this could have been done without any of the power features that are being included in the Rube Goldberg device that drops the water down there through this tunnel and down on the eastern side.

Surface water supply—U.S. Geological Survey, lower Mississippi Basin

[Acre-feet]

	Canyon City	Pueblo	Los Animas
1951	456,200	346,000	69,500
1952	625,400	557,300	103,000
1953	468,800	386,200	85,190
1954	284,800	224,600	39,120
1955	329,900	266,300	135,600
1956	415,000	336,300	47,940
1957	909,500	980,100	385,900
1958	600,100	497,000	142,200
1959	393,900	337,000	20,340
1960	518,300	467,700	53,040
Average	500,190	439,850	109,189

This is the forerunner of the Gunnison-Arkansas project. Let me give you

another reason why this is the forerunner of the Gunnison-Arkansas project. The tunnel they are going to build is how big? Big enough to take 69,000 acre-feet? Oh, no, Mr. Chairman, that tunnel is big enough to take 69,000 acre-feet through in any 1 month of the year. Why do they have it this size? Because they expect very shortly to come up and ask you to buy the billion-dollar Gunnison-Arkansas project.

Mr. Chairman, there is still another reason why the House should delay action on this project.

Since the House Committee on Interior and Insular Affairs considered this bill, the present administration has devised new standards for water projects.

An account of this appeared in the Congressional Quarterly for the week ending June 8, 1962.

The article is as follows:

ADMINISTRATION SETS NEW STANDARDS FOR WATER PROJECTS

The President on May 15 approved a new set of standards for planning water, power, and land-use projects which supersedes the highly controversial Budget Bureau Circular A-47 issued on December 31, 1952. The 1962 standards are expected to result in the submission to Congress of a somewhat larger number of proposed multiple-purpose projects than in the past. It also bypasses the Budget Bureau as the executive agency to formulate and to try to enforce such standards on the various departments. Generally speaking, these are welcome developments to Congress, which was highly critical of A-47.

A-47

President Roosevelt on October 4, 1943, issued Executive Order No. 9384 requiring all agencies to submit to the Budget Bureau reports on public works and improvement projects and to include Budget Bureau comments about specific projects when submitting project planning reports to Congress. As the review of project reports proceeded under this Executive order, the Budget Bureau found that the various Federal agencies, notably the Departments of Agriculture and Interior and the Corps of Army Engineers, applied different standards in appraising benefits and costs of water resources projects. To try to provide a uniform set of standards, the Budget Bureau issued its Circular A-47 on December 31, 1952, just at the close of the Truman administration.

Congress repeatedly clashed with the Budget Bureau over both A-47 and its proposed revisions during the early years of the Eisenhower administration. Congressional criticism was based largely on the following points: (1) A-47 was so stringent as to foreclose approval of many water projects; (2) the Budget Bureau was allegedly arrogating to itself unauthorized authority in drawing up such standards and in reviewing each individual project; (3) the Budget Bureau did not have personnel qualified to formulate such standards; (4) A-47 was drafted by Budget Bureau officials allegedly unfriendly to reclamation and public-power projects; (5) the Budget Bureau delayed the submission of project reports to Congress. Senator CLAIR ENGLE, Democrat of California, summed up congressional opposition to A-47 by calling it a banker's approach to resource development.

As a practical matter, A-47 has been generally disregarded by Congress in recent years. It could not stand up under political pressure from Congress and from the various water and public-power lobbies, or under the historic rivalry of the various departments in the field of water and land-use development. So the problem of formulating a uniform set of standards remained, particularly after the Senate on January 28, 1958, adopted Senate Resolution 148 demanding that additional information be submitted to Congress beyond and above that regularly submitted by the executive agencies to comply with A-47, but the House failed to adopt a similar resolution.

President Kennedy on October 6, 1961, appointed a group comprised of the Secretaries of Interior, Agriculture, the Army, and Health, Education, and Welfare to come up with a new set of uniform standards. It did so, and the President approved the new set of standards on May 15.

THE 1962 STANDARDS

Basically the 1962 standards and A-47 provide that projects may be built by the Federal Government for the following purposes: domestic, municipal or industrial water supply; irrigation; water quality or pollution control; navigation; hydroelectric power and energy; flood control and prevention; land and beach stabilization; drainage; outdoor recreation, and fish and wildlife development. Under both standards, a project is justified if the estimated benefits exceed the estimated costs. A-47 encouraged project planning for one major purpose, with other purposes incidental, and it was limited to the above purposes. The 1962 standards encourage multiple-purpose development, provide that "all project purposes shall be treated comparably" in allocating costs, and provide that projects may be built for purposes other than those specifically named. Among the other significant differences between the new 1962 standards and A-47 are the following:

1. Objectives: A-47 was designed to establish "priority for projects yielding the greatest value to the nation" and to secure "effective resources development at minimum necessary cost." It stressed efficiency and economy. The 1962 standards are based on three specified major objectives: national economic development, preservation of outdoor recreation areas, and "well-being of people." The overall basic objective of the 1962 standards is to provide the best use or combination of uses of water and land resources to meet both short-term and long-term needs.

2. Benefits: Under A-47, projects were mainly evaluated on the basis of primary benefits clearly identifiable as gains, assets, or values directly resulting from the project. Under the 1962 standards, both primary and secondary tangible benefits based on monetary yardsticks and in addition intangible benefits based on "satisfying human needs and desires" are considered in determining total benefits of a project. Benefits are sharply maximized in the 1962 standards, as measured against project costs and also as measured against the evaluation of benefits under A-47.

3. Recreation: The 1962 standards stress outdoor recreation and fish and wildlife development as equal with such historic purposes for building projects as flood prevention and navigation. A-47 treated recreation, fish and wildlife benefits as incidental.

4. Public power: Hydroelectric power is upgraded in the 1962 standards, which provide that hydroelectric power features will be incorporated into a Federal project where such power "can contribute advantageously to a needed increase in power supply. Long-range power needs, in the light of generally expected economic growth of an area, may justify measures initially to insure later availability of the full power potential." A-47 measured Federal hydroelectric power development largely against "the cheapest alternative source of energy, including taxes and interest charges."

5. Irrigation: Both standards based irrigation benefits on "the increase in the net income" of farm output resulting from irrigation and reduction in drought damages. But A-47 sought an economic analysis from the Secretary of Agriculture on each irrigation project, as it related to the short-range and long-range agricultural needs of the Nation, and A-47 questioned the subsidy to irrigation.

6. Domestic, municipal and industrial water: A-47 considered such project features "primarily a local and State responsibility." The 1962 standards do not.

7. Area redevelopment: The 1962 standards specifically provide for project construction in designated areas of chronic and persistent unemployment. A-47 did not.

8. Tax loss: A-47 considered tax loss in evaluating project costs, notably in relation to public power. Generally speaking, the 1962 standards do not. They state: "Allowances in lieu of taxes and taxes foregone will not be included in project economic costs, except as required by law." Other factors used in evaluating project costs are not markedly different in the two standards.

9. Economic life of a project: It was set, generally, at 50 years under A-47. It is set, generally, at a 100-year maximum under the 1962 standards.

10. Repayment: A-47 covered the subjects of cost allocation and project repayment. The 1962 standards do not. President Kennedy has asked the four Secretaries to formulate new policies, standards and procedures relating to cost allocation, reimbursement and cost sharing.

11. Impact: Because A-47 was an effort by the Budget Bureau to impose uniform standards on reluctant Departments and it stirred up congressional antagonism, it was generally ineffective. As the President approved the 1962 standards which were drawn up and accepted by the four departmental Secretaries, the new set of standards are more likely to be followed.

UPCOMING CONTROVERSIES

The new standards have not yet become controversial largely because the problems of cost allocation among the various purposes, reimbursement to the Federal Government and cost-sharing with State and local governments have not yet been resolved. But, like A-47, the new standards ultimately are likely to become controversial too, though for different reasons.

Achieving uniformity in project repayment and cost allocation almost certainly will require congressional action. This will set off heated congressional debate and sharp infighting among the various resource lobbies.

Critics claim that the standards are so broad as to justify most proposed projects. If many more projects are presented to Congress under the new standards, the chances of the best projects being lost in a political shuffle will markedly increase.

With the upgrading of public power, more projects will become involved in the always bitter public versus private power battles in Congress.

With the upgrading of recreation and fish and wildlife development, these purposes will, for the first time, be in sharp competition with such old-line and sometimes conflicting purposes for dam building as flood control and irrigation. In fact, with the stress on much broader multiple-purpose development, there will be more competition among all purposes, and sharp conflict within the planning agencies as well as in Congress over various project features of the larger, more comprehensive projects.

Experts estimate that there will be about a 10-percent increase in proposals to build water, power and land-use projects submitted to Congress annually in the wake of the new planning standards.

Interior Secretary Stewart L. Udall on May 28 called the new set of standards "one of the most important steps" taken by the administration to date in the resources field.

The National Wildlife Federation on May 25 hailed "the new importance given to recreation and fish and wildlife development" in the new standards. Sounding a different note, Senator NORRIS COTTON, Republican, of New Hampshire, said the demise of A-47 would "open the gates for more uneconomic public power projects and for an ever larger and more spacious pork barrel."

Mr. SAYLOR. I just want to say, Mr. Chairman, that if you have any desire to go back to your constituents and explain your votes this week you will do one of the first things first, you will turn down this project. This project comes at a time when this country can ill afford $169 million expenditure in Colorado.

While this rule was being debated a special report was reported from the Rules Committee asking that the debt ceiling of the United States be raised to $308 billion. A little later this week or early next week you are going to be asked to adopt a bill which will place strict limitations on farm crops, limitations that this country has never had. Certainly you cannot go back and tell your people that on the one hand you voted to increase surpluses, yet say to the farmers in your district who do not live in the State of Colorado that they must abide by stringent rules and regulations such as this country has never endured up to this time.

I sincerely hope this bill is once again defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SAYLOR. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. LANGEN].

Mr. LANGEN. Mr. Chairman, the inconsistencies of this week's program before the House bears mentioning one more time.

We have before us at this time a reclamation project, designed to increase the production of agricultural products. We have on our calendar for this week, which I understand has very mysteriously been delayed until next week, a bill likewise to reduce production of these same products. There is also on this same calendar a bill to expand our national debt. If it is our desire to expand the national debt and to further aggravate the agricultural program and to place additional burdens on the taxpayers and consumers, yes, then I would suggest that you pass the Fryingpan-Arkansas bill before us now, because it is a step in the direction that will certainly accomplish this.

We are doing this right in the wake of a statement by the Secretary of Agriculture made before the Committee on Agriculture of the House of Representatives in support of legislation that since they have somewhat remodeled and recommended to us for consideration:

> We have got to face up realistically to an agriculture of fewer and more efficient farms which can provide operators with good incomes from food prices around present levels.

And listen to this:

> Migration from farms to the cities would be encouraged.

Yes, this is what the Secretary recommends to the people who have been in the farming business, who have been established farmers, and who are not at this point asking for large expenditures of money in order to increase their production, but are rather plainly and simply asking that they might be able to continue to operate as they have been doing for the past number of years.

We have just had an excellent dissertation on the problems related to this project as they pertain to water. I shall not cover any of that field. But let me straighten out the record somewhat as to what is actually involved here, as far as agriculture is concerned.

In so doing, I shall refer to some figures, and I want everybody here to understand they are not my figures, these are figures that were presented to the committee by the Bureau of Reclamation in defense of the project.

This is what they say is good about the project, and why it should be enacted.

What are some of the crops that are going to be raised? Frankly, they are going to increase the production of alfalfa hay by 115,000 tons per year. They are going to increase the production of small grains by 2 million bushels per year. They are going to increase the production of sugarbeets by 150,000 tons per year plus increases in beans and in other miscellaneous crops.

Now, I ask the membership of this House whether they have a method of calculation or whether they have a system of mathematical calculations that can prove and show to me or to the citizens of this country how there can be any kind of fiscal responsibility in the expenditure of $250 and more per acre in order to accomplish the added production that I just referred to. When you look at the very same State we find this to be the case, that right at the present time they have 1,299,000 acres in the soil bank on which we are paying them not to cut hay. If you want to expand this across the Nation, you will find we have taken 4,767 farms out of production and are paying them to stay out of production and not to cut any hay. The same thing is certainly true of grain crops. And, in the very same State, again, I should say this: We have a feed grain program now, and what is the experience there? This year, 1962, by the latest report of the Department of Agriculture of the signup for this year, we find that they have agreed to take out of feed grain production 366,000 acres at a cost to the taxpayer of $6 million this year. These are the problems with which we are confronted as far as this project is concerned.

Now, we have heard a lot of talk here this afternoon about reclamation projects and irrigation projects and the degree to which they are related to agricultural production and how they have not cost the taxpayers anything and that they do not produce surplus crops. I want to refer just briefly to the annual report put out by the Bureau of Reclamation which gives this experience in clear and concise figures. Out of the 7 million acres plus that are now in reclamation projects we find that 6.2 million acres are used in the production of cereals, of forage, and all miscellaneous feed crops including beans, and sugarbeets, there are 418,000 acres of wheat, 527,000 acres of barley, and all of these directly involved in the farm bill that we are asked to pass just as soon as they dare bring it up. And, you might be interested in knowing what the cost of production on these acres is. The gross value is $662 million a year. Now, I ask you what does it cost the taxpayers to take a comparable 6 million acres out of production and to pay those people for not producing the same kind of crops.

I mentioned a moment or two ago that we had a farm bill coming before us that is going to limit these same productions, and I wish I had time to discuss all of these, but let me just refer to it briefly. What does that bill provide? It provides that the Secretary would proclaim a national marketing quota for each year equal to the total requirements of corn, oats, grain sorghums, barley, livestock, feed, human food, seed for industrial uses, and so forth—yes, a national marketing quota on all of these. What does that mean? It means that for every single bushel of additional production that is created in this area somebody else somewhere is going to have to reduce by that amount, and the practice has been that we have a program of paying for the reduction of an equal amount if we are even going to hold our own.

Mr. Chairman, if we hope to accomplish such as has been recommended, that we eat into the surplus supplies, then they are going to have to reduce even more than that. Coming from an area in which this has been the applicable practice for many, many years, I can speak truthfully of what this means to farm people in areas that presently are not requesting any kind of reductions of this kind, but are asking merely for the right to produce. I should refer to sugar beets, because they are one of the crops in here in which they are proposing to increase production by 115,000 tons a year. I have within my congressional district—and this is true all throughout the valley—literally hundreds; yes, and I might even say thousands of farm people who for 20 years have been begging for the right to plant sugar beets at no cost to the taxpayer, at no cost to anyone. All they say is: "Just let us raise them. We have got the soil, we have got the climate, we have got the machinery; we have everything that is necessary."

Well, are we then under these circumstances—and what a time we have had trying to get some kind of sugar bill out of the Committee on Agriculture this year—going to tell these people, or going to let these people know whether or not we are going to recognize them to the degree of giving them a little extra opportunity to raise beets. But, no, we can get nowhere with that. However, we can come along with a bill of this kind which calls for an expenditure of $170 million, designed to increase the production in these areas.

Mr. Chairman, I am wondering just how long the public is going to stand for this kind of misuse of the taxpayers' dollar; to continue to appropriate money in one instance in order to go in this direction, and then appropriate equally large amounts in order to go in the other direction. It does not only affect the taxpayer or the appropriations. As a matter of fact, I suppose if it were only the dollars; that is, the $170 million involved here, my generous nature might well say that "Well, perhaps we can overlook a part of the inconsistency."

But it goes far beyond that. Mr. Chairman, the irrigation costs, remember, are interest-free. The irrigators can pay back only a small percent—18 percent, I believe. This is how unfeasible the project is. They have to take the rest out of power profits which ordinarily would have come back to the Treasury. So, in that respect again we find that the benefits to the irrigators themselves are not able to carry the burden. Suppose they had to pay the interest? It would more than double the cost of the project.

Mr. Chairman, the consumer comes into the scene here, too. I know that all of us have an interest in the consumer, and we want to see that he is furnished with a generous supply of food at a reasonable price. But it remains as a fact that we are not going to produce food any cheaper by expenditures of $250 per acre when the very same crops can be raised without an expenditure of any kind. Consequently, when they are dealing in a farm program and with price supports and all of the related items, obviously the true cost has got to go up, not only in the product itself, but as far as the related expenses are concerned as they relate to the taxpayers in general.

Mr. Chairman, let me just add this item: I do this because of a personal concern. I do not see how we possibly can get to the point where we are going to consider adding restrictions to farm people that actually go to this point. When the agricultural bill was first presented to the Committee on Agriculture there were provisions in it calling for dairy allotments.

And do not forget that in this project there is the production of dairy products involving 14,500 milk cows and the added hay and forage that would be used for that purpose. They actually went to the point in proposed legislation where we were going to say to the rest of the dairy farmers throughout the country, "You cannot expand your production, by even one cow." They even went to the point where the Secretary recommended that if a young man was going to get into the farming business he was going to have to buy a dairy allotment. Can you imagine us in the United States getting to the point where we were going to have to buy the right to raise dairy cows? This is almost unbelievable to me. But, yes, this is the direction in which we are heading and if we want to get there the quickest way to do it is to continue to approve projects of this kind which further aggravate the entire agricultural program.

Mr. Chairman, in conclusion let me say this to the House, that here you have a bill that certainly does not meet the best interests of the economy of this country; it certainly does not meet the best interests of the taxpayer, nor does it meet the best interests of the consumer. Consequently, in my humble opinion, this House would be wise to turn down this legislation at this time.

Mr. ROGERS of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I listened with great care to the remarks of the gentleman who preceded me in this well. I was impressed by the persuasiveness of his remarks constituting as they did a very strong case for the abandonment of any and all programs undertaken by our Government to improve the technology of agriculture. Somehow I cannot believe that is what he wanted us to be persuaded of. Yet there is just as much justification for the Federal Government to provide relief to the farmers of the Arkansas Valley in Colorado by providing them with a more adequate water supply for the irrigation of their crops, as there is for any of the numerous relief programs that are carried on by the Department of Agriculture throughout the Nation for the benefit of individual farmers and farming communities that are in distress and in need of aid. If it is to be argued that providing a supplemental irrigation water supply to an area in distress will add to agricultural surpluses, then it can be argued with equal force that many of the programs of the Department of Agriculture designed to aid farmers in distress, will also add to agricultural surpluses. Furthermore, it will require many years to complete the project which will make the supplemental irrigation water supply available to the Arkansas Valley farmers.

The proposed Fryingpan-Arkansas project, which would be authorized by H.R. 2206 now before this body, is purely and simply a rescue program. The primary purpose of the project is to bring relief to the farmers along the Arkansas River Valley who have been suffering during a long period of years because of a lack of adequate water for the successful irrigation of their crops. Not a single acre of new land would be irrigated by the Fryingpan-Arkansas project.

It would also provide municipal and industrial water, flood control, fish and wildlife, and recreation benefits.

Flood control programs by the Department of Agricultrue and also by the Corps of Engineers have long been considered justifiable where they are necessary for the protection of property, including the protection of farmlands against the ravages of early spring flood runoffs; but there can be no more justification for a flood control program to protect farm croplands against floods in the spring of the year than ther can be justification for a project to provide supplemental irrigation water to protect the growing of crops during the late summer months. The principal difference, however, is that flood control is nonreimbursable whereas costs allocated to irrigation are repaid by the irrigation farmer over a period of years, although without interest.

The Federal Government, through the Department of Agriculture, is carrying on numerous programs in every State of the Nation, which are designed to aid farming areas in need or distress.

A very recent report by the Department of Agriculture entitled, "Land and Water Resources," dated May 1962, on page 68, in referring to one particular program designed to aid farmers in various ways, makes the following statement:

> Technical assistance in conservation planning includes on-sight help to farmers, ranchers, and other landowners; group enterprise systems for water management affecting several adjoining tracts; periodic revision of plans to reflect necessary changes; and the guidance needed to get planned soil and water conservation treatment property installed on the land.

And still another place in this report, which is the latest word from the Department of Agriculture on this entire program of relief to the various farming communities and individual farmers throughout the Nation, we find the following paragraph:

> In the areas of the Nation that have the more serious land-use problems and greater agricultural hazards, special provision for land adjustments, for research, for the conservation treatment of land, for education and demonstration, for credit, and for measures to achieve steady economic growth should be encouraged.
>
> Another significant program that is designed to aid farmers in a distressed area is the so-called Great Plains conservation program. The intent of this extensive program was to stabilize agriculture in that distressed area.

The vast program of the Agricultural Research Service in many instances is designed to bring relief to areas that are in distress, particularly in the control of plant disease and the use of insecticides.

There is no question but that all of these programs are very commendable and very much worth while and should be continued in the interests not only of agriculture, but of the entire Nation.

It would be decidedly unfair, however, for the Federal Government to continue with its vast program of agricultural aid in so many different forms which is carried on in practically every agricultural community of the Nation, and at the same time refuse to grant the one particular type of aid that is needed in so many irrigated areas of the western part of the United States—a supplemental irrigation water supply which is so vitally necessary for the successful growing of the crops of those areas.

It is impossible to imagine a farmer anyplace, being confronted with a more difficult situation than an irrigation farmer who is living upon and attempting to make a living from an irrigated farm in the arid and semiarid regions of the West with an inadequate water supply—an irrigation supply that is exhausted in July or August. Under such conditions a farmer is required to either abandon a portion of his farm and save the water supply for a smaller area, or he is required to grow only those crops that can be matured with a very limited

water supply regardless of what the market conditions for such crops may be. Under such conditions a farmer is facing a situation that is almost impossible. His expenses go on just the same as they do during those years when he has a full irrigation supply of water. His irrigation laterals must be kept clean and in repair, his buildings and fences must also be kept in repair, his planting and cultivating expenses are just as heavy as they are in other times, his family must be fed and clothed and his children must be educated—yet he finds his income very greatly reduced. In fact, it is difficult to imagine farmers in any part of the United States more in need of relief or assistance and aid than an irrigation farmer in the arid West during those years when his water supply plays out before his crops are matured.

These are among many reasons which compel me to fully support authorization of the Fryingpan-Arkansas project.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Chairman, I wish to express my deep appreciation, particularly to the distinguished chairman of the committee, the gentlemen from Colorado, Mr. ASPINALL; our longtime and revered colleague, Mr. CHENOWETH, and our very able colleague, Mr. DOMINICK; and all of the people concerned with water in Colorado who over the years have negotiated and worked on this particular project. The people of Colorado have made every effort to live and let live with their neighbors on the river. In drafting this bill, they have worked closely not only with the water interests of California, but with the interests of the other areas concerned in order to attempt to place in the bill provisions which would be fair to everybody.

There was one proposed provision at which the Colorado interests balked and that was the placing of a reasonable limitation on the amount of water that could be exported through the mountain outside of the Colorado Basin into another basin. I understand their position, but it is one of the reasons why I must oppose this bill and oppose this project. We have heard a great deal about crops, farm surpluses, and other things this afternoon which are somewhat confusing, so I think it might be well to review just what this project attempts to do. The map which was used previously showed an area of some 280,000 acres along the Arkansas River in a narrow strip which would be given supplemental water. The supplemental water is not too great—it amounts to about half an acre-foot per acre per year.

The reason it is needed is, of course, that the people who had farms along the river every once in a while would experience a good water year and at that time move up a little way farther from the river and exploit a little more land with the extra water available that particular year. Over a period of time they got to thinking it would be great to be able to use this extra land all the time. That eventually generated this so-called Fryingpan-Arkansas project. In other words, if they had remained in the original area that they could farm with the amount of water they had, they would be all right, but they expanded up into the arid areas, got to liking the occasional extra crop income, and now they want to have it all the time by irrigating these additional areas with the project.

Now, as to what they propose, the project. You have heard of the freedom trains or the freedom buses down South. In effect, they want to build a freedom tunnel here through the Rocky Mountains here, and transport some of the water that would normally drain into the Colorado and send it to the other side of the mountain to drain eventually to the other States through which the Arkansas River flows.

Unfortunately, this is an expensive proposition. It requires not only an expensive tunnel, but it requires also a number of dams and reservoirs. Obviously this is far beyond the capacity of the farmers to pay for. After all, they are only getting some 80,000 acre-feet more of water a year, not very much water. So the sponsors have added to this bill certain power features responsible for roughly half the cost of the bill. The water has a long way to fall after it comes eastward through the mountain at an altitude well over a mile, some 7,000 or more feet. As this water drops, it is supposed to generate a certain amount of electricity. Unfortunately, there is not too much water, so it is not going to generate too much electricity.

Therefore, instead of one plant they have had to put several generating plants into the project to increase the amount of power. Unfortunately even with several plants, since the amount of water that comes down is not constant throughout the year, most of it will be in the category of "dump" power which can be sold only at very low rates. Thus they are not going to get too much power revenue back. As a matter of fact, I think myself this would be a much better bill if we cut the size of the authorization in half, eliminated the power features, and accepted a net loss of the amount the farmers cannot actually pay back. As a further matter of fact, we might even have to accept such a loss.

Thus because it is well known that even initially about one-fifth of the water is designated for municipal uses the municipal allocation is 20,500 acre-feet per year. That is going to cost us $13.7 million of this appropriation, but the municipal users will pay this money back in full with interest. Pueblo, Colorado Springs, and some of the other towns around there will pick up this tab. But, as inevitably will happen, we are not really going to be faced with agricultural surpluses coming out of this area. This is because somehow or other this 80,000 acre-feet of water that is supposed to go to the farmers will eventually be transferred over, somehow, to the municipalities to allow them to meet their growing needs. As that goes on, I assume that the Interior Department will change the payback contract so that they will get enough money out of the municipalities to get all of the water transmission investment back.

If what I have said so far is a little bit confusing, it is partly because of my inability to comprehend all of this and partly because this is somewhat of a confused project. It is in many instances, as has already been pointed out, costly, and has other drawbacks. I want, however, to draw a comparison with another project we have discussed in recent days, the San Juan-Navajo project. You heard it, you passed it through this House. The Fryingpan-Arkansas project is a whole armful of long-stemmed American Beauty roses compared to the San Juan-Navajo project, yet that bill was passed without a record vote. The leadership, and I mean to say the leadership on both sides, employed every parliamentary maneuver in the book to prevent that project from coming to a rollcall vote because had it come to a rollcall vote it would have been defeated.

My parting shot is simply this. If the leadership on both sides of the aisle fail to exercise as many parliamentary maneuvers, skills, and pressures to avoid a rollcall on the Fryingpan-Arkansas, as they did on the San Juan Chama-Navajo project, then it will simply amount to an act of discrimination against the State of Colorado.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, the national development of our country since its founding is one of the phenomena of history that was brought about because we as Americans were able to take the natural resources placed here and divert them into food and fiber, so that we have developed the strongest nation in the world. This did not come about accidentally. It came about because we had the initiative and the willingness to obtain the know-how to develop the resources, as is placed on the marble behind me, when Daniel Webster said:

> Let us develop the resources of our land, call forth its powers, build up its great interest, and see whether we also may in our day and generation perform something worthy to be remembered.

Those who outlined the political subdivisions of the western part of the United States, when they considered the boundaries of the State of Colorado, made it an almost square dimension.

Down the middle of that State runs the Continental Divide. The Continental Divide in many places rises 14,000 to 15,000 feet. There during the fall, winter, and spring are deposited great amounts of snow, snowdrifts that go many times 40 to 50 feet in thickness. In the springtime, when the weather becomes warm and the snow melts, it goes in two directions—one to the State of California and the other through the Arkansas River we have under consideration, and eventually flows into the Mississippi.

The people of the State of Colorado began to develop their resources early, and in the 1920's they entered into a compact with seven of the Western States for the proper development of the Colorado River.

In that compact it was provided that the State of Colorado, which supplied approximately 70 percent of the water, would have its proportionate share.

In 1948 they entered into a compact with the other upper basin States that this water should be distributed to the States and Colorado would receive approximately 51.2 percent of the water allocated to the upper basin States.

The State of Colorado in cooperation with the Federal Government first brought about the development of the Northern Colorado Conservancy District, often referred to as the Big Thompson project. In that instance they constructed a canal 17 miles long from what we call Grand Lake down to a lake in Estes Park, Colo. The city and county of Denver, without aid or assistance in any manner whatsoever, constructed dams and reservoirs on the western part of the Continental Divide and transported water for use in the city and county of Denver.

Mr. Chairman, the southern part of the State of Colorada, which is controlled by the waters from the Arkansas River, has not been fully developed. It is thought that if we are to have a proper development of the water in the State of Colorado, the passage of this legislation is essential.

It is true that the estimated cost is approximately $171 million, but as I have attempted to point out from time to time on the floor of this House, this comes under the reclamation law, which has a formula for the repayment of approximately $150 milion of the $171 million. This is not a grant in the ordinary sense of the word, because the reclamation law requires its repayment, and since we are to repay, in this instance, approximately $150 million, then the cost that is talked about in connection with a further deficit in the national spending does not have application. The gentleman from Colorado [Mr. ASPINALL] pointed out before, there has been a tremendous amount of repayment into the reclamation fund within the last 4 years.

This is like money in the bank, and while we develop this part of the country, understand it makes its contribution to many parts of the Nation by virtue of the things that will be raised and enjoyed when this project has been approved.

Mr. Chairman, we in Colorado feel that this is a proper development. We feel that we are obligated to make the repayment. We feel that if we are to go forward, then this project should be approved.

Reference has been made to a possible buildup of surplus crops. It was my happy pleasure to first start the practice of law in the southern part of the State. I know that cattle and sheep were the major portion of the industry there, and then, in addition to that, the money crop is that of sugarbeets. Certainly we have a shortage of sugar production. We import into this country approximately 45 percent of the sugar that we consume, and the arguments that are used that this will lead to surpluses in other areas of crops that have now been put under bond, does not apply. The wheat that is grown in that area is not in the agricultural irrigated area but in the dry land. A lot of the sorghum that is grown is in the dry land area.

We feel that if we are to have the proper development, we should have the passage of this legislation, because it contributes not only to the welfare of the State of Colorado but to the entire United States.

Mr. SAYLOR. Mr. Chairman, I have no further request for time.

Mr. ROGERS of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MORRIS K. UDALL].

Mr. MORRIS K. UDALL. Mr. Chairman, I want to speak briefly in support of this bill. I think the Fryingpan project is a good project, and that it is sound. I hope I can assist in separating the relevant from the irrelevant.

Mr. Chairman, the people of Colorado have worked for this project for a generation. Finally their day of decision arrives. Unfortunately, through the workings of chance, we have scheduled for consideration tomorrow a debate on raising the debt limit, this annual or semiannual exercise in futility that we occasionally go through around here. Whatever bill happens to be caught in this unfortunate circumstance, Lord help the sponsors.

Mr. Chairman, I hope the people of Colorado will be given justice on this measure, not on the basis of what happens to be scheduled today or tomorrow or next week. If this was a good bill in the first week of June, it is a good bill in the second week of June. I would only say in concluding on this point, I think it is fortunate for us that Mr. Hoover's FBI appropriation bill does not happen to be up for consideration this week. We are kind of shortsighted, and whenever we are reminded that the question of the debt limit is coming up, we strike out at whatever measure happens to be close at hand.

Mr. Chairman, I hope the people of Colorado and the people of the district represented by the gentleman from Colorado [Mr. CHENOWETH], who do the best they can in this dry land, will not be hurt by this matter of chance in scheduling this particular bill at this time.

Now, this reclamation project will cost $170 million. This is a lot of money. However, one might assume from what has been said this afternoon that we are going to dip into the Treasury right now and raise the debt tomorrow afternoon by $170 million. This is not true. This project will take about 8 or 10 or 12 years to complete. There are dams to be built, tunnels to dig, and canals to excavate. There are powerplants to be built. If one will read the report, one will find that in the first year of the construction of this project the total cost to the U.S. Government is $785,000. So, when one talks about the debt limit tomorrow, let us keep this in mind. The cost in the second year of construction of this project will be $6 million, and not $170 million. It will be $6 million. And so it goes for the next 8 or 9 or 12 years.

Mr. Chairman, we have talked about sound investments. Based upon some of the debate here today, one might assume that this was $170 million that we are going to throw down a rathole somewhere. Mr. Chairman, reclamation does not cost; it pays. This is not a drain on the taxpayer. This will be paid back—a lot of it paid back—with interest. This is not bank interest rates, of course, as the gentleman from Iowa pointed out. But these rates of interest are somewhat similar to those friendly rates of interest that REA co-ops in Nebraska, in Kansas, in Iowa, and Minnesota receive to bring much-needed power to farm areas. And this REA program is good. When a businessman spends $1 million on a new plant, we do not say it is money down the drain or money down a rathole. The stockholders say "there is a good, sound investment; it is going to create jobs and will build up the economy, and we will get our investment back with dividends and interest." I say the U.S. Government will get this $170 million back with dividends and interest.

Mr. Chairman, reclamation has proven that it is good. It is easy for alert Congressmen to pick holes in any reclamation project. We have had some good and experienced hole-pickers at work here today. Reclamation has now gone full circle. It takes about 50 years for one of these projects to come to fruition and pay off. Let me tell the Members of the House about Phoenix, Ariz. Let us go back to 1911. If one had been asked to select the 10 least likely places in America to be major cities, I think Phoenix would have headed the list. It was a dry city of 12,000 people; when these people got water it came all at once right in the living room and flooded everyone out. It was a hot and barren country. When Teddy Roosevelt and other farsighted leaders—and I can hear the sponsors in the Congress in those early days laughing at this Rube Goldberg project in Arizona—supported this type of reclamation, they probably did not fully realize what would happen. Yet this first, major project has now paid off. It cost $20 million. We take out of Phoenix $200 million every year in Federal income taxes. Phoenix, Ariz., has 700,000 people; it is one of the Nation's major cities. We have millionaires out there now. Of course, some of them think they are going to lose all their money and that we are headed down the road to socialism, because of Federal spending and so forth. However, Phoenix gets larger and larger every year. Phoenix would be a little town today except for the foresight of the Congress back in the 1900's when it decided to invest $20 million in this project.

Mr. Chairman, much has been said here about how much it cost to pipe water through a mountain. They say one never mentions rope in the house of a man who has been hanged. I think of all the men serving in this body the last one of them who ought to be talking about the transmountain diversion is the gentleman from Long Beach, Calif., because the water he drinks out there is Colorado River water—a lot of it in Long Beach and Los Angeles—that goes down the Colorado River aqueduct. They take

it out of Arizona, pipe it over there through a transmountain aqueduct, and put it on the Pacific slope—on the Sierra slope—completely out of the Colorado River Basin.

This is a major breakthrough, this transmountain idea. This is really important. We have finally learned to put the water where the people are. We have done it in Colorado, we have done it in California and in Arizona, and in New Mexico in the San Juan-Chama project. This is important. This is not something to be ashamed of or to laugh at. This is a scientific, technological breakthrough that can be done efficiently and economically and we can pay for it.

And so I think, in conclusion, Mr. Chairman, this is a sound project; it is deserving of the support of Congress and is a project we will be proud to have supported in the years to come.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I was a member of the House Interior and Insular Affairs Committee in 1955 and 1957 when the Fryingpan-Arkansas project was considered. The Fryingpan-Arkansas was a good project then but it involved many unresolved problems in the State of Colorado and the Colorado River Basin and, for this reason, it was not ready for congressional approval. The principal problems involved water rights and water use.

Mr. Chairman, any time a problem arises in the Western States with respect to the use of water, it is going to take time and effort to resolve it and this is what has happened in the case of the Fryingpan-Arkansas project. Today, there is full and complete agreement within the State of Colorado on the diversion of this small amount of Colorado's undeveloped water from the Colorado River Basin to the Arkansas Basin for use in an area of Colorado where the water resources are overdeveloped and the need for a supplemental supply is critical. The project has been modified since it was last before the Congress to provide additional water for use in western Colorado, and this has been a factor in resolving the water-use problem as well as improving the overall project from a physical and economic standpoint.

Thus, time and cooperative effort have resulted in the resolution of all problems within the State of Colorado. The same can be said with respect to problems that existed within the basin. Today, all seven Colorado River Basin States are officially supporting the Fryingpan-Arkansas project. Those agencies and organizations in my neighboring State of California that have previously opposed the project are now raising no objection to its approval. Many studies, meetings, and discussion by and among officials of the States and agencies of the Colorado River Basin have contributed to this improved attitude toward the project by those who previously had reservations regarding it.

The use of Colorado River water for the Fryingpan-Arkansas project amounts to only about 2 percent of Colorado's share of the upper basin's expected entitlement. The effect of this small diversion upon the quality of water in the lower basin will be negligible. There is language in H.R. 2206 which fully protects the rights of all the States in the basin as well as the water users of western Colorado. This language specifically provides that the use of water made available by the project be subject to and controlled by the various compacts, statutes, and treaty which relate to the use of Colorado River water. It also makes all project works and all officials and employees subject to the provisions of said compacts, statutes, and treaty.

Language in H.R. 2206 also directs the Secretary of the Interior to comply with all the applicable provisions of the various compacts, statutes, and treaty and, in the event of failure of Secretary to so comply, permits any State to bring an action into the Supreme Court of the United States to enforce compliance with such provisions.

With respect to the problem of water quality, the bill requires the Secretary to make detailed studies of the quality of water throughout the entire Colorado River system and to report the results of such studies to the Congress periodically.

Mr. Chairman, I congratulate the gentleman from Colorado, Chairman ASPINALL, and the other members of the Colorado delegation and the State of Colorado for the painstaking effort that has gone into resolving all of the problems relating to the Fryingpan-Arkansas project and bringing this project back to the Congress free of controversy so far as the State and the Colorado River Basin are concerned.

I know how much this project means to the economic development of the State of Colorado. I am pleased to state that the entire congressional delegation from Arizona and the State of Arizona itself are wholeheartedly supporting H.R. 2206. I hope that it will be approved by the House.

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

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. HOSMER. The Colorado River Board of California has stated until the Supreme Court case, in which the gentleman's State is suing my State, has been decided and until such time as the Secretary of the Interior gets around to making a water inventory of the resources of the Colorado River Basin, it must oppose further projects that will consume water in the area about which the gentleman is speaking.

Mr. RHODES of Arizona. I am glad to have that correction. I understand, then, that the Colorado River board is now still opposed to the Fryingpan-Arkansas project?

Mr. HOSMER. Not in the specific sense of the Fryingpan-Arkansas project but in the general sense that it is a project which will make additional use of water of the Colorado River Basin.

Mr. RHODES of Arizona. As I understand it, the Colorado River Board of California is the State agency which would give the official position of the State in such matters as this?

Mr. HOSMER. I am not able to answer that question in a straightforward fashion as the gentleman well knows because there are many voices on water in California, depending upon what part of California you are living in, and which Federal projects you are bargaining for at the particular time and place.

Mr. RHODES of Arizona. Would the gentleman agree with me that there are agencies in California having to do with water which formerly were opposed to this project which are not now opposed to it?

Mr. HOSMER. Yes, there was a deal on the San Luis project with some of the people interested in that.

Mr. RHODES of Arizona. So that the answer then, I take it, to my question was in the affirmative?

Mr. HOSMER. No; it was yes and no.

Mr. RHODES of Arizona. I thank the gentleman.

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

Mr. RHODES of Arizona. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I wonder whether or not this unanimity in the State of Arizona is any prelude to the central Arizona project we might have brought up very shortly.

Mr. RHODES of Arizona. It would be my hope, of course, that if the Supreme Court in its wisdom determines that the State of Arizona has sufficient water coming from the main stream of the Colorado to make a project feasible to divert that water to beneficial use, there would be such a project, and that my good friends from Pennsylvania and California will join me in attempting to get the House of Representatives to authorize a project for that very purpose.

I hope this bill will be passed overwhelmingly by the House.

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

Mr. ROGERS of Texas. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of supplying water for irrigation, municipal, domestic, and industrial uses, generating and transmitting hydroelectric power and energy, and controlling floods, and for other useful and beneficial purposes incidental thereto, including recreation and the conservation and development of fish and wildlife, the Secretary of the Interior is authorized to construct, operate, and maintain the Fryingpan-Arkansas project, Colorado, in substantial accordance with the engineering plans therefor set forth in House Document Numbered 187, Eighty-third Congress, modified as proposed in the September 1959 report of the Bureau of Reclamation entitled "Ruedi Dam and Reservoir, Colorado", with such minor modifications of, omissions from, or additions to the works described in those reports as he may find necessary or proper for accomplishing the objectives of the project. Such modifications or additions as may be required in connection therewith shall not, however, extend to or contemplate the so-called Gunnison-Arkansas project; and nothing in this Act shall constitute a commitment, real or implied, to exportations of water from the Colorado River system in Colorado beyond those required for projects

heretofore or herein authorized. In constructing, operating, and maintaining the Fryingpan-Arkansas project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto).

(b) A reservoir at the Ruedi site on the Fryingpan River with an active capacity of approximately one hundred thousand acre-feet shall be constructed in lieu of the reservoir on the Roaring Fork River at the Aspen site contemplated in House Document Numbered 187, Eighty-third Congress. The Secretary shall investigate and prepare a report on the feasibility of a replacement reservoir at or near the Ashcroft site on the Roaring Fork River above its confluence with the Fryingpan River with a capacity of approximately five thousand acre-feet, but construction thereof shall not be commenced unless said report, which shall be submitted to the President and the Congress, demonstrates the feasibility of said reservoir and is approved by the Congress. The Secretary shall expedite completion of his planning report on the Basalt project, Colorado, as a participating project under the Act of April 11, 1956 (70 Stat. 105), and said report shall have the priority status of the reports to which reference is made in section 2 of said Act.

(c) No part of the single purpose municipal and industrial water supply works involved in the Fryingpan-Arkansas project shall be constructed by the Secretary in the absence of evidence satisfactory to him that it would be infeasible for the communities involved to construct the works themselves, singly or jointly. In the event it is determined that these works, or any of them, are to be constructed by the Secretary, a contract providing, among other things, for payment of the actual cost thereof, with interest as hereinafter provided, as rapidly as is consistent with the contracting parties' ability to pay, but in any event, within fifty years from the time the works are first available for the delivery of water, and for assumption by the contracting parties of the care, operation, maintenance, and replacement of the works shall be a condition precedent to construction thereof.

SEC. 2. (a) Contracts to repay the portion of the cost of the Fryingpan-Arkansas project allocated to irrigation and assigned to be repaid by irrigation water users (exclusive of such portion of said cost as may be derived from temporary water supply contracts or from other sources) which are entered into pursuant to subsection (d), section 9, of the Reclamation Project Act of 1939 (53 Stat. 1187), as amended, shall provide for a basic repayment period of not more than fifty years after completion of construction and shall not provide for any development period. Such contracts shall be entered into only with organizations which have the capacity to levy assessments upon all taxable real property located within their boundaries.

(b) Rates charged for commercial power and for water for municipal, domestic or industrial use or for the use of facilities for the storage and/or delivery of such water shall be designed to return to the United States, within not more than fifty years from the completion of each unit of the project which serves those purposes, those costs of constructing, operating and maintaining that unit which are allocated to said purposes and interest on the unamortized balance of said construction allocation and, in addition, within the period fixed by subsection (a) of this section, so much of the irrigation allocation as is beyond the ability of the water users and their organizations to repay.

(c) The interest rate on the unamortized balance of the commercial power and municipal, domestic, and industrial water supply allocations shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from the date of issue.

SEC. 3. (a) The Fryingpan-Arkansas project shall be operated under the direction of the Secretary in accordance with the operating principles adopted by the State of Colorado on December 9, 1960, and reproduced in House Document Numbered ——, Eighty-seventh Congress.

(b) The Secretary may appoint the two representatives of the United States to the Commission referred to in paragraph 19 of said principles and may, upon unanimous recommendation of the parties signatory to the operating principles, adopt such modifications therein as are not inconsistent with the provisions of this Act.

(c) Any and all benefits and rights of western Colorado water users in and to water stored in the Green Mountain Reservoir, Colorado-Big Thompson project, as described, set forth and defined in Senate Document Numbered 80, Seventy-fifth Congress, shall not be impaired, prejudiced, abrogated, nullified, or diminished in any manner whatever by reason of the authorization, construction, operation, and maintenance of the Fryingpan-Arkansas project.

(d) Except for such rights as are appurtenant to lands which are acquired for project purposes, no valid right to the storage or use of water within the natural basin of the Colorado River in the State of Colorado shall be acquired by the Secretary of the Interior through eminent domain proceedings for the purpose of storing or using outside of said basin the water embraced within that right, and no water, the right to the storage or use of which is so acquired by anyone other than the Secretary, shall be transported through or by means of any works of the Fryingpan-Arkansas project from the Colorado River Basin to the Arkansas River Basin.

SEC. 4. (a) The Secretary is authorized and directed (1) to investigate, plan, construct, operate, and maintain public recreational facilities on lands withdrawn or acquired for the development of said project, (2) to conserve the scenery, the natural, historic, and archeologic objects, and the wildlife on said lands, (3) to provide for public use and enjoyment of the same and of the water areas created by this project by such means as are consistent with the purposes of said project, and (4) to investigate, plan, construct, operate, and maintain facilities for the conservation and development of fish and wildlife resources. The Secretary is authorized to acquire lands and to withdraw public lands from entry or other disposition under the public land laws necessary for the construction, operation, and maintenance of the facilities herein provided, and to dispose of them to Federal, State, and local governmental agencies by lease, transfer, exchange, or conveyance upon such terms and conditions as will best promote their development and operation in the public interest: *Provided*, That all lands within the exterior boundaries of a national forest acquired for recreational or other project purposes which are not determined by the Secretary of the Interior to be needed for actual use in connection with the reclamation works shall become national forest lands: *Provided further*, That the Secretary of the Interior shall make his determination hereunder within five years after approval of this Act or, in the case of individual tracts of land, within five years after their acquisition by the United States: *And provided further*, That the authority contained in this section shall not be exercised by the Secretary of the Interior with respect to national forest lands without the concurrence of the Secretary of Agriculture.

(b) The costs, including the operation and maintenance costs, of the undertakings described in subsection (a) of this section shall be nonreimbursable and nonreturnable under the reclamation laws, the funds appropriated for carrying out the authorization contained in section 1 of this Act shall, without prejudice to the availability of other appropriated moneys for the same purpose, also be available for carrying out the investigations and programs authorized in this section.

SEC. 5. The Secretary is authorized to enter into an agreement with any public school district serving an area affected by construction of the Fryingpan-Arkansas project pursuant to which there will be paid to the district, annually or semiannually, from appropriations made for construction of the project, an amount substantially equal to the average per pupil cost of operating the district's schools during the school year or term for which payment is made, multiplied by the average number of pupils then enrolled in those schools who are dependents of persons brought into the project area who are engaged in project construction activities. This amount, however, shall be diminished by any payments made or anticipated to be made to the district pursuant to the Act of September 30, 1950, as heretofore or hereafter amended (20 U.S.C., ch. 13). The Secretary shall reduce further the contributions to the school districts in the amount of tax revenues received by the districts by reason of project activities. The Secretary may advance a reasonable portion of the amount estimated to become payable under any such agreement during the then current or ensuing school year or term, but any amount so advanced shall be subject to adjustment after the close of the year or term if it does not fully cover, or if it more than covers, the amount to which the district is found to be entitled under the first three sentences of this subsection. The Secretary is further authorized, without duplicating assistance to which any such district may be entitled under the Act of September 23, 1950, as heretofore or hereafter amended (20 U.S.C., ch. 14), to make available funds or facilities to provide space in which to carry on educational and related activities.

SEC. 6. (a) The use of water diverted from the Colorado River system to the Arkansas River Basin through works constructed under authority of this Act shall be subject to and controlled by the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, and the Mexican Water Treaty (Treaty Series 994), and shall be included within and shall in no way increase the total quantity of water to the use of which the State of Colorado is entitled and limited under said compacts, statutes, and treaty, and every contract entered into under this Act for the storage, use, and delivery of such water shall so recite.

(b) All works constructed under authority of this Act, and all officers, employees, permittees, licensees, and contractees of the United States and of the State of Colorado acting pursuant thereto, and all users and appropriators of water of the Colorado River system diverted or delivered through the works constructed under authority of this Act and any enlargements or additions thereto shall observe and be subject to said compacts, statutes, and treaty, as hereinbefore provided, in the diversion, delivery, and use of water of the Colorado River system, and such condition and covenant shall attach as a matter of law whether or not set out or referred to in the instrument evidencing

such permit, license, or contract and shall be deemed to be for the benefit of and be available to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming and the users of water therein or thereunder by way of suit, defense, or otherwise in any litigation respecting the waters of the Colorado River system.

(c) None of the waters of the Colorado River system shall be exported from the natural basin of that system by means of works constructed under authority of this Act, or extensions and enlargements of such works, to the Arkansas River Basin for consumptive use outside of the State of Colorado, and no such waters shall be made available for consumptive use in any State not a party to the Colorado River compact by exchange or substitution; nor shall the obligations of the State of Colorado under the provisions of the Arkansas River compact (63 Stat. 145) be altered by any operations of the Fryingpan-Arkansas project.

(d) No right or claim of right to the use of the waters of the Colorado River system shall be aided or prejudiced by this Act, and the Congress does not, by its enactment, construe or interpret any provision of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act, or the Mexican Water Treaty or subject the United States to, or approve or disapprove any interpretation of, said compacts, statutes, or treaty, anything in this Act to the contrary notwithstanding.

(e) In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary of the Interior is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act (and any contract lawfully entered into by the United States under any of said Acts), the treaty with the United Mexican States, and the operating principles, and to comply with the laws of the State of Colorado relating to the control, appropriation, use, and distribution of water therein. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this section and consent to given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise, and any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the United States District Court in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or otherwise.

SEC. 7. The Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system, to appraise its suitability for municipal, domestic, and industrial use and for irrigation in the various areas in the United States in which it is used or proposed to be used, to estimate the effect of additional developments involving its storage and use (whether heretofore authorized or contemplated for authorization) on the remaining water available for use in the United States, to study all possible means of improving the quality of such water and of alleviating the ill effects thereof, and to report the results of his studies and estimates to the Congress on January 3, 1963, and every two years thereafter.

SEC. 8. There is hereby authorized to be appropriated for construction of the Fryingpan-Arkansas project, the sum of $170,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein. There are also authorized to be appropriated such additional sums as may be required for operation and maintenance of the project and for future costs incurred under sections 4 and 5 of this Act.

Mr. ROGERS of Texas (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendment at any point.

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

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 2, after the words "site on" insert the words "Castle Creek, a tributary of".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 17, after the word "numbered" insert the figure "130".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, line 4, strike out the words "laws, the" and insert in lieu thereof "laws. The".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 7, strike out the word "thereafter" and insert in lieu thereof "thereafter, the expense of said studies to be no part of the financial obligation of the Fryingpan-Arkansas project."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 13, line 10, after the figure "$170,000,000" insert "(June 1961 prices),".

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

Mr. SAYLOR. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 8, line 9, through page 9, line 14, strike out all of section 5 and renumber subsequent sections accordingly.

Mr. SAYLOR. Mr. Chairman, this section which my amendment deletes places the people in this area in a very favored position. No other act involving construction has ever contained such a provision. In view of the fact that the impacted school area bill has been revived by the House, I see absolutely no need for this provision. This provision modified the rules across the board with regard to construction in an area of a reclamation project and it should not be in this bill.

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

Mr. SAYLOR. I am happy to yield to the chairman of the full committee.

Mr. ASPINALL. Mr. Chairman, I accept the amendment offered by the gentleman from Pennsylvania.

The subsection was placed in the bill because of the peculiar economic situation surrounding the County of Lake in the State of Colorado which at the time the subsection was proposed had a very small tax base and a very limited amount of facilities for schools with the definite knowledge that with the coming of construction, there would be an added burden, and it was thought at the time it might take too long to get the benefits offered under Public Law 815 and Public Law 874. However, the experience that has been had recently with other projects leads me to believe that benefits will flow under the provisions of these two public laws of the United States and that these needs in this particular area within the project area will be satisfied.

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

Mr. SAYLOR. I am happy to yield to the gentleman.

Mr. PUCINSKI. I am very happy to hear the chairman accept the amendment. I introduced a bill today which would extend the impacted areas school legislation program to include any youngster who moved into a State within less than 6 years. I think these local communities that have to carry this additional burden of providing education for these migrant children are suffering a great hardship today. Therefore, my proposal which I hope the Congress will consider will certainly meet the problem that the chairman of the committee just spoke of and the problem that the gentleman wants to take care of by deleting this provision from this particular bill.

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

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

Mr. GROSS. If I may address this question to the gentleman from Illinois, would that take care of the migrants to Hyannis Port?

Mr. PUCINSKI. I am sorry I did not hear the gentleman's question.

Mr. GROSS. Would that take care of the migrant schoolchildren going to Hyannis Port?

Mr. PUCINSKI. This legislation would make funds available to any child attending a public school who has lived in a State less than 6 years.

Mr. GROSS. Then it would; would it not?

Mr. PUCINSKI. If they would otherwise qualify for Federal assistance under this act, the answer is—yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was agreed to.

Mr. SAYLOR. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 10, line 22, through page 11, line 7, strike out all of subsection (c) and reletter subsequent subsections accordingly.

Mr. SAYLOR. Mr. Chairman, a few weeks ago we had the San Juan-Chama project before us, and the representative from the State of California offered an amendment to that bill which is just what is contained in this amendment; but the House in its wisdom turned down that amendment because they said it would be impossible to administer. There is no more reason for it in this bill than there was in the San Juan-Chama bill. Exchange or substitution of water is just as difficult to live with on the Colorado as it is on any other river. Besides, there is what amounts perhaps to a prohibition with reference to the Colorado River States. This will do nothing but make for a waste of water. I certainly hope that the Committee will adopt this amendment and make the two acts that we pass consistent.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment because this is part of the agreement that was arrived at during the long legislative controversy. This is one of the California amendments. We say that it does no violence to the Fryingpan-Arkansas legislation.

I would like to quote from a part of the hearings, questions by the gentleman from Colorado [Mr. CHENOWETH] on page 316 of the hearings:

Mr. CHENOWETH. Do I understand, Mr. Ely, that it is now the California position on the Fryingpan that except for the 25-percent limitation you have reached agreement on this project?

Mr. ELY. That is correct, sir.

Mr. CHENOWETH. You are supporting the Aspinall bill?

Mr. ELY. I cannot say we are supporting it. I have no authority to say that. I can say that the objections which we had to the Chenoweth and Aspinall bills are removed, with the single exception of the limitation on transmountain diversions.

With this in mind this amendment was accepted by the committee. I do not think it affords any real protection to the people of the lower basin; on the other hand, I do not think it does any violence to the bill. For this reason I oppose the amendment.

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

Mr. ASPINALL. I yield.

Mr. SAYLOR. Can the gentleman tell me how the people are going to handle the water going through the transmountain diversion, how they are going to distinguish it when it gets into the Arkansas River so that none of it will go down the Arkansas River beyond the border of the State of Colorado?

Mr. ASPINALL. As to the individual drops of water, the gentleman is correct, because intermingling in these instances is the common practice. The amount of water which is brought over from western Colorado is to be used in the State and no part of such amount is to go beyond the Colorado border.

Mr. SAYLOR. I say to my colleague I would agree with him heartily but that is not what this section of the bill provides. This section of the bill provides that none of the waters of the Colorado River shall be exported beyond the natural basin. That is the reason I offer the amendment, to make the two acts consistent.

Mr. ASPINALL. It is a part of the operating agreement, and the waters from the Colorado River as such will be used in Colorado, no matter where they come from.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. SAYLOR. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 11, line 19, through page 12, line 20, strike out all of subsection (e) and insert in lieu thereof the following language:

"In the operation and maintenance of all facilities under the jurisdiction and supervision of the Secretary of the Interior authorized by this Act, the Secretary is directed to comply with the applicable provisions of the Colorado River compact, the Upper Colorado River Basin compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, the Colorado River Storage Project Act and the treaty with the United Mexican States in the storage and release of water from reservoirs in the Colorado River Basin. In the event of the failure of the Secretary of the Interior to so comply, any State of the Colorado River Basin may maintain an action in the Supreme Court of the United States to enforce the provisions of this subsection, and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise."

Mr. SAYLOR. Mr. Chairman, this amendment is also offered to make the language in this bill identical with the language in the San Juan-Chama bill. The provision that is contained in the language we have right now reduces lawsuits to an absurdity. You now allow anyone to bring the Secretary of the Interior into the U.S. Supreme Court for failure to comply with the laws of the State of Colorado. That is what the provision that is in the bill now states.

I certainly do not believe it is the intention of this Congress to allow any aggrieved individual in Aspen or on the west side of the divide to enter a suit in the U.S. Supreme Court against the Secretary of the Interior. Yet that is what is contained in this bill.

I am trying to remove that ridiculous provision from the bill and make this bill comply with the law that a week ago Congress said it wanted.

I might say if we are ready to tackle revision of laws in connection with the bringing of lawsuits, let us do it under general legislation and not do it in this manner. Let us bring it before the proper committee, take testimony from the executive branch of the Government and determine what changes, if any, should be made. Let us not make changes in the procedure of bringing suits in a bill like this which ends up with absolutely asinine results.

Mr. ASPINALL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL to the amendment offered by Mr. SAYLOR to section 6(e): On page 12, line 11, after the word "otherwise" change the comma to a period and strike out the remainder of section 6(e).

Mr. ASPINALL. Mr. Chairman, the amendment I have offered to the amendment offered by the gentleman from Pennsylvania will do what the gentleman from Pennsylvania has in mind.

There was a particular situation existing in the eastern part of the western slope of Colorado which brought this to our attention. This was caused by the Bureau operation of some of the facilities in western Colorado of the Colorado-Big Donfried project. It was because of such situation that we saw fit to insert a provision in this particular section which would permit an individual to sue in certain instances. After the committee had approved the language, I then wrote to the Department of the Interior asking for its position on the provision in the bill. This was after the bill was approved by the committee. The Department of the Interior in letters dated July 5 and July 18 stated what most of us consider valid reasons for the exclusion of this particular language from the bill.

I wish to insert these letters at this point:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 5, 1961.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: On May 4, 1961, we submitted to your committee the views of this Department on H.R. 2206, 2207, 2208, and 2209, bills "to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado."

This letter supplements and revises that report.

In addition to the suggestions contained in our earlier report we would further recommend the deletion of the following language in section 6(e) of the bill, beginning on line 10 through the end of the section on page 12: "and any person or entity whose rights may be affected, impaired, or infringed upon by reason, or as a result, of such noncompliance may maintain an action, suit, or proceeding in the United States District Court, in and for the District of Colorado seeking appropriate relief, and consent is hereby given to the joinder of the United States, the Secretary of the Interior, and his subordinate officials, employees, and agents as a party or parties to such action, suit, or proceeding, as a defendant or otherwise."

This language constitutes an open invitation to unnecessarily burden the operation of this project, intended for the benefit of all the people, with a multiplicity of individual suits with diverse claims for relief, which could well involve the actual operation of the project in the injunctive processes of the courts.

Individuals are guaranteed just compensation for any property rights which might be taken in the operation of this project by the fifth amendment to the Constitution and by the Tucker Act, which provides a remedy against the United States for money damages in the event of a taking. The provisions of section 6(e) at lines 5 to 10 also

afford protection to individual interests beyond the protection afforded by the Tucker Act through the medium of suits by any State of the Colorado River basin. This authorization for State suits is similar to the authorization for such suits contained in section 14 of the act of April 11, 1956 (70 Stat. 105), authorizing the Colorado River storage project. Deletion of the language, as we recommend, would therefore bring the language of this bill into line with the law of the river as set out in the Colorado River Storage Project Act and, moreover, would be consistent with the action recently taken by your committee in the case of the bill to authorize the San Juan-Chama and Navajo irrigation units (H.R. 7596).

Manifestly, in a river system as complex and delicately balanced as the Colorado River, the right to institute litigation for specific relief should not extend below the level of the States themselves. Litigation which could affect the operation of the river, as distinguished from litigation seeking monetary awards for just compensation, could have, it need hardly be pointed out, substantial impact upon vital interests of the basin States, as well as upon the interests of the United States.

The departure from the normal channel of relief, that is, suits seeking just compensation under the fifth amendment for a taking, thus poses issues affecting most seriously the deepest interests of the United States and each of the basin States. We cannot too strongly emphasize the havoc that authorization for the indiscriminate initiation of individual actions could wreak in the complex business of the operation of river control projects.

Finally, it should be observed that should an agent of the United States act beyond the scope of his statutory authority, any citizen adversely affected could enjoin the agent without the consent of the United States to suit. *Larson* v. *Domestic and Foreign Commerce Corp.* (337 U.S. 682 (1949)). Such action is not that of the United States and the suit brought to enjoin it is not brought against the United States.

We most urgently recommend, therefore, the deletion of the authorization for suits by other than the basin States themselves.

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

Sincerely yours,

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 18, 1961.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: This is in reply to your letter of July 13 requesting our views on a proposal to add certain language to section 3(a) of H.R. 2206 and similar bills to authorize the Fryingpan-Arkansas project in lieu of the language which our letter of July 5 recommended be deleted from section 6(e) of the bill.

Section 6(e) authorizes the joinder of the United States in any action brought in the Supreme Court of the United States by a State of the Colorado River basin to enforce compliance by the Secretary with, among other requirements, the operating principles. The language which our letter of July 5 recommended be deleted from section 6(e) authorized the institution of suits for compliance by any affected person or entity.

Section 3(a) as presently drawn requires that the project be operated in accordance with the operating principles. Section 6(e) does likewise. The suggested addition to section 3(a) set out in your letter of July 13 would transfer from section 6(e) in somewhat more limited form the authorization for suit, the deletion of which was recommended by our letter of July 5.

While the authorization for suit as proposed for incorporation in section 3(a) would run to the parties signatory to the operating principles rather than to "any person or entity," it would extend the waiver below the level of the State. It would, therefore, be subject to the same concerns expressed in our letter of July 5 and for the reasons set out in that letter we must recommend against adoption of the proposal.

As you know, in connection with consideration by the Congress of the authorization of the Colorado River storage project (act of April 11, 1956, 70 Stat. 105) all efforts to extend the authorization for suit below the State level were rejected. You will recall that Representative ROOSEVELT offered such a proposal which was rejected on the floor of the House. (See CONGRESSIONAL RECORD, vol. 102, pt. 3, pp. 3742–3744.) In the debate on Mr. ROOSEVELT's amendment, the dangers of authorizing litigation outside the usually applicable channels and below the level of the State were emphasized. It will also be recalled that the Department's March 8, 1955, report on the Colorado River storage project legislation likewise recommended that any waiver of the ordinary immunity from suit run only in favor of a State.

We would reiterate that if property rights of the districts signatory to the operating principles are taken in the operation of the Fryingpan-Arkansas project that district, like all other persons similarly affected, would be entitled to just compensation under the fifth amendment, and that should an agent of the United States act beyond the scope of his statutory authority relief in a proper case could be afforded under the doctrine of *Larson* v. *Domestic and Foreign Commerce Corp.* (337 U.S. 682 (1949)).

We are, therefore, impelled to recommend most urgently that the proposed addition referred to in your letter of July 13 not be included in the bill.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Although there was a logical purpose for the first inclusion of the language, nevertheless I am inclined to agree with the gentleman from Pennsylvania as to the possible detrimental effect of this provision in the bill.

Mr. Chairman, I ask that my amendment be offered as a substitute rather than as an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL as a substitute for the amendment offered by the gentleman from Pennsylvania: On page 12, line 11, after the word "otherwise" change the comma to a period and strike out the remainder of 6(e).

Mr. SAYLOR. Mr. Chairman, I am perfectly willing to go along with the substitute that corrects a large portion of the defects that exist in this section. I hope, with the history that has been made here in considering the amendment and the substitute, the matter will be taken up in conference, and I hope the other language will be corrected at that time.

Mr. ASPINALL. Mr. Chairman, I shall be glad at the proper time to ask that those two letters be made a part of the RECORD.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Colorado [Mr. ASPINALL].

The substitute was agreed to.

The amendment, as amended by the substitute, was agreed to.

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

Mr. Chairman, I think the committee is due a great tribute for having spent years painstakingly going over this matter and bringing it to the floor of the House. I also think that on the Republican side of the aisle the gentlemen from Colorado [Mr. DOMINICK and Mr. CHENOWETH] have rendered a tremendous service in making it possible for us who live in the eastern part of the country to have a full understanding of this measure before we vote upon it. It has been demonstrated, I know, conclusively, at least as far as the gentleman from New York is concerned, that this is an area where our dollars can be well spent, realizing that 90 percent of those dollars are going to come back to the U.S. Treasury; realizing that the water in the upper reaches of the Colorado tributaries will be used mainly for the purpose of irrigating an area that now produces surplus crops which would continue to increase our surplus crops were this bill not enacted into law. By the completion of this project we will then grow crops in the truck farming industry which will render better food at cheaper prices while reducing our surplus crops.

I would say that to these men, the gentlemen from Colorado [Mr. DOMINICK and Mr. CHENOWETH] and other members of the committee, that we in Congress indeed owe a debt of deep gratitude. Finally let me say that I, as a farmowner in California, even though my State is New York, use Colorado River water, but that I heartily endorse this project and ask for its acceptance by the committee.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 12, line 21, through page 13, line 10, strike out all of section 7 and renumber subsequent sections accordingly.

Mr. SAYLOR. Mr. Chairman, this is duplication in triplicate. This is the general law of the land. It is written into the reclamation laws that the Secretary of the Interior is directed to continue his studies of the quality of water of the Colorado River system and to reinforce it. Two weeks ago in the San Juan-Chama bill we placed the same provision in the law and said that the only difference was that he had to report by the end of the 87th Congress. I certainly hope that this amendment will be adopted and this provision stricken from the bill as needless duplication.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the reason I rise in opposition is the same reason that I spoke about when the other amendment, which was a California amendment, was before the Committee on the motion of the gentleman from Pennsylvania to strike it from the bill. This is part of the agreement. I am inclined to agree with the logic of my friend from Pennsylvania that we are studying the waters of this river perhaps too extensively, but on the other hand, in order to see that

the interests of the lower basin are protected, I see no reason why this same provision should not be in the bill. I assure the Members of the Committee that there will be no duplication in this study as long as the gentleman from Colorado now speaking is chairman of the Committee on Interior and Insular Affairs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 13, line 20, strike out "sections 4 and 5" and insert "section 4".

Mr. SAYLOR. Mr. Chairman, this is a perfecting amendment, and is made necessary because of the fact that we adopted the first amendment which I offered.

Mr. ASPINALL. Mr. Chairman, if my colleague, the gentleman from Pennsylvania [Mr. SAYLOR] will yield, the purpose of the gentleman, of course, is correct. On the other hand, a part of the word "section" appears on line 19. So the amendment should read "tion 4 of this Act."

The CHAIRMAN. Does the gentleman from Pennsylvania accept the modification of his amendment?

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent to modify my amendment to read "on page 13, lines 19 and 20, strike out sections '4 and 5' and insert 'section 4'.".

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. DOMINICK. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I rise in support of H.R. 2206, the Fryingpan-Arkansas project. I think that the arguments advanced by the distinguished gentlemen from Colorado [Mr. CHENOWETH and Mr. DOMINICK], are unassailable. This project has been under study and consideration for over 30 years and has been ready for authorization for over 8 years. It was supported by President Eisenhower and now by President Kennedy.

I originally had several questions about this bill, and I am pleased to state that they have all been answered by the distinguished gentleman from Colorado [Mr. DOMINICK] and by the other coauthor of the bill, the distinguished gentleman from Colorado [Mr. CHENOWETH]. These gentlemen have devoted enormous energy and time in furthering this cause, and in so doing they have been logical and reasonable throughout.

I come from a crowded urban center on the eastern seaboard, and it would be easy for me to say that I would oppose this bill and thereby strike a blow for economy. The benefits to be derived from the project have no immediate impact on the 17th District of New York. But I cannot do that in all conscience, because the bill in the first place will not damage the budget.

Every dime of it, except a limited amount having to do with national conservation, is repayable within 50 years, plus interest.

Second, it constitutes a major step in the maximum utilization of water and land resources in Colorado, and the entire Arkansas Valley will benefit, as will, indeed, the United States as a whole. Our country is hurt by flood damage. It is true, also, that the project will benefit fish and wildlife, provide additional recreational opportunities, help control sediment, and prevent stream pollution.

Mr. Chairman, no one can even suggest that the gentlemen from Colorado I have spoken of are in any way fiscally irresponsible. They are among the Members of the House who have been sound and thoughtful in the use of taxpayers' money. They are listened to with respect by every Member. They would not be backing this measure if it were not in the public interest to do so.

Therefore, Mr. Chairman, as a New Yorker, I would like to contribute my voice to the support of this measure and my commendations to its authors.

The CHAIRMAN. Are there any further amendments?

If there are no further amendments, under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. FASCELL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2206) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado, pursuant to House Resolution 606, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

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

Mr. SAYLOR. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. In accordance with the order of the House of last Thursday, further consideration of this bill will be postponed until tomorrow, June 13, 1962.

FEDERAL AID TO SCHOOL DISTRICTS IMPACTED BY MIGRATION OF AMERICAN POPULATION

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I have today introduced legislation which would provide Federal assistance to public schools in those school districts of America which are experiencing a substantial influx of school-age population due to the migration of Americans.

My proposal provides for school districts impacted by normal interstate migration of families to receive the same benefits now distributed by the Federal Government to school districts impacted by Federal activity. The Federal Government at present contributes in excess of $300 million a year to 3,008 local school districts throughout the Nation whose public school population has been increased because of some form of Federal activity in those respective school districts.

The Congress of the United States, by an overwhelming vote, has approved the principle that when the Federal Government establishes an installation or project in a local school district, which brings into that school district an additional number of children whom the public school system must educate, the Federal Government shall help defray the cost of educating these children.

Last year, by an overwhelming majority of both Democrats and Republicans, Congress extended the federally impacted areas school assistance bill for another 2 years.

During debate on this measure, it was clearly agreed by proponents of this legislation that these vast expenditures of Federal funds directly to the local districts, both for operating expenses and construction of additional school facilities needed to educate children of Federal workers, in no way constituted any interference by the Federal Government with the administration of local educational standards.

My bill extends this principle of aid to federally impacted areas to provide Federal aid for each migrant youngster who has lived less than 6 years in the State in which the public school district applying for such aid is located.

Mr. Speaker, it is my judgment that this is a sound proposal. For many years there have been advocates both in and out of Congress who have described in great detail hardships which local school districts are suffering because of steadily increasing school population. The Congress of the United States has debated for many years the merits and demerits of Federal aid to education; and while I respect the views of both the proponents and opponents of Federal aid to education, the stumbling block, it appears to me, has been in attempting to

justify across-the-board Federal aid to local school districts.

There are no restrictions on travel and movement of population among the 50 States in our Republic, and this is properly so. Certainly we would not want to deny any American the right to move wherever he chooses for whatever are his reasons. Census figures clearly indicate that we are probably the most mobile nation in the world. More people move from one locality to another in the United States per year than in any other nation in the world.

During the past 5 years, the Census Bureau reports that 50 percent of all Americans have moved to another location at least once. In some States, as much as 30 percent of the population has moved from one State into another during the past 10 years.

While I would not want to do anything which would curtail this complete freedom of movement, it appears to me somewhat unfair to burden the resident taxpayers of a local community with the entire immediate additional cost involved whenever a new family moves into a local school district from another State and enrolls its children in the public school system of that district.

Throughout our Nation, local school districts have had to increase their budgets repeatedly tc provide for these additional youngsters. In the city of Chicago, when school reopens next September, the Chicago Board of Education will have to provide facilities for 25,000 additional children at an additional cost of $5 million a year for operating costs alone. It appears from the most reliable estimates which I have been able to obtain that the number of students who recently moved into Chicago from other States in this group will be quite large. More substantial is the additional cost involved in providing building facilities for these new students.

The Federal Government assumes responsibility in a whole series of problems which arise between the States. It strikes me as being perfectly logical to ask the Federal Government to assume part of the cost of the initial impact on a community created by families who move into the community from other States, at least until these migrant families can become a meaningful participant in their new community's economic stream.

The alternative is either to have the local taxpayer assume the ever-increasing full cost of providing education for these migrant youngsters, or—and this of course is completely unworkable—ask the State from whence the families came to make some sort of contribution. Obviously, no one, including myself, would seriously propose the latter.

My proposal provides that we follow the same formula for Federal aid to migrant students which is now incorporated in the federally impacted areas school bill. The Federal Government, under existing law, pays one-half of the total contribution made by the local government toward public education of those children whose parents have moved into the school district as a result of some Federal activity in which they are engaged but who do not actually live on a Federal installation.

I have selected the qualifying period of 6 years because it is my judgment that it takes at least that long for a family to be absorbed into the economic stream of a local community, and it is my further judgment that it takes approximately that length of time before a new family starts making a sufficient contribution to the local taxes of a community to help significantly defray the initial cost of providing educational facilities for a youngster's schooling. The 6-year base period would also help provide a local school district with Federal assistance for the first—and maybe even second—grade of education for those children who may have been brought into the local school district while still in their infancy.

In my discussions with local school administrators, I find that the greatest rise in local school costs frequently is experienced in providing additional school facilities for the increasing population at the first- and second-grade level.

The 6-year residence criterion which I propose would permit the Federal Government to assist local communities meet the initial expense of providing additional facilities in education for these youngsters affected by migration of population. Of course, all students in elementary and secondary levels enrolled in the public school of a given district would be counted for Federal aid so long as they have resided in the State less than 6 years.

I should like to point out that my proposal would follow existing legislation for Federal aid to students who do not live on a Federal installation. Here, the Federal Government would pay only half the local contribution. But the Federal Government also pays the full amount otherwise contributed by the local community for each child attending public schools but living on a Federal installation, such as a military base. This payment is made on the theory that parents of these youngsters attending public schools make no significant contribution toward local real estate taxes.

Therefore, Mr. Speaker, I believe my proposal is sound, since the Federal Government already pays an amount equal to 50 percent of the local contribution for each child attending public schools in the local school district whose parents work on a Federal installation, even though they may rent or own property off the installation and even though they are making a full local tax contribution to local authorities. The theory behind this concept is that even though these parents make a direct tax contribution to local authorities, the initial cost of providing education for their children is so great that their immediate local contribution is not sufficient to meet the initial cost, and so the Federal Government makes the additional contribution. All I ask is that we follow the same policy for migrant students moving into a school district.

We know that here in the very shadow of the Nation's Capitol there are any number of local school districts which receive huge sums of money in Federal assistance for the operation of the public schools because the parents of children attending these schools are employed by the Federal Government. We know further that in many instances the parents of those students who are being subsidized by the Federal Government own their own homes in these local school districts and pay the same local real estate taxes that all other property owners in the given school district pay.

It is my hope that Congress will adopt this proposal because there is no question that many school districts throughout America have reached the absolute saturation point in increasing local taxes to meet the additional cost of providing education for children of families who have recently moved into the school district.

My bill follows the identical formula now used in impacted areas for assisting local school districts both in current operating expenses and additional need for construction. I fail to see how we can justify a $300 million a year subsidy for children of Federal workers, even though those Federal workers make a full contribution to the local tax base, on the one hand, and then ignore the problem being suffered by local school boards because of an influx of school-age population over which the local school board has no control.

My bill has the same guarantee against any Federal interference with local academic standards that is now incorporated in existing legislation affecting federally impacted areas.

Under my proposal, local school boards would conduct the same type of census that is now conducted throughout the country in more than 3,000 local school districts to determine the number of students eligible for Federal assistance.

The statement of findings and purpose in the preamble of my bill reads as follows:

SEC. 101. The Congress hereby finds that the obligation of a local educational agency to provide education to children who have but recently become residents of their school districts imposes a substantial hardship on such local educational agency, and that where such students came from outside the State, there exists a Federal responsibility to assist such agencies in providing education for such students. It is the purpose of this Act to meet such responsibility by providing Federal grants to local educational agencies for the maintenance and operation of their schools, and for construction of new schools, based on the number of students attending the schools of such agencies who have resided in their State for less than six years.

For the purpose of this act, we define the term "out of State child" to mean a child who has resided in a State for less than 6 years from the beginning of the fiscal year for which the determination is made. However, no child who may be counted for purposes of determining grants under the impacted areas bill shall be considered an out-of-State child for purposes of this act.

This bill would provide Federal aid ony to schools which are maintained at public expense, under public supervision and direction, and without tuition charge, and would include both elementary and secondary education students in the applicable State. This bill, as stated before, would provide Federal assistance both for current expenditures, identical to existing legislation in federally impacted areas, and also for construction.

The term "current expenditures" as defined in my bill means expenditures for free public education to the extent that such expenditures are made from current revenues, except where such term does not include any such expenditures for the acquisition of land, the erection of facilities, interest or debt service. What this means, in effect, is that the Federal Government would merely transfer to the local school district's account the Federal contribution due to the local school district just as we now do in the case of the $300 million which we contribute to some 3,008 school districts which receive benefits under the federally impacted program.

In the case of construction, we use the identical formula contained in Public Law 815, under which local school districts now receive Federal aid for construction of additional school facilities in federally impacted areas. The Federal Government, under this proposal, would pay 50 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated for every child eligible for Federal assistance in the local school district under this act.

Under this proposal, the local school district would initiate the application for Federal assistance, but such application would have to go through the State school administrator for action by the Federal Government.

In order to qualify for such assistance, a local school board would have to have at least 10 children who have moved into the State over a period of less than 6 years, but the total must be equal to at least 1 percent of all children in the school district who were in average daily attendance in the public schools of such district during the preceding fiscal year for which the application is made.

I feel quite confident that with this limitation, only those school districts throughout the country who have suffered severe financial hardships because of the movement of population will take advantage of this Federal assistance.

It is my belief that the administration of this act would create no more problems that are now experienced in the administration of the federally impacted areas provisions in existing law. As youngsters reach the maximum 6-year residence in the State and are dropped out of the program, new youngsters moving into the State would become eligible. In any event, this legislation does recognize the fact that after 6 years, a family moving into a new State has been sufficiently absorbed in the economic stream of the local school district to make its full contribution to the cost of public education in that particular district.

It should be kept in mind that to qualify for such assistance, a youngster would have to move from one State into another. Conceivably a family with children might move from one school district to another within a given State, but because the State government makes its contribution to local school districts, the guiding criterion in determining qualification for Federal assistance is the 6-year residency in a State and not the particular school district. It then becomes readily clear that students moving out of a large city into the suburbs would not become eligible for this assistance if they have lived in the State longer than 6 years.

I have tried in this bill to recognize the fact that many urban communities of America are suffering very serious financial problems in maintaining their public educational system because in many of these large urban communities, there has been a moving out of the city into the suburb of the higher wage earner at a time when a large percentage of unskilled workers from the rural communities of America are moving into large cities. We are experiencing a strange phenomenon in America where real estate property owners are moving out of the city into the suburbs, on the one hand, but the overall public school population of the large cities is not diminishing by a commensurate number because unskilled workers, usually with large families, are moving into the cities with no immediate contribution toward local taxes.

There is sufficient evidence in many instances that unskilled workers moving into large industrial areas cannot immediately adapt themselves to urban life and, therefore, are not able to make any significant contribution to the local tax base; but the fact remains indisputable that these migrant workers' families must be provided public school education.

Mr. Speaker, I have made a sincere effort in this legislation to recognize the plight of the local taxpayer in our large urban areas. But it should also be recognized that the shifting of American population is a continuing process throughout the country, and it would be a mistake to think that this legislation was designed only to help the urban communities of America, albeit these are the communities that are experiencing today the greatest problem in providing adequate education in their public schools.

The bill which I have introduced is an authorization bill and provides no guidelines for the actual cost of this program because I believe this is a function which the Appropriations Committee will assume when we have had some indication from local school boards as to how many of their children would actually qualify for this legislation. However, the best available figures which I have been able to compute from the 1960 census indicate that approximately 900,000 school-age children move annually in the United States. This is only an estimate, and I am inclined to think that the figure is high; but on the basis of this figure, it would appear that to implement this program with sufficient appropriations would require no more money than is now being spent by the Federal Government under its assistance to federally impacted school districts. The best estimate that I have been able to obtain, therefore, for the cost of this program would be approximately $300 million a year.

I am extremely hopeful, Mr. Speaker, that this legislation will receive early consideration by Congress. This does not establish any startling new precedent, but rather recognizes the fact that in a republic of 50 States, serious problems do develop in local communities as the population of this Republic exercises its right to move from one State to another and from one community to another for whatever their reasons. Since local communities cannot obtain any assistance from the school districts from which these youngsters have moved, it stands to reason, then, that the Federal Government should assist the local community in meeting the initial cost, which usually is the largest cost, in providing education for these new students.

I fail to see how anyone would object to this principle when we already are spending more than $300 million of Federal funds every year to help federally impacted school districts. If this Federal assistance to federally impacted school districts was limited only to the children of the military, one could argue that this is part of our national defense effort; but this is not the case. Thousands of youngsters of Federal employees help bring additional revenue from the Federal Government to the local school districts, even though their parents who are employed by the Federal Government may have absolutely nothing to do with national defense.

It is for this reason that I hope Congress will enact this form of assistance to the hard-pressed local school districts of America.

Mr. Speaker, the text of my bill follows:

H.R. 12089

A bill to provide Federal assistance to local educational agencies to assist them to meet the financial burden resulting from the entry into their school systems of children from outside the State

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Educational Assistance Act of 1962."

TITLE I—GENERAL

Statement of findings and purpose

SEC. 101. The Congress hereby finds that the obligation of a local educational agency to provide education to children who have but recently become residents of their school districts imposes a substantial hardship on such local educational agency, and that where such students came from outside the State, there exists a Federal responsibility to assist such agencies in providing education for such students. It is the purpose of this Act to meet such responsibility by providing Federal grants to local educational agencies for the maintenance and operation of their schools, and for construction of new schools, based on the number of students attending the schools of such agencies who have resided in their State for less than six years.

Definitions

SEC. 102. For the purposes of this Act—

(1) The term "out-of-State child" means a child who has resided in the State for less than six years from the beginning of the fiscal year for which the determination is made. No child who may be counted for purposes of determining grants under the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), shall be considered an "out-of-State child" for purposes of this Act.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education.

(3) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary education in the applicable State.

(4) The term "current expenditures" means expenditures for free public education to the extent that such expenditures are made from current revenues, except that such term does not include any such expenditure for the acquisition of land, the erection of facilities, interest, or debt service.

(5) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

(6) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(7) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(8) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public.

(9) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies in accordance with regulations prescribed by him.

(10) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

(11) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(12) The term "State" means a State, Puerto Rico, Guam, the Virgin Islands, or Wake Island.

(13) The term "Commissioner" means the United States Commissioner of Education.

(14) The term "base year" means the regular school year preceding the fiscal year in which an application was filed under title III or the regular school year preceding such school year, as may be designated in the application; and

(15) The term "increase period" means the period of two consecutive regular school years immediately following such base year.

(16) Membership of schools and average daily attendance shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this Act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this Act the attendance of such child at such school shall be held and considered (A) to be attendance at and membership of a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be attendance at or membership of a school of the local educational agency receiving such tuition payment or entitled to receive such tuition payment under the contract.

Administration

SEC. 103. (a) In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

(b) The Commissioner shall administer this Act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this Act.

(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this Act, including a detailed statement of receipts and disbursements.

(d) In carrying out his functions under this Act, the Commissioner is authorized, pursuant to proper agreement with any other Federal department or agency, to utilize the services and facilities of such department or agency. Payment to cover the cost of such utilization shall be made either in advance or by way of reimbursement, as may be provided in such agreement. The Commissioner is authorized to delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

TITLE II—GRANTS FOR MAINTENANCE AND OPERATION

Children with respect to whom payments are made

SEC. 201. For the purpose of computing the amount to which a local educational agency is entitled under this title for any fiscal year, the Commissioner shall determine the number of out-of-State children who were in average daily attendance at the schools of such agency, and for whom such agency provided free public education, during such fiscal year.

Amount of payments

SEC. 202 (a) The amount to which a local educational agency is entitled under this title for any fiscal year shall be an amount equal to one-half of the local contribution rate (determined under subsection (d)) multiplied by the number of children determined under section 201.

(b) No local educational agency shall be entitled to receive any payment for a fiscal year with respect to a number of children determined under section 201, unless the number of children who were in average daily attendance during such year and to whom such section applies—

(1) is ten or more, and

(2) amounts to 3 per centum or more of the total number of children who were in average daily attendance during such year and for whom such agency provided free public education.

(c) The determination whether a local educational agency has met the percentage requirement for eligibility under subsection (b) for any fiscal year shall be made on the basis of estimates by the Commissioner made prior to the close of such year, except that an underestimate made by the Commissioner pursuant to the foregoing provisions of this sentence shall not operate to deprive an agency of its entitlement to any payments under this title to which it would be entitled had the estimate been accurate.

(d) The local contribution rate for a local educational agency (other than a local educational agency in Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency, or in a State in which there is only one local educational agency) for any fiscal year shall be computed by the Commissioner, after consultation with the State educational agency and the local educational agency, in the following manner:

(1) he shall determine which school districts within the State are in his judgment generally comparable to the school district of the agency for which the computation is being made; and

(2) he shall then divide (A) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which he is making the computation, which the local educational agencies of such comparable school districts made from revenues derived from local sources, by (B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such second preceding fiscal year.

The local contribution rate shall be an amount equal to the quotient obtained under clause (2) of this subsection. If, in the judgment of the Commissioner, the current expenditures in those school districts which he has selected under clause (1) are not reasonably comparable because of unusual geographical factors which affect the current expenditures necessary to maintain, in the school district of the local educational agency for which the computation is being made a level of education equivalent to that maintained in such other districts, the Commissioner may increase the local contribution rate for such agency by such amount as he determines will compensate such agency for the increase in current expenditures necessitated by such unusual geographical factors. In no event shall the local contribution rate for any local educational agency in any State (other than Puerto Rico, Wake Island,

Guam, or the Virgin Islands) for any fiscal year be less than (i) 50 per centum of the average per pupil expenditure in such State or (ii) 50 per centum of the average per pupil expenditure in the United States (which for the purposes of this sentence and the next sentence means the fifty States and the District of Columbia), but not to exceed the average per pupil expenditure in the State. For the purposes of the preceding sentence the "average per pupil expenditure" in a State, or in the United States, shall be the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all local educational agencies in the State, or in the United States, as the case may be (without regard to the sources of funds from which such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding fiscal year. The local contribution rate for any local educational agency in Puerto Rico, Wake Island, Guam, or the Virgin Islands, or in a State in which a substantial proportion of the land is in unorganized territory for which a State agency is the local educational agency, or in a State in which there is only one local educational agency, shall be determined for any fiscal year by the Commissioner in accordance with policies and principles which will, in his judgment, best effectuate the purposes of this title and most nearly approximate the policies and principles provided herein for determining local contribution rates in other States.

Method of making payments

SEC. 203. (a) No local educational agency shall be entitled to any payment under this title for any fiscal year except upon application therefor, submitted through the State educational agency and filed in accordance with regulations of the Commissioner, which application gives adequate assurance that the local educational agency will submit such reports as the Commissioner may reasonably require to determine the amount to which such agency is entitled under this title.

(b) The Commissioner shall, subject to the provisions of subsection (c), from time to time pay to each local educational agency, in advance or otherwise, the amount which he estimates such agency is entitled to receive under this title. Such estimates shall take into account the extent (if any) to which any previous estimate of the amount to be paid such agency under this title (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(c) If the funds appropriated for a fiscal year for making payments provided in this title are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this title for such year, the amount thus appropriated shall be available for payment of a percentage of the amount to which each local educational agency is entitled under this title, such percentage to be equal to the percentage which the amount appropriated is of the amount to which all such agencies are entitled under this section.

TITLE III—GRANTS FOR CONSTRUCTION

Authority for grants

SEC. 301. The Commissioner shall make grants as provided in this title to assist local educational agencies which have had a substantial increase in the number of out-of-State children attending their schools to construct minimum school facilities for such children. There is hereby authorized to be appropriated such sums as the Congress may determine to be necessary for carrying out this title. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.

Establishment of priorities

SEC. 302. The Commissioner shall from time to time set dates by which applications for payments under this title must be filed. The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications in the event the funds appropriated under this title and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this title have not already been obligated). Only applications meeting the conditions for approval under this title (other than section 305(b)(2)(C)) shall be considered applications for purposes of the preceding sentence.

Federal share for any project

SEC. 303. Subject to section 304 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this title shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (1) are built or under contract as of the date on which the Commissioner set, under section 302, the earliest date on or before which the application for such project was filed, or (2) as of the date the application for such project is approved, are included in a project the application for which has been approved under this title.

Limitation on total payments to any local educational agency

SEC. 304. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this title may not exceed the estimated increase, since the base year, in the number of out-of-State children, multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. In computing for any local educational agency the number of children in an increase under this section, the estimated number of children described in the preceding sentence who will be in the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in average daily membership of the schools of such agency during the base year.

(b) A local educational agency shall not be eligible to have any amount included in its maximum by reason of subsection (a) unless the increase in children referred to in such subsection, prior to the application of the limitation in subsection (c), is at least ten and is equal to at least 1 per centum of the number of all children who were in average daily membership of the schools of such agency during the base year.

(c) If (1) the estimated number of children who are not out-of-State children who will be in the membership of the schools of a local educational agency at the close of the increase period is less than (2) 107 per centum of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) thereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as children who are not out-of-State children except children whose membership in the base year and increase period was compared in computing an increase which meets the requirements of subsection (b).

(d) Notwithstanding the provisions of subsections (b) and (c) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this title, the Commissioner may do any one or more of the following: (1) he may waive or reduce any percentage requirement in subsection (b); (2) he may waive the requirement contained in the first sentence of subsection (c) or reduce the percentage specified in clause (2) of such sentence.

(e) If—

(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of the increase period for a previous application made by such agency under this title, and

(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of subsection (a) may not exceed—

(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such subsection, minus

(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such subsection.

Applications

SEC. 305. (a) No payment may be made to any local educational agency under this title except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(b)(1) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain

such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law Numbered 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this title on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve any application if he finds (A) that the requirements of paragraph (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 303 and 304. (B) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construction of school facilities, and (C) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 302, have a higher priority.

(c) No application under this title shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

Payments

SEC. 306. (a) Upon approving the application of any local educational agency under section 305, the Commissioner of Education shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project.

(b) Any funds paid to a local educational agency under this title and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

Withholding of payments

SEC. 307. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this title have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this title with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) The final refusal of the Commissioner to approve part or all of any application under this title, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on the record, in the United States court of appeals for the circuit in which the local educational agency is located, in accordance with the provisions of the Administrative Procedure Act.

REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS

Mr. ALBERT (at the request of Mr. COOLEY) submitted a conference report and statement on the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956.

CONSUMER FINANCE COMPANIES

Mr. ALBERT. Mr. Speaker, the following bill has been added to the list of bills from the Committee on Ways and Means previously announced to be called up by unanimous consent this week: H.R. 8824—a bill to modify personal holding company tax in case of consumer finance companies.

These six bills may be called up for consideration tomorrow.

LEGISLATIVE PROGRAM FOR WEDNESDAY AND THURSDAY

Mr. ALBERT. Mr. Speaker, I take this time to advise that after the vote on the Fryingpan-Arkansas project tomorrow we shall proceed with the consideration of the bill H.R. 11990, the temporary increase of the public debt limit, as previously announced; and that following action on that bill we shall consider on Thursday the bill H.R. 11677, the Equal Pay Act of 1962.

BICENTENNIAL OF AMERICAN INDEPENDENCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GREEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, in the year 1976, this Republic will reach the bicentennial of its independence. It is, therefore, fitting that we should commemorate this occasion in a lasting spirit of pride and dignity as a memorial to those whose God-given vision, determination, and sacrifice established and preserved the exercise of our freedom under a democratic form of government.

Many made the supreme sacrifice; others willingly contributed their talents and their treasure to the enduring struggle and eventual victory that heralded our birth as a new nation.

In this spirit, we approach another significant milestone in our glorious history, and we should properly and adequately prepare for solemn observance of those trying days when the struggle therein made it possible for this Nation, under God, to grow great and strong. It will not be a Philadelphia celebration in any narrow sense but a living revival and national observance of our beginning in history.

We must plan carefully and well in advance for a celebration that will make the occasion for all the world to see and note. The basic theme should seek to avoid the carnival and even the customary commercial exploitation. Rather, we hope by the broadest use of our arts and our culture to restore vividly those colonial characters and scenes and to reenact genuinely and in minute detail the events of those stirring historic days in a world's fair worthy of the theme of American independence.

The commemorative period will embrace 6 months, from April to October 1976, when all the people in this vast land of ours, in concert with the U.S. Congress and the other branches of government, may take part in the national observance to relive and revitalize that era in history which brought forth a great nation and a great people, a strong and living bulwark in the everlasting struggle for the freedom and dignity of all mankind.

Mr. Speaker, in leaving these thoughts with you and my colleagues in the House, I now introduce a joint resolution of the Congress for this purpose, and respectfully ask that it be given early and appropriate consideration by these august legislative bodies.

In due time, other resolutions will be introduced for the purpose of creating and appointing a joint congressional committee, or commission, to coordinate and implement Federal Government participation in the national observance.

THE PRESIDENT'S FARM BILL

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. BOLTON. Mr. Speaker, the President's 1962 farm bill, recently reported out of the Committee on Agriculture by just one vote, contains among other things provisions calling for permanent and mandatory acreage allotments and marketing quotas. If you are a city person, think a minute. We who are city folk do not know what it is to have to deal with nature, with the many unseen forces that produce our food. We go to market and buy milk, pork chops, eggs, broilers, steak, and so forth. What

do most of us know about cows, hogs, chickens, turkeys, beef animals, and so forth, or about raising the hay, oats, wheat, et cetera, they eat, or about the cost of them in dollars and human energy—yes, in human character—that provides them?

Setting up restrictions and controls for the farmer when you do not understand or know the controls he accepted when he became a farmer—the controls of droughts, floods, tempests—are you not bound to fall into the danger of ignoring laws you cannot circumvent or control? Will you not make bad mistakes and so create a very difficult situation? You cannot patch such mistakes with controls and subsidies. For all too many years this Government has been experimenting with food production controls, hoarding, and so forth. So have Communist Russia and China. Their people are hungry. Why follow their path?

OBSERVATIONS ON OUR ECONOMY—JUNE 10, 1962

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the gyrations of the stock market during the past 2 weeks have called attention to the state of our economy in a dramatic and unsettling manner.

Pessimists claim that the market's behavior signals a coming decline in business activity. More optimistic observers—many of whom serve in the Kennedy administration—dispute this view.

The optimists affirm their faith in the strength of our economic recovery and assert that the market downturn represents both a recognition that inflation has come to an end and a long overdue correction of inflated stock prices. Ironically, yesterday's prophets of gloom and doom have become today's economic Pollyannas.

Many able persons consider the Kennedy administration's view overly optimistic. Walter Lippmann, for example, said in a May 31 column that there are reasons for thinking that the President's opinion that the outlook for business is good and does not justify the pessimism of the stock market "is too rosy a view." Lippmann said that the most probable answer for the stock market action "is a loss of confidence that the administration is fulfilling the promise to bring about something near to full employment of capital and labor and a rising rate of economic growth."

In analyzing our complex economic situation, reference to the facts is more helpful than all the slogans of dispair and optimism. The facts show that there is, indeed, ample evidence that this is the weakest of the four postwar economic recoveries.

At the end of April, or 14 months after the bottom of the recession in February 1961, employment had increased only 1.5 percent; long-term unemployment had fallen only 24 percent; industrial production had increased under 15 percent; and unemployment as a percentage of the civilian labor force remained at the high level of 5.5 percent.

Nearly 9 percent of the civilian labor force was totally or partially unemployed in April, considering there were nearly 4 million totally unemployed and another 2.2 million employed involuntarily on a part-time basis for economic reasons. In addition, since the recession bottom, the civilian labor force has failed to grow as expected, leading to what Chairman Heller of the President's Council of Economic Advisers has termed "submerged unemployment."

Furthermore, four quarters after the recession bottom, real gross national product has increased only 8.1 percent, which was considerably below the record of the previous recoveries.

It is interesting to note that during this anemic Kennedy recovery total Federal expenditures—seasonally adjusted at annual rates—from the first quarter of 1961 through the first quarter of 1962 increased by over 10 percent—almost double the highest previous increase during the same period of the other postwar recoveries.

The following statistics tell in more detail the story of how this Kennedy recovery compares to the other postwar recoveries.

Civilian labor force in millions—Seasonally adjusted

Recession bottom		14 months later		Percent change
Date	Percent	Date	Percent	
October 1949	62.4	December 1950.	63.0	+1.0
August 1954	64.4	October 1955	66.9	+3.9
April 1958	68.7	June 1959	69.5	+1.2
February 1961	71.9	April 1962	71.7	(1)

[1] No significant change.

Source: Department of Labor.

Employment in millions—Seasonally adjusted

Recession bottom		14 months later		Percent change
Date	Percent	Date	Percent	
October 1949	58.1	December 1950.	60.3	+3.8
August 1954	60.6	October 1955	64.0	+5.6
April 1958	63.7	June 1959	66.0	+3.6
February 1962	66.7	April 1962	67.7	+1.5

Source: Department of Labor.

Unemployment as a percentage of the civilian labor force—Seasonally adjusted

Recession bottom		14 months later	
Date	Percent	Date	Percent
October 1949	7.8	December 1950	4.2
August 1954	6.0	October 1955	4.4
April 1958	7.3	June 1959	5.0
February 1961	6.9	April 1962	5.5

Source: Department of Labor.

Long-term unemployment (over 15 weeks) in thousands—Seasonally adjusted

Recession bottom		14 months later		Percent change
Date	Percent	Date	Percent	
October 1949	1,035	December 1950.	475	−54.1
August 1954	1,029	October 1955	581	−43.5
April 1958	1,398	June 1959	956	−32.0
February 1961	1,447	April 1962	1,097	−24.2

Source: Department of Labor.

Industrial production—Seasonally adjusted [1957=100]

Recession bottom		14 months later		Percent change
Date	Percent	Date	Percent	
October 1949	62.2	December 1950.	80.7	+29.7
August 1954	84.9	October 1955	99.4	+17.1
April 1958	87.1	June 1959	109.6	+25.8
February 1961	102.0	April 1962	117.0	+14.7

Sources: Federal Reserve.

Gross national product in billions of 1954 dollars—Seasonally adjusted quarterly totals at annual rates

Recession bottom		13 months later		Percent change
Date	Percent	Date	Percent	
October 1949 (4th quarter)	293	November 1950	332	+13.3
August 1954 (3d quarter)	362	September 1955	397	+9.7
April 1958 (2d quarter)	395	May 1959	434	+9.9
February 1961 (1st quarter)	433	March 1962	468	+8.1

Sources: Department of Commerce, Council of Economic Advisers.

Total Federal expenditures in billions—Seasonally adjusted at annual rates, by quarters

Recession bottom		13 months later		Percent change
Date	Percent	Date	Percent	
October 1949 (4th quarter)	40.8	November 1950	41.6	+2.0
August 1954 (3d quarter)	68.2	September 1955	68.8	+.9
April 1958 (2d quarter)	86.0	May 1959	91.1	+5.9
February 1961 (1st quarter)	98.0	March 1962	107.9	+10.1

Sources: Committee for Economic Development, Council of Economic Advisers.

A recent article by the economic writer for the Washington Post, Bernard Nossiter, adds further weight to the opinion that this is the weakest of the four postwar economic recoveries. Under unanimous consent, Mr. Speaker, I include the article in the RECORD at the conclusion of my remarks.

Now, in the face of an incomplete and uncertain recovery, we are being told that another business downturn may be in the offing.

An article in the Wall Street Journal of June 4 pointed out that five of the nine leading indicators of business activity throw doubt on the strength of the recovery. The article makes clear that while one of these indicators may be giving a false signal, four others are showing bearish trends. The article concludes that the recovery is still underway but not very strongly. Under unanimous consent, Mr. Speaker, I include the article in the RECORD at the conclusion of my remarks.

Mr. Speaker, I can draw only one conclusion. The economic policies of this administration have not produced results.

Inflation—which administration leaders tell us is at an end—continues. Just recently the Department of Labor announced that the consumer price index rose in April for the third month in a row. As a matter of fact, the increase (seven-tenths of a percentage point) since the beginning of this year equals the rise for all of last year.

Has our gold stopped flowing out of the country? It has not. From January through April of this year, our gold stock declined $428 million, compared to $369 million for the same period last year.

How about our balance-of-payments deficit? That problem, too, continues to plague us. The deficit for the first quarter of 1962 at a seasonally adjusted annual rate was estimated at $1.8 billion, compared to $1.37 billion in the first quarter of 1961. A sharp increase in imports this year compared to a negligible increase in exports contributed substantially to this result. The value of our imports in April was at the highest level of any month for the past 2 years.

In the face of a continuing high level of unemployment, and particularly long-term unemployment, recent Government estimates show that job-creating business spending for plant and equipment this year will rise only 8 percent over the 1961 level, far below the Kennedy administration's targeted rise of 15 percent. As a matter of fact, the latest survey, which was taken after the April steel price controversy, shows a slight reduction of earlier 1962 spending plans of manufacturing industries.

The profits squeeze on business also continues. The May issue of the monthly letter of the First National City Bank of New York pointed out that net income of 967 leading corporations dropped 9 percent from the fourth quarter of 1961 to the first quarter of 1962. Net income rose 29 percent from the first quarter of 1961 through the first quarter of 1962, but this is hardly surprising since we were in the depths of the recession in the first quarter of 1961.

Some will say that in speaking frankly about the economy I am a prophet of gloom and doom engaging in scare talk. Nothing could be farther from the truth, Mr. Speaker.

I recognize that there are many elements of strength in our economy. I have tremendous confidence in the basic dynamism and resiliency of our free enterprise system. Given a chance to work, spared excessive tinkering by the bureaucrats in Washington, I know that the American economy can work out its problems.

True, these problems are difficult. No man can claim to have all the answers to see us through this period of economic adjustment.

But what concerns me is that the Kennedy administration apparently has launched a policy of conscious economic intervention which is a giant step toward bureaucratic guidance of private economic decision making.

Administration leaders have made clear that their action in the steel price dispute will be repeated should certain target sectors of labor or business get out of line.

One result of this policy is the irony that an administration which pledges itself to economic growth and more jobs is crippling business confidence—the prime source of growth and jobs.

I, for one, Mr. Speaker, do not believe that elected or appointed officials—or anyone else for that matter—are possessed of the wisdom required to determine realistic and fair wages and prices, whether directly or through enforcement of voluntary standards. The job is just too complex. Excessive Government interference in the wage-price process can only lead to severe and unsettling distortions and rigidities in our economic system. The free market is still the best arbiter of wages and prices.

This is not to say that Government does not have a legitimate interest in major price and wage decisions. It does—and must. Business and labor have grown big and powerful. Their decisions profoundly affect our Nation's economy and our very security.

It is right and necessary for Government to be the watchdog of our free enterprise system. It should have the equipment to do the best possible job in fighting abuses of economic power arising from restrictive business or labor practices. Because Government has a responsibility to insure a freely functioning market. But it does not have and should not seek responsibility to make or dictate the thousands of economic decisions made daily throughout the land.

Perhaps even more important, Mr. Speaker, is that the Government which watches over our free enterprise system should be a government of laws—not men.

In the minority views to the 1962 Annual Report of the Joint Economic Committee, the Republican members closed by saying, "Those who have little faith in the inherent dynamism and resiliency of our free enterprise economy have been proved wrong in the past. We think they are wrong again and that history will bear us out."

Events since that report appeared in March bear out that prediction. One can only hope that the administration will draw from our current economic problems the right conclusions and apply the right remedies.

The articles follow:

[From the Washington Post, Mar. 30, 1962]

CAPITAL, LABOR AGREE KENNEDY VIEW OF ECONOMY TOO ROSY

(By Bernard D. Nossiter)

Wall Street and organized labor, an unlikely pair of bedfellows, apparently agree on one point: President Kennedy's view of the economy is too rosy.

Outside of Government, economists are increasingly skeptical of the President's insistence that this is a "strong" recovery. In fact, a sampling of the major economic indicators shows that the current recovery could be labeled the weakest of the four postwar upturns.

This does not mean that a slump is on the horizon. As far ahead as economists can see with assurance—about 6 months—there is no sign of a downturn. But the pace of the advance in the last 6 months has been meager.

Wall Street reflects this in stock prices which haven't been rising; labor expresses it in more insistent demands for Federal action, partly appeased by the President's proposal on Monday for an extra $600 million in public works spending.

At the White House, Mr. Kennedy's experts single out the first 3 months of 1962 as the sore spot, acknowledge that they were disappointing but find the results mysterious.

Here, in schematic form, is a picture of how the first year of this recovery compares with the first year of the three earlier postwar recoveries.

All four began climbing at about the same rate. But after 6 months of advance, the three earlier recoveries rose at a faster pace; the current recovery continued rising too, but at a slower rate.

This shows up by comparing four important measurements of the economy in the four recoveries. The four indexes are jobs outside of farming, incomes of persons, industrial output, and business investment in new plant and equipment.

Here is the percentage that each indicator gained in the first 6 months of the four recoveries:

Recoveries

	1949–50	1954–55	1958–59	1961–62
Jobs	3.4	1.7	1.2	1.6
Incomes	7.5	3.0	3.3	4.0
Output	13.8	7.5	10.2	10.7
Plant	8.0	−4.4	−1.2	2.5

In general, the 1961–62 advance (which began last March) is about in line with its predecessors for this 6-month segment.

But now look how it stacked up in the latest 6 months (through February) for the current recovery:

Recoveries

	1949–50	1954–55	1958–60	1961–62
Jobs	5.1	2.8	3.5	0.7
Incomes	7.4	5.0	4.3	3.2
Output	12.3	6.7	11.0	1.6
Plant	21.2	15.6	8.5	[1] 4.0

[1] Current quarter is estimated.

In the second 6 months of the first three recoveries, the gain in jobs was 4 to 7 times as great as in the current period; the gain in incomes, one-third to more than twice as large, in output, 4 to 8 times; in investment, 2 to 5 times.

Why is this recovery lagging? Many experts point to two factors:

1. Consumers are no longer buying autos, washing machines, and other durable goods with the same enthusiasm that they did in the earlier advances.

2. Homebuilding has been declining.

As a result, business is investing less.

Why are hard goods and homebuilding no longer giving the economy a big lift? There are three major schools of thought.

The White House experts argue that there is no structural flaw in the economy, that consumers and corporate treasuries are loaded with cash and both should begin spending as soon as some economic spark is put to this money fuel. The cheap steel pact now in the making, the investment tax credit now before Congress, or even spring weather might be the spark.

A conservative school would contend that there is a basic flaw, a lack of profits and incentive to invest. This could be cured by cutting labor costs and reducing business and top bracket levels.

A liberal school would agree that there is a basic flaw but finds it in maldistributed income. Too much wealth in the top half and not enough in the bottom, with the top half's demand for housing and durables relatively satiated. This could be cured by cutting bottom bracket taxes, lifting wages of the submerged sector, and increased Federal spending to reemploy the jobless.

[From the Wall Street Journal, June 4, 1962]

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

Out of nine monthly indicators which economists have found often foreshadow trends in general business, five in April showed tendencies throwing doubt on the strength of the recovery which started early last year. However, one of these doubtful indicators, when analyzed closely, is far more favorable than it appears at first sight.

That one is the total of new orders for durable goods, which has an unusually accurate record of turning upward or downward ahead of general business. It has led general business upturns from the last four recessions by from 1 to 8 months, and it has led downturns into recessions by even greater margins.

In the light of this background, the trend of this statistic since January has looked ominous. The January total of durable-goods orders was $16.4 billion, the February total was down to $16.2 billion, the March total down again to $16 billion and the April total down once more to $15.8 billion. All these figures are adjusted for normal seasonal changes, to enable the analyst to see the real trend from month to month.

However, the figures for recent months are distorted ones. They include extra orders for steel placed by consumers fearing a steel strike. The knowledge that there would be no strike became available only at the end of March, when a settlement was reached in the industry's wage negotiations.

In order to see what the real trend in these orders might have been without this distortion, the following table has been constructed. It shows total orders for durable goods, and also what is left after deducting the orders for iron and steel alone. As readers will see immediately, the net figures show an uptrend right through April.

[In billions of dollars]

	Total	Iron, steel	Net total without iron, steel
January 1961	12.9	1.1	11.8
February	13.4	1.0	12.4
March	13.8	1.1	12.7
April	14.4	1.3	13.1
May	14.8	1.3	13.5
June	14.9	1.4	13.5
July	15.0	1.5	13.5
August	15.6	1.5	14.1
September	15.7	1.5	14.2
October	16.1	1.5	14.6
November	16.1	1.5	14.6
December	16.2	1.9	14.3
January 1962	16.4	1.9	14.5
February	16.2	1.5	14.7
March	16.0	1.3	14.7
April	15.8	.8	15.0

Just how much reliance to put in these net figures, in which orders for steel are left out, is unknown. The orders for durable goods with steel left in are the ones which have been found to turn sooner than general business. Whether the same thing would be true of the net figures, such as those in the table, would have to be studied in as many recessions and recoveries as the total figures have been studied.

Furthermore, distortions from fear of a strike probably didn't exist solely in orders for steel. Doubtless there was also some extra ordering of products containing steel. But even keeping this possibility in mind, it seems clear that if steel orders had been affected solely by ordinary considerations without thought of a strike, they would have been smaller in the big months such as December and January, and they would have been larger in the very small month of April. In that case, the trend of total orders probably would have resembled more closely the trend of net orders with steel taken out. In other words, the trend through April would look better than that of the actual totals. (First indications for May, reported by the National Association of Purchasing Agents, and detailed elsewhere in today's paper, are less favorable.)

This analysis of the April new orders reduces to four from five the number of early moving indicators for which April figures throw doubt on the strength of the recovery. These four are commercial and industrial building awards, dollar liabilities represented by business failures, the stock market and prices of industrial raw materials.

The stock market, of course, is down sharply. Its declines have often foreshadowed, or been associated with, business declines. Furthermore, the stock market declines which have not been connected with business declines have almost all (though not quite all) been caused by specific events such as a war or a Presidential heart attack.

The index of prices of industrial raw materials, around 86 percent of 1947–49, is at its lowest level since its bottom for the 1960–61 business recession. At that time it turned up a month before general business did. The weakness late last week in steel scrap, which is one of its components, suggests this index is now still falling.

Dollar liabilities represented by business failures are a widely fluctuating figure. They have been increasing, with some irregularity, since December. Commercial and industrial building awards, on the other hand, turned down in April only after reaching a record high in March. Their decline, however, was quite sharp, putting them below their level in four of the five preceding months.

Among the remaining four of the nine monthly indicators that tend to foreshadow general business trends, two, new housing starts and average weekly hours worked in factories, reached new recovery highs in April. The other two, new hirings and layoffs, are not available yet for that month.

Altogether, it may be said that the so-called leading indicators for April are a mixed bag. They are not bearish, but they are not particularly bullish. They suggest the recovery is still underway, but not very strongly.

GEORGE SHEA.

STAGNATION AND THE STOCK MARKET

(By Walter Lippmann)

Prices on the stock market have been falling sharply since the middle of March, and it is difficult to believe that the heavy selling is merely a technical correction that will soon end.

It is said in official circles in Washington, and indeed it has been said by the President himself, that the outlook for business is good and does not justify the pessimism of the stock market. But there are reasons for thinking that this is too rosy a view.

Others are saying, particularly in Republican partisan circles that the slump is due to a loss of confidence by businessmen ever since the President cracked down on Mr. Blough and the increase in the price of steel.

The trouble with this piece of partisan mythology is that the bear market began on March 16 and it was only on April 11—some 26 days later—that the President had his collision with Mr. Blough.

There can be no doubt, of course, that such massive selling as we are now witnessing is due to a loss of confidence by the owners in the future prospects of their securities. The question is what is causing this loss of confidence.

The most probable answer, it seems to me, is that there is a loss of confidence that the administration is fulfilling the promise to bring about something near to full employment of capital and labor and a rising rate of economic growth.

What the stock market is saying, I submit, is that while there is a considerable recovery from the depths of the recession in 1961, the recovery is already being arrested although it is a long way from being completed.

With unemployment at 5.5 percent and with the utilization of steel plants at only 60 percent, the American economy, although prosperous, is in fact stagnant.

It is beginning to look as if the Kennedy administration were repeating the pattern of the Eisenhower administration, with its three recessions brought on by the fact that each recovery was throttled down, as the only way to prevent inflation of prices, before the recovery was completed.

There is mounting evidence that those economists were right who told the administration last winter that it was making the mistake of trying to balance the budget too soon.

It will be said that the budget is not balanced; it shows a deficit in fiscal year 1962 of $7 billion. And so indeed does that budget show such a deficit. But the fact of the matter is that what is known as "the budget," namely, the administrative budget, falsifies the relationship between the Federal Government and the American economy.

The administrative budget, which shows a $7 billion deficit, deals only with the money appropriated by Congress and spent by the Government departments. It leaves out the trust funds, such as social security and the highway funds, which run to $25 billion annually. It counts revenues when taxes are collected, not while they are accruing and being withheld for the payment of taxes.

For the impact of the Federal Government on the economy, on inflation, and deflation, recession and recovery stagnation and

growth, the budget that matters is the Department of Commerce statement of Federal receipts and expenditures as part of the national income accounts—that is to say, what is often called the income and product account budget.

Nobody looks at it except the economists, and one of the greatest services that a public man could perform today would be to make the people understand the difference between the two budgets. For while the administrative budget is necessary for administration and is like a man's checkbook, the income budget tells the real story of the financial condition.

The income and product budget shows that at the end of 1962 the outgo and ingo accounts will be virtually in balance, with a deficit of only about half a billion dollars. Thus, in reality, the Kennedy administration is no longer stimulating the economy, and the economy is stagnating for lack of stimulation. We have one of the lowest rates of growth among the advanced industrial nations of the world.

There is as yet no simple remedy open to the administration. It is, so to speak, between Scylla and Charybdis—between the threat of gold withdrawals by our foreign creditors on the one hand, and, on the other hand, fierce popular dogmatism that treats the administrative budget as the absolute measure of responsibility, respectability, and financial decency.

Converging on Mr. Kennedy, the combined influences of the two has forced him into a fiscal policy that, as the stock market is saying, does not work. As things are going, the stagnation that is overtaking the recovery will be followed by another recession.

It is safe to predict that if present trends continue, the administration will have to go into action. It will have to take some of the strong measures that it was advised to take but did not dare to take some 7 months or so ago.

Among them, I should guess, will be a call for a sharp cut in the direct taxes paid by individuals and corporations. If this shows up as a considerable deficit in various budgets, but particularly in the income budget, that may be just the strong medicine that we need.

HANGING THE FARMER

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. HARSHA. Mr. Speaker, the Senate has already passed the omnibus farm bill after much wrangling. Now the House will be called upon to swallow this morsel. The farm bill in its present form is the most ominous power grab ever devised. This bill will destroy the last vestige of free enterprise among farmers, it is a nightmare of increased controls, costs and regimentation. Mr. Freeman wants to control everything from the "hothouse to the cornpatch." The Secretary of Agriculture would virtually become a one-man czar of agriculture with the club to force farmers to live under the strictest controls ever devised.

Secretary Freeman stated in a speech at a midwest regional agricultural convention in Chicago that "free enterprise is an unsatisfactory alternative to Government regulation for solving the farm problem." Freeman is certainly implementing this statement with the controls he advocates.

Freeman's proposal would stifle the initiative of the farmer, render him helpless to dictatorial authority, lower his income, increase costs to the consumer and raise taxes. In effect the Secretary would be dictating the law and pulling all the strings with the farmer as puppet."

The American farmer once free and an example of individuality and free enterprise at its best, will be emasculated by this legislation in its present form.

This proposal in its melange of the inconsistent is all but incredible. It is incredible that it could be enacted by a responsible Congress.

That portion of agriculture which is now free of controls—that is livestock and truck farming—is the healthiest phase of our agricultural economy and leading farm organizations and disconcerning farmers have been doing their utmost to remove farmers from stifling controls. I trust this House will defeat it in its present form, and I am happy to see the leadership has seen the folly of this program and has postponed the debate of this measure.

FREEDOM IS INDIVISIBLE

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, one of the most effective organizations in the world fighting the expansion of international communism is the American Friends of the Anti-Bolshevik Bloc of Nations. This is an American organization speaking for hundreds of thousands of American citizens who personally or by descent hail from the enslaved non-Russian countries of Europe and Asia. This organization represents the great bulk of the captive nations that communism has brutally subjugated. Obviously, this organization and its members possess firsthand knowledge and experience with Soviet Communist colonialism and imperialism, and their views should be especially important to us. I wish to place into the RECORD at this point the memorandum which this organization submitted to the United Nations General Assembly in November 1961:

"FREEDOM IS INDIVISIBLE"—MEMORANDUM TO U.N. GENERAL ASSEMBLY

1. RUSSIAN COLONIALISM AND IMPERIALISM—THREAT TO MANKIND IN GENERAL

In his dynamic and farsighted address before the U.N. General Assembly on September 25, 1961, the Honorable John F. Kennedy, President of the United States of America, stated:

"My country favors a world of free and equal states. We agree with those who say that colonialism is a key issue in this Assembly. My Nation was once a colony—and we know what colonialism means. And that is why there is no ignoring the fact that the tide of self-determination has not yet reached the Communist empire, where a population far larger than that officially termed 'dependent' lives under governments installed by foreign troops instead of free institutions—under a system which knows only one party and one belief—which suppresses free debate, free elections, free newspapers, books and trade unions—and which builds a wall to keep truth a stranger and its own citizens prisoners. Let us debate colonialism in full—and apply the principle of free choice and the practice of free plebiscite in every part of the globe."

These words underscore most emphatically the fact that the Soviet Union and its Communist Dictator Nikita S. Khrushchev have succeeded in beclouding international opinion in the matter of colonialism. At the last (15th) session of the U.N. General Assembly Mr. Khrushchev proclaimed himself a champion of "liberation of the colonial peoples of Asia and Africa," thus trying to turn the eyes of the world away from the most oppressive and most inhuman empire in mankind's history: the Soviet Union.

The Soviet Union under the leadership of Nikita S. Khrushchev has become a mighty nuclear power. The Kremlin is using this power to threaten the security and national existence of a series of free nations of the world. By constant threats and blackmail, by insidious intimidation and systematic subversion of free nations everywhere the Kremlin has succeeded in bringing the world today to the brink of nuclear disaster.

The record of Russian colonial imperialism and oppression in the non-Russian countries, now subjugated colonies of the Soviet Russian empire, is a long and appalling one. The wholesale deportation of non-Russian populations to Siberia and central Asia; systematic genocide of smaller and larger subjugated nations; the subversion of their national cultures; the indiscriminate exploitation of their economic resources; the destruction of their religious, national and personal freedoms—these are the characteristic traits of Russian rule in Khrushchev's Communist and colonial empire.

This fate awaits all other nations, be they in Asia, Africa or Latin America, which are gullible enough to swallow Khrushchev's sweet talk about the "emancipation of the colonial peoples" under the leadership of Moscow.

2. FREEDOM FOR ALL NATIONS AND PEOPLES

The United Nations emerged after World War II as an agency of peace and international order. As such it should champion the cause of freedom of all peoples regardless of race, religion or ethnic background.

Regrettably, however, such is not the case. We see that the Soviet Union and its subservient satellites are making a mockery of the principles of freedom, national independence, and international justice. By ignoring the plight and enslavement of the captive non-Russian nations inside the U.S.S.R. as well as those in the satellite orbit, the West perhaps unwittingly has helped substantially to build up an image of a "unified and noncolonial Russia," and by doing so has helped make Communist Russia attractive and appealing to the many colonial peoples of Africa and Asia, who resent indiscriminately the Western Powers as symbols of oppression and colonialism.

Therefore, it is the sacred duty of this 16th session of the U.N. General Assembly not only to reject the Western brand of

colonialism, but above all to direct its primary discussion onto the present-day Russian colonialism, which in the guise of "international communism and proletarian revolution" has been augmenting the imperial interest and territorial acquisitions to a degree never dreamed of by any czar of Russia.

3. RUSSIAN COLONIAL POLICY IN CAPTIVE NATIONS

We appeal to you for the support of your free voice for the cause of freedom and genuine liberation of the captive nations of Europe and Asia in the forum of this august international Assembly.

You would perform a great service to the cause of freedom and humanity itself should you challenge the unbridled and inhuman Russian Communist colonialism during the forthcoming debates in the 16th session of the U.N. General Assembly.

We especially appeal to those representatives at the 16th session of the U.N. General Assembly who represent the so-called neutral nations, those nations whose spokesmen recently held a conference in Belgrade, Yugoslavia. It is a matter of regret that the outcome of the conference was not such that could be construed as emanating from truly neutral nations. If it did anything, the conference on the whole supported the policies of Khrushchev, thus helping the Kremlin in its relentless drive to conquer the world for Russian communism.

These neutral nations must learn and acknowledge what is going on in the U.S.S.R. and in other Communist-controlled nations of eastern and central Europe and Asia. Have they not heard of the persecution, oppression and enslavement of the Ukranians, Byelorussians, Armenians, Cossacks, Georgians, Idel-Uralians, Turkestanians, Lithuanians, Latvians, Estonians, Slovaks, Czechs, Bulgarians, Poles, Hungarians, Rumanians, Albanians, East Germans, Serbs, Croats and Slovenes? The latter three peoples, although not under direct Soviet Russian rule, suffer from the Communist regime of Tito, who is also firmly in Khrushchev's corner as far as Russian Communist colonialism is concerned.

4. COMMON ACTION OF ALL U.N. MEMBERS—IMPERATIVE

The present membership of the United Nations barely contains one-tenth of the Communist states, while the overwhelming majority of U.N. members are anti-Communist or "neutral" or "unalined." By a combined majority of votes the free and "neutral" states can easily defeat any and all ventures proposed by the Soviet Union in the United Nations.

Therefore, you have a unique opportunity to unmask the Bolshevik colonialists and enslavers by pointing to the criminal and inhuman policies which they inflict on the captive nations from East Berlin to central Asia.

You have this chance when the report on the brutal suppression of the Hungarian freedom fighters in 1956 by the Russians will come up for discussion during this session of the U.N. General Assembly.

You will recall that during last year's session of the U.N. General Assembly the Right Honorable John G. Diefenbaker, Prime Minister of Canada, valiantly challenged Mr. Khrushchev by advising him that before he embarks upon the "liberation" of the peoples of Asia and Africa, he should grant freedom to the Ukrainians, Lithuanians, Latvians, Estonians, and other captive nations held under the Communist dictatorship of the Kremlin. Mr. Diefenbaker, in his speeches in the Canadian Parliament, continues to support the cause of freedom for the captive non-Russian nations in the U.S.S.R. and its satellite colonial dependencies.

You can do likewise, sir, if you would fearlessly challenge the Russian Communist colonialists and put them before the panel of world public opinion to answer for the crimes and inhumanities they are perpetrating upon the captive nations.

Only the final emancipation and liberation of all the captive nations of Asia and Africa, and only upon the dissolution of the totalitarian and terror-ridden empire of the Kremlin can the United Nations and humanity at large hope for a genuine peace and for justice in the world.

Mr. Speaker, it is unfortunate that the United Nations, handicapped as it is by the machinations of the Soviet Union, its satellites, and a few naive nations, does not possess the ability to understand and appreciate the views expressed by the American Friends of the Anti-Bolshevik Bloc of Nations. One of the truly great steps toward world peace and freedom would be to accept the basic views expressed in this memorandum.

THE POOR TAXPAYER—TAKEN FOR A $30 MILLION RIDE

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. WILSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, the taxpayers of the United States are paying a heavy tax load every day. They are paying for many needed services of Government but they are also paying dearly for some of the services, spending money on taxes that is wasted and squandered as seldom before in our history.

For several days, I have been making a case against military procurement. I have been attempting to show that the Navy Department is not as interested in saving the taxpayers money as it is in steering defense contracts to the sources it favors. I have proven that the Navy could save the taxpayers $1.3 million by allowing a contract to an Indiana manufacturer to make a UHF radio needed by the Marine Corps. The Navy apparently is not interested in this saving. It is interested in protecting its own skirts, in saving face and in beclouding the facts surrounding the vicious practice known as sole source procurement.

My remarks of the past several days have already been documented on the floor of the House. My support of any legislation that will cut down the sole source procurement of defense materials is just as well known.

Now, however, I would like to release information on just eight cases out of my 15-month study of defense procurement. In these eight cases, as you will note, Mr. Speaker, the taxpayer has been bilked out of over $30 million. There are many more cases and I will document them in the future. Here are just eight—they follow a pattern and they prove what I have contended—that sole source procurement of military goods is costing us up to one-third of our defense dollar and that next year from $12 to $15 billion will be wasted needlessly.

Here is a statement I made at a meeting with two of my colleagues today. If I am able to gain the necessary cooperation, an investigation should and may be made into this practice of sole sourcing defense contracts, based on just such evidence as I now present.

The statements made in this presentation can be backed up with documentation supplied by the General Accounting Office and other sources. The case of the AN/PRC 41 radio set is just one "before the fact" example of how the taxpayers are going to be taken for another ride. The eight "after the fact" cases I now present show the sad experience of the past.

Under unanimous consent, I insert my statement to Congressmen HÉBERT and BRAY at this point:

STATEMENT OF CONGRESSMAN EARL WILSON, REPUBLICAN, OF INDIANA, ON MILITARY PROCUREMENT MADE IN CONFERENCE WITH CONGRESSMAN F. EDWARD HÉBERT, DEMOCRAT, OF LOUISIANA, AND CONGRESSMAN WILLIAM BRAY, REPUBLICAN, OF INDIANA, JUNE 12, 1962, REQUESTING AN INVESTIGATION OF MILITARY PROCUREMENT BY THE SPECIAL SUBCOMMITTEE ON INVESTIGATIONS OF THE ARMED SERVICES COMMITTEE

Following are brief sketches of eight typical cases I have investigated in my 15-month study into military procurement. They represent but a small sample of the whole and more details are being compiled on many additional cases at present. In every instance statements and allegations are based on past history and documentation supplied by the Comptroller General's office and by inquiry into various segments of the electronics industry. Specific questions are welcomed and documentation will be supplied in answer.

Case No. 1—TR-152 ( )/SQS-23 transducer: This was the first case studied, and results are published in the CONGRESSIONAL RECORD, volume 106, part 15, pages 20348–20353, inclusive. The results of Navy action are obvious. Bureau of Ships civilian employees obtained two bids—one from a favored firm and the other an entirely unwanted proposal from an "outside" manufacturer. Since the unwanted firm's bid was low, a second bidding was arranged. It is clear that in such manner the favored firm learned the amount of the "outside" firm's bid. The "outside" firm restated its original bid, but the favored firm underbid it by $20,000 on a $4,500,000 contract. When this procurement was forced into the open, the price per unit fell from $100,000 to $70,000 and subsequently even lower, saving the taxpayers $1 million on one contract. The company that forced the bidding, however, was shut out in the cold for its interest. Officials of this company can be summoned before this committee to answer pertinent questions.

Summary, case No. 1: Open competition saved taxpayers $1 million, but the Navy Department resisted putting procurement into open competition at every turn.

Case No. 2—AN/SPS 10 radar: The Navy negotiated an original $40,000 per system price with Du Mont and Sylvania on this procurement. This price subsequently fell to $17,083 per system when open competition was introduced, and Daystrom, Inc. won the contract. This represented a difference of 58 percent between high and low price. As examples, Contract NObsr 52321 awarded a contract to Sylvania to produce 185 units at a price of $27,000 per system, or a total price of approximately $5 million. A subsequent award, NObsr 75399, was for 57 units at a total cost of $1,898,620 or $33,297 per unit. When Daystrom won its contract in open competition, the price

dropped $17,083 per unit, at which time a Bureau of Ships civilian employee, Dean S. Young, indicated in an official report that the successful bidder could not make a profit on the item. Subsequent procurement found the price in the same general area under conditions of open competition, indicating that sole-source procurement cost the taxpayers millions.

Summary, case No. 2: Using the price of $33,297 per unit for a total of 242 units bought under sole-source procurement methods mentioned above, the taxpayers paid out a total of over $3.9 million more than necessary to buy this equipment, almost a 50-percent overall loss in this one instance. Even using the lowest sole-source price does little to brighten the picture, proving again that open competition serves the best interest of the taxpayer and prevents any possible duplicity by procurement agency employees.

Case No. 3—AN/WLR 1—electronic countermeasures receiver: Documentation on this case is still being furnished by the General Accounting Office and is not as yet complete. Sole-source negotiations with Collins Radio Co., Cedar Rapids, Iowa, under terms of contract NObsr 75710 covered a huge program of production which undoubtedly was "justified" by some Navy officials in the same way as so many other justifications. This sole-source justification has cost the taxpayer in excess of $60,000 per system. When competition was introduced, the cost fell to approximately $15,000 per system with Sylvania winning the contract. Later the unit price dropped even lower with additional awards to General Instruments, proving again that when competition is introduecd the price goes down. Complete details are not as yet developed in this instance, but it is obvious that a saving of over 75 percent could have been effected had this equipment been bought under a policy of open competition.

Summary, case No. 3—pending: Taxpayers have had to pay up to 75 percent more for the privilege of having equipment bought from just one company with no one else given a chance to bid.

Case No. 4—PP-2100/ARC 27 power supply: This is a small, 6-pound transistorized power supply that is used in the AN/ARC 27 radio set. It is installed in both Air Force and Navy aircraft for pilot communication. Production of this equipment has been divided for more than 12 years in limited, restricted transactions between Collins Radio and Admiral. The PP-2100 was developed by Admiral, and because of reasons declared as "urgency for delivery" Contract NOas 59-9028-f (fixed price) was awarded to Admiral for $2.5 million where the unit price was $360. No competition was allowed. Follow-on procurement was advertised and competition invited and the award of contract went to Crescent Communications for approximately $180. To further indict the corrupt nature of sole-source procurement is the fact that when open competition was introduced, Admiral Corp. quoted $181.45 for the same identical equipment it had previously been awarded at $360 without competition.

Summary, case No. 4: The General Accounting Office is still investigating to determine how much profit was made in this sole-source action. Its interim report indicates a much higher percentage of profit than was certified by the contractor. It is obvious, however, that this sole-source action by Navy cost the taxpayers $1.25 million in a $2.5 million award to Admiral. It is also a fact that the determination of sole source was made for reasons of urgency when in fact the procurement covered a power supply that was to replace an existing power supply already installed and operational in aircraft.

Case No. 5—AN/APS 88 airborne radar set: Originally, this was a sole-source transaction with Bendix Pacific. It resulted in a contract (NOw-60-0696-r) with an estimated price of $32,000 per system. This price was subject to downward adjustment based on experienced costs of production. It was ultimately adjusted to an average per system price of approximately $30,000 for 51 systems, with a final cost totaling $1,440,843. This cost was accomplished with no competition whatsoever. Subsequently, September 9, 1960, the Navy advertised a requirement for 57 additional systems of the same equipment. This, however, was an open, advertised unlimited competition and it resulted in a price of $17,247 per system for 57 systems. Bendix Pacific quoted $26,493 unsuccessfully in this same competition. Total cost in this open procurement was $984,000. A saving of $500,000 was effected in the second procurement, but based on competitive bidding, the taxpayers paid $561,000 more than necessary on the sole-source transaction. At present, someone in the Navy Department has decided to restrict the bidding for a third procurement of this equipment and has limited the participation to Bendix Pacific, high bidder in the previous procurement, and Texas Instruments, low bidder in the open competition. I have asked the General Accounting Office to take cognizance of this action, feeling that if past experience in my study is any criterion, the final purchase price on this third procurement will be considerably in excess of $17,247 simply because the force of competition is eliminated.

Summary, case No. 5: Forcing a procurement into the open saved the taxpayers $500,000, but only after they had their pockets picked of $561,000 because some Navy official signed a determination and finding that a sole-source contract was necessary.

Case No. 6—AN/PDR 43 radiac set: A sole-source negotiation with Electronic Products Co., of Mt. Vernon, N.Y., developed the AN/PDR 43 and the Navy paid $7,308.66 for each of 6 preproduction units and $871.45 each for 44 production units, with a total award of approximately $87,195.76 under contract NObsr-71163. Three follow-on awards on a sole source basis purchased substantial quantities of this equipment at prices ranging from $490 to $657.67. All this was done without competition. On the first competitive transaction, Navy Invitation 259-61, opened May 26, 1961, the price feel to $247.20, and the successful bidder was Electro-Neutronics, Oakland, Calif. Subsequent competition reduced the price even lower—to $217.53 by this same firm, Electro-Neutronics, thereby reducing the cost by almost 60 percent. The Navy actually purchased 1,500 units of the AN/PDR 43 under sole-source conditions with an average price of $600 per set, a total expenditure of almost $900,000. When competition was introduced, it was established these same sets could have been bought for a total price of about $325,000, thereby confirming that the taxpayer was penalized almost $600,000 in a single instance before competition replaced sole-source procurement.

Summary, case No. 6: The luxury of the sole-source method of procurement cost the taxpayers $600,000 and resulted in a 60-percent waste of the taxpayers' money.

Case No. 7—AN/PRC 10 portable radio set: This radio set was originally purchased by the Army Signal Supply Agency in limited competition with awards equally spaced between Admiral, RCA, and Motorola. The last award made before open competition was introduced was to Admiral for about $2 million at a unit price of $404. Since approximately 1950, the Signal Supply Agency spent millions of dollars, my research indicates close to $30 million, and avoided open competition. The first open competition was under invitation 61-1921, and it resulted in an award to Model Engineering, Huntington, Ind., for 10,917 units at a price of $286.29 per radio. This saved the taxpayer about 28 percent, and there is no reason why competition should not have been introduced prior to June 1961. Over 10 years were spent in production before the Army put the requirement out for open bidding. Using the figure of $30 million as an approximation, it is probable that $8.4 million of the taxpayers' money has been spent needlessly. What makes this even more unbelievable is that subsequent to the award to Model, the Army has placed several million dollars of additional awards, all on a sole-source basis. I have asked the General Accounting Office to tell me why this is being done.

Summary, case 7: Almost $8.5 million wasted and the Army is now reverting to form. The General Accounting Office is still seeking an answer to my questions, and the final report for that reason is pending. I am also informed that Government-furnished equipment is being delayed to Model so that a future case of a poor delivery record may be made to halt further public procurement of this equipment.

Case No. 8—AN/WRT-1 and AN/WRT-2 radio sets: A sole-source contract was awarded to Westinghouse Electric to develop this radio set, with a price of $1.8 million paid for development. When the radio was ready for production, Westinghouse was awarded a sole-source contract to build 430 units at a unit cost of $29,725 and a total contract price of $12.8 million. A second procurement also resulted in a sole-source contract to Westinghouse, this time for 617 radios at a unit cost of $19,200 and a total cost of $12.1 million. Almost $25 million was spent for a little over 1,000 radios. When a third procurement was necessary, pressure from industry forced it into open competition, and this time the unit price tumbled to $10,497.52, and the award went to Cosmos Industries, Inc. Competition thus cut the bill more than half, but not until the taxpayers had paid $25 million for a radio that could have been bought for a little more than $10 million.

Summary, case 8: The open competition price for this radio was probably a bit low for circumstances, but it is still established that Westinghouse was awarded contracts almost two times more expensive than necessary, costing the taxpayers $15 million.

General summary—Case No. 1: $1 million saved that would have been spent by Navy, saved over Navy's protests; case No. 2—$3.9 million wasted; case No. 3—75 percent of taxpayers' dollar squandered; case No. 4—$1.25 million thrown away; case No. 5—$561,000 wasted; case No. 6—$600,000 spent needlessly; case No. 7—$8.5 million thrown away; case No. 8—Up to $15 million poured down the drain. This represents a total waste in eight examples cited of approximately $30 million and waste in individual cases of from 28 to 75 percent. These are but a few examples of how sole-source procurement wastes the defense dollar. There are many more, and they will be documented by me in the near future.

The real concern of the American citizen should be the identity of those in the Navy Department who justify such transactions, who approve such profligate squandering of public moneys. These men should be exposed. The procurement branches of the Defense Department, especially the Navy Department, should be examined closely, and the guilty parties sought out and punished for their actions. In my files are the names of people who have signed certifications of determination and finding leading to sole-source procurement, contract officers whose actions are highly suspect, and top officials of the Navy Department who ought to be removed from office for their incompetency and inefficiency, if they are not to be prosecuted for their actions. It appears that someone in the Navy Department, or a group of "someones", is receiving kickbacks for steering contracts to the right firms. The

time has come to put a stop to this, to put defense procurement out into the open, and to rid the Government of those people who are not honest in the discharge of their duties.

Most of the studies mentioned above are after the fact, although one or two are current. To test Navy reaction, I undertook study of Navy procurement of AN/PRC 41 radio set (see CONGRESSIONAL RECORD of June 6 and June 7) to determine what would happen if sole-source policy was contested before it cost the taxpayers millions. To date, reaction has been exactly as I expected. Navy has held up award rather than save taxpayers $1.3 million on one contract and has, by its action, admitted its certification of urgency to be in question. It has also been caught in several actions of serious question in this instance. Its reaction to my AN/PRC 41 study proves its prime concern is not always the welfare of the taxpayer and raises questions that should be resolved by an investigating committee of this Congress.

SUMMARY OF POLL RESULTS

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. BRAY. Mr. Speaker, in recent weeks I have conducted an opinion poll among the voters of the Seventh District of Indiana. The tabulation of the many thousands of replies which I have received is submitted at this time, for I believe my colleagues will find it of interest and importance.

The results indicate that the people are greatly concerned about our position in international affairs and that they will support policies of firm action to halt further Communist expansion.

Determined resistance to Communist encroachment of our position in West Berlin is expressed by 85 percent of the responses, 9 percent are opposed to the use of force to maintain our position there, with 6 percent unmarked.

The use of troops to stop Communist aggression in Vietnam is approved by 49 percent; 16 percent did not answer, and 35 percent are opposed. From additional comments, I know there is great uncertainty about what the United States should do in this area.

Strong resistance to U.S. recognition of Communist China is evidenced by a 90 percent vote against it. Only 5 percent favor recognition, and 5 percent have no opinion.

There are great misgivings about our foreign aid program. People question its direction, the manner in which it has been handled, and its efficacy. Seventy nine percent of the replies express the desire to reduce President Kennedy's request for $4.8 billion in foreign aid. Seventeen percent oppose any reduction, leaving 4 percent with no recorded opinion.

The President's proposal to purchase $100 million worth of United Nations bonds is opposed by 76 percent of those replying; 18 percent favor the bond purchase, and 6 percent did not respond.

President Kennedy's request for authority to eliminate tariffs through agreements with other nations is rejected by 70 percent of the replies, supported by 24 percent, and 6 percent are undecided. Particular concern was expressed over the effect of increased imports upon employment in this country. Many industries have already suffered considerable cutbacks because of the import of products from countries where very low wages are paid. It was feared by many who replied that further tariff reduction would destroy many American industries and the jobs which they provide.

Turning to matters of purely domestic concern, on the subject of the King-Anderson bill for medical care for elderly people financed through social security taxes, 68 percent express opposition, 30 percent are in favor, and 2 percent have no opinion.

Federal aid for the operation of public elementary and secondary schools, which has been the subject of much debate for several years, is opposed by 70 percent. Those favoring such aid amount to 26 percent, leaving 4 percent who decline to comment.

The administration's request to increase the $300 billion limit on the national debt would be denied by 86 percent of those who replied. It is approved by 9 percent, and 5 percent decline to answer.

On the question about the Freeman farm program of strict production controls, those replying were asked to state if they are engaged in farming. Of the farmers, 86 percent are opposed to it; 11 percent favor the program, and 3 percent did not indicate their view.

Among persons who are not farmers, the program finds support with only 12 percent of the people. It is rejected by 73 percent, and 15 percent have no firm opinion.

The response to this questionnaire indicates a growing public concern over matters of national interest. Many of those who replied enclosed letters expressing their viewpoint in more detail or their opinions on other subjects.

Such polls do give an important guide to the thinking of Seventh District voters. Furthermore, they increase participation of the citizens in their Government. I am gratified for the cooperation received from my constituents in this endeavor.

The tabulation follows:

Final summary of opinion poll conducted by Congressman WILLIAM G. BRAY, 7th District, Indiana

Do you favor—	Percentage		
	Yes	No	No opinion
1. The King-Anderson bill for medical care for elderly people financed through social security taxes?	30	68	2
2. Purchase by the United States of $100,000,000 worth of U.N. bonds?	18	76	6
3. Giving the President authority to eliminate tariffs through agreements with other nations?	24	70	6
4. Federal aid for the operation of public elementary and secondary schools?	26	70	4
5. U.S. recognition of Communist China?	5	90	5
6. Use of force if necessary to maintain our position in West Berlin?	85	9	6
7. Increasing the national debt limit beyond the present $300,000,000,000?	9	86	5
8. A reduction in the $4,800,000,000 President Kennedy has asked for foreign aid?	79	17	4
9. The use of U.S. troops to stop aggression in Vietnam?	49	35	16
10. The Freeman farm program of strict production controls?			
Opinion of those engaged in farming	11	86	3
Opinion of those not engaged in farming	12	73	15

ANOTHER LOOK AT THE U.N.

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELOT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, there appeared in the October 1961 issue of the American Legion magazine an article entitled "Another Look at the U.N." which I believe would be of interest to many of my colleagues in Congress. Under leave to revise and extend my remarks, I place the article in the body of the CONGRESSIONAL RECORD for this day. The text of the article follows:

ANOTHER LOOK AT THE U.N.

(By Emilio S. Iglesias)

In the 16 years of its existence the United Nations has been the subject of a tremendous outpouring of glorification. Indeed, a cult of U.N. worshipers has zealously preached the doctrine that only through the United Nations can mankind be saved. Until recently this idea was widely accepted as gospel. At banquets and at PTA meetings, in schools and in churches, the word went forth that the U.N. exemplified man at his best, using his genius to create a better world, a world of peace and brotherhood.

In the early years there were, of course, critics, people who pointed out that among the architects of the United Nations were such people as Alger Hiss. These same critics also expressed fear that the U.N. would inevitably encroach on our own sovereignty and involve itself in our domestic affairs. But most of all they were skeptical of any organization in which the U.S.S.R. and its satellites were partners. This, they said, was like permitting thieves and murderers to become members of a police association, with equal voting privileges.

Such expressions were ridiculed by those who looked so hopefully to the United Nations to achieve peace on earth and good will among mankind, but in recent months there has been a significant change. Even among those who once supported the United Nations with zeal, there has been wavering. Indeed, in some cases caustic criticism has been voiced by those who were formerly the most outspoken advocates of the world organization. One of the most surprising of these comments came from Dean Acheson. Writing in the fall 1959 issue of Orbis, the

former Secretary of State said: "The United Nations insofar as it believes that by its votes and by its debates it is accomplishing anything could not be more mistaken."

The first President of the U.N. General Assembly, M. Paul Henri Spaak, not long ago expressed his disillusionment with the U.N. by saying that he felt like "a deceived lover whose mistress has abandoned him." He went on to say that not only is the U.N. in danger but "it threatens to become a danger to others."

Charles de Gaulle expressed his opinion of the organization caustically: "The United Nations offers no more than tumultuous and scandalous sessions where it is impossible to organize objective debate and which are filled with invective delivered by the Communists and their allies. The result is that in the Congo the United Nations carries to the spot its global incoherence. In these conditions France does not see how she can take any other attitude toward the United Nations—or the disunited nations—than that of the greatest reserve. In any case, she does not want to participate either through her manpower or through her finances in any current or eventual enterprise of this organization—or disorganization."

Even certain segments of the press which once looked upon any criticism of the U.N. as a form of heresy became alarmed at the way the U.N. operated in the Congo. The New York Times, the New York Herald Tribune and the Washington Post sadly concluded that the U.N. was actually backing the Communists in the Congo. Stewart Alsop voiced his disillusionment in a Saturday Evening Post article when he questioned whether we ought to continue to support the U.N.

Many Americans have been confused by what took place in the Congo and by the strange cast of characters that moved on and off that chaotic stage. The Russians, as usual, contributed to the confusion by demanding that Dag Hammarskjold be fired for the part he played. This caused many Americans to jump to the conclusion that, since Khrushchev was against the Congo operation, it was ipso facto a meritorious action. Actually it was not that simple. Khrushchev was satisfied with the U.N.'s performance until his stooge Lumumba was captured by anti-Communists. Then, and only then, did he turn on Hammarskjold. Which was unfair, in a way, since obviously the Secretary General of the U.N. had done little to interfere with Lumumba and his forces.

Ideally, the U.N. force dispatched to restore order in the Congo should have functioned without fear or favor. That, after all, is the way idealists envision any U.N. police force. But in actual practice the U.N. force acted in a disillusioning manner. Troops and leadership reflected the political coloration of the various countries of origin, and that coloration was predominantly red, or at least a deep pink. Supposed to be neutral, the leaders of the U.N. forces seemed consistently neutral in favor of the Lumumba faction. Because of this, enraged anti-Communist Congolese on several occasions fought U.N. troops.

Chief target of the criticism was an Indian, Rajeshwar Dayal, sent to the Congo by Secretary General Hammarskjold as his personal representative. Admittedly the assignment was no easy one, but Dayal's pro-Communist bias aroused such a storm of protests that he had to be removed. And his actions are understandable when it is considered that he is a protege of Krishna Menon, India's Minister of Defense, who has shown little love for the West.

As this is written, the turmoil in the Congo has ceased, at least temporarily, while the leaders of the rival factions meet to discuss the formation of a coalition government, with the Communists' current favorite, Gizenga, making unreasonable demands as the price of his cooperation.

The Congo crisis is only one of many U.N. actions that have caused deep concern over the implications of those actions. There are many who have excused and continue to excuse U.N. inaction by saying that the world organization does not have enough power to keep the peace. Their suggested remedy is that the U.N. be given a more powerful army, usually referred to as a police force. But now the disquieting thought arises as to how far the U.N. can be trusted with the power it already has, let alone greater power. Given a powerful body of troops, would the U.N. use this force as it did in the Congo, tempering its vaunted idealism to the political winds that blow in the halls of the U.N. Building, and bending to Russian threats and bluster?

This thought is especially disturbing when it is considered that the United States can no longer count on the support it once had, a fact that was demonstrated in the closing session of the General Assembly on April 22. On that occasion, the United States suffered a serious diplomatic defeat when the U.N. decided that the Cuban controversy should not be referred to the Organization of American States. At the same session, and with characteristic openhandedness, this country agreed to pay $47 million, or nearly half of the entire cost of the Congo operation for 1961.

Up to now the United States has shown a curious compulsion to underwrite far more than its share of U.N. operating costs, on the assumption that we are paying for peace and getting it at a bargain price. Pro-U.N. lecturers and writers plug this idea by saying that the cost of the U.N. is equivalent to the price of a pack of cigarettes per person per year. This is so if you take one set of figures, but if you use those figures you are likely to be greatly misled about how much the U.N. really costs. And what the U.N. costs no one seems to know, including organizations that deal in information about the U.N. It may be for this reason that attempts to get specific information on U.N. finances met with a certain amount of vagueness and equivocation.

Following are figures supplied by U.N. press information on the Organization's 1960 budget:

General budget:		
U.N.	cost	$58,347,514
United States	gave	18,953,330
U.S.S.R.	do	7,940,460
Albania	do	23,320
Bulgaria	do	93,280
Byelorussian S.S.R.	do	274,010
Czechoslovakia	do	507,210
Hungary	do	244,860
Poland	do	798,710
Rumania	do	198,220
Ukraine S.S.R.	do	1,049,400
UNEF (Emergency Forces) (Middle East) budget:		
Cost		20,000,000
United States	gave	6,497,064
U.S.S.R.	not paid	2,721,932
Congo budget:		
Cost		48,500,000
United States	gave	15,745,211
U.S.S.R.	not paid	6,596,425

However, the U.S. mission to the U.N., quoting "a congressional document," reported that the total cost of all the U.N. for 1960, including assessments for the U.N. "family," was $344 million—of which $53 million was for the general U.N. budget, $84 million for the Congo; $20 million for UNEF.

The U.S. Committee for the U.N. came up with some different figures, saying that the United States had given $192 million to the U.N. in 1960.

Things became a bit more confused when the American Association for the U.N. reported that the total budget for the U.N. and 10 of its agencies for 1960 was $128,211,450.

Whichever figure you choose, it is obvious that running the U.N. calls for much more than "cigarette money," as some would have you believe.

But that is only part of the picture, and American taxpayers are beginning to realize that they are paying far more than this. They know that one reason for the billions being given to other nations in foreign aid programs is to promote good will in the form of votes in the United Nations. Even those who feel that the realities of international life call for such vote-buying are beginning to feel that a large proportion of the billions voted for foreign aid since World War II has been money poorly invested, and this antagonism is evident in public reaction to the administration's latest demand for more billions for giveaway purposes.

There is no doubt that this reaction was caused in no small measure by the actions of many of the nations that were beneficiaries of money taken from the American taxpayer. An example of this can be found in the action of India, Yugoslavia, Ghana, Guinea, the United Arab Republic and Morocco. In the last fiscal year the United States gave those countries $400 million and in addition arranged to give them $500 million in surplus food. As a measure of their appreciation, these six nations voted against us in the U.N. more often than with us on such crucial issues as the seating of Red China.

Our leaders persist in referring to such nations as "neutralists," and this fallacy is reflected in our continuing efforts to give them whatever they want that might keep them friendly. At his meeting with President Kennedy in Geneva, Nikita Khrushchev proved himself to be far more realistic when he said that today there are no neutrals. Certainly if they are neutralists, they are, like the U.N. forces in the Congo, pretty consistently neutral on the side of the Kremlin. Despite this, the aid goes on. In May it was announced that the administration was going to lend India another billion dollars in the next 2 years, "to help meet the foreign exchange requirements of India's third 5-year plan." Completely overlooked was the annoying fact that in the last session of the U.N., India voted with us only six times and voted with the Soviet Union 50 times.

In the early days of the U.N. the United States could count on enough support to provide some sort of control in that body, but now control by the West has ended, and the balance of power is held by the neutralist nations of Europe and Asia, and the new nations of Africa. This is evident from some statistics. There are now 99 member nations of which 17 may be considered democratic while 11 comprise the Communist bloc. However, the latter group is buttressed by such nations as Ghana, Guinea, India, Indonesia, etc., who usually side with the Communists. This united front, helped out by the new nations, poses a serious threat. Next year it is expected that this coalition will vote for the admission of Red China, which will mean a showdown.

On the subject of China, Americans have made their position unmistakably clear, and their attitude is reflected in Congress' stand against admitting Red China to the U.N. The reasons for American opposition to Red China are readily apparent. That outlaw nation conducted a bloody, ruthless and undeclared war against us, a war in which tens of thousands of Americans were killed and hundreds of thousands wounded. Its brutalities against American prisoners of war violated all the rules of warfare, and its arrogant refusal to account for Americans it still holds has bred a deep resentment in all Americans. To cap all this, Red China is still at war with the United Nations.

Yet despite all this, strong pressures are being exerted to admit Red China into the

U.N., and certain American political figures are said to be conniving in the attempt. Most discussed of the maneuvers is a so-called two Chinas gambit which will offer representation to both Red China and Nationalist China. The promoters of this irresponsible action argue that Red China will surely refuse, in which case the West will be in the clear. This may be, but by conceding that Red China is worthy of a place in the U.N., we have gone a long way toward destroying at least the morale of a faithful ally, Nationalist China, one of the few dependable friends we have left in the Orient. The rest of the world would certainly interpret our acquiescence in the two Chinas gesture as notice that the United States is abandoning Nationalist China. For that matter, the fact that some of our political leaders even talk about the possibility or the "inevitability" of Red China's recognition has hurt us immeasurably by showing our allies, and neutrals, how undependable we often are.

Other actions in the U.N. have certainly made that point previously. The most dramatic recent example was the manner in which we antagonized a dependable ally, Portugal, by siding with the Soviet against her over Angola.

If there is any common denominator in all this, it may be found in our highly irrational and emotional aim to woo the new nations. We have contributed handsomely to the establishment of these nations, and already we have seen how they have repeatedly turned against us in the U.N. But despite this, we continue to seek to curry favor with them. This would be bad enough if it just meant that we continued to bribe them. It is reprehensible and foolish when we betray trusted allies to gain their good will. But probably worst of all is the way in which we permit our fetish for these primitive countries to determine our foreign policy. What earthly reason, for example, is there for worrying about what the pro-Communist politicians of Ghana, Guinea, and Mali think when it comes to decisions concerning our own security? Specifically, why should we allow these people to determine the fate of a loyal and trusted ally, Nationalist China? Yet there are rumors that that is precisely the strategy being readied by our global diplomats. We will, diffidently, step back and let the U.N. decide whether Red China will be admitted. The Reds plus the neutralists will vote to admit the outlaw, and we will accept the decision like good sports.

This raises another point that is troubling many Americans. If Red China gets into the U.N. it will be largely because of the one-nation one-vote policy of the world body. It is probably safe to say that most Americans have never heard of such new nations as Upper Volta, Somalia, Chad, Dahomey, and Gabon. But each of these has as much voting power in the General Assembly as the United States. This, to many, is as unrealistic as permitting Russia to have three votes to one for the United States. Indeed, years before the United Nations was founded, President Franklin D. Roosevelt discussed a new "League of Nations" in which the small nations were to have no voice whatsoever. The idea of giving small nations an equal voice with the big ones was, he said, ridiculous. His plan was to have a league made up of four nations, the United States, the Soviet Union, Great Britain, and China. This may have been an undemocratic proposal, but it makes as much sense as the present system.

Our lack of control is also causing concern in view of growing demands from African and Asian nations that the West give them huge grants of money for their internal development. The most ambitious scheme, called the Special United Nations Fund for Economic Development, or SUNFED for short, calls for $55 billion, over a 10-year period, 70 percent of it to be contributed by the United States. This money would go to Asian, African and Latin American countries with no control whatsoever by the United States.

The Soviet Government would certainly never put up with this sort of thing. Never, in its 44 years, has it shown any willingness to permit an impartial tribunal to pass on any of its actions. Khrushchev on July 11 conceded this when he said:

"Even if all the countries of the world adopted a decision which did not accord with the interests of the Soviet Union and threatened its security, the Soviet Union would not recognize such a decision but would uphold its rights, relying on force."

The Soviet has made liberal use of the veto in the U.N. to forestall any action it considered antagonistic or even critical. Meanwhile, we have permitted the U.N. to make many moves inimical to our national interest because we disdained to use the veto power. But now Khrushchev has come up with a new weapon for use in the U.N. and elsewhere. This is his famous "troika" proposal. A troika is a Russian sleigh pulled by three horses, and the term "troika" in Soviet terminology means a triumvirate. Khrushchev wants his rule of three applied to the implementation of Soviet foreign policy. The importance that he attaches to the application of the troika principle in the U.N. is evident from the way he pounded his shoe for emphasis when he expounded it, calling for Hammarskjold's dismissal at last fall's U.N. session.

To run the U.N., he wants a troika instead of a Secretary General, and this three-man committee (one Communist, one neutralist, and one pro-Westerner) would operate under a rule of unanimous consent, meaning any member could veto any action. How it would work in the U.N. is evident from the way this Russian principle has stymied any action in Laos and at the Geneva disarmament sessions. In the case of Laos, the neutralist nation was India, with Krishna Menon running the show. In view of Menon's record, what happened was predictable. Indeed, in view of the way most of the Afro-Asian nations have been voting, the use of the troika principle would come close to giving the Kremlin a two-to-one vote on any issue—with the veto power to back it up if necessary.

Another move by the Soviet bloc to load the dice in its favor is the current demand for more jobs in the Secretariat. A U.N. committee recently recommended the assignment of 100 more key positions to Communist-bloc personnel, jobs now held by U.S. and other anti-Red personnel. You may be sure that the people who get these jobs will be full-time employees of the Soviet Union, and working solely for U.S.S.R. interests, even though the United States will be paying the largest percentage of their salaries—approximately a third, contrasted with an approximate 13.62 percent by the Kremlin.

Few things in the history of the U.N. caused so strong a reaction against the organization in this country as the Red circus that the nabobs of communism staged last August when they descended on New York City en masse to meet at the U.N. But disturbing in the extreme to many Americans was the realization that the rulers of the Communist conspiracy, including some of the most despicable criminals in the world's history, could come without bidding to our shores to stage a mammoth Red demonstration. To add insult to injury, Americans had to spend millions to guard these monsters whose crimes against humanity made them logical targets for thousands of refugees who had good reason to hate them. This, plus the realization that this motley crew can return at any time it suits their fancy or whenever it will help advance the cause of world communism, caused many Americans to start using the slogan "Get the United States out of the U.N.; Get the U.N. out of the United States."

It is also irritating to know that, thanks to American hospitality, U.N. officials from Iron Curtain countries are permitted to go where they have no business, engage in actions that are reprehensible, and when caught they are turned loose unpunished because of so-called diplomatic immunity.

The sinister methods of Soviet agents in the United States have been demonstrated time and again. The case of Mme. Oksana Kasenkina, who risked death in escaping from the Soviet Embassy, in New York, 13 years ago, dramatized another facet of communism. And everyone is aware of the Soviet's operations in the field of blackmail, bribery, and general corruption. However, despite this, Americans were shocked at the strange death of a top U.N. diplomat, and at the callous proceedings that led to his death.

The man was Paul Bang-Jensen, a Dane, whose body was found on November 26, 1959, in a park near his home at Lake Success, N.Y. The autopsy report gave the cause of death as "Gunshot wound of the head; suicidal." Some maintained that he did not commit suicide since he had written a note to his wife in which he had said that "under no circumstances whatsoever would I ever commit suicide." But probably more important is the way he had been treated by U.N. officials prior to his death. Bang-Jensen was Danish Deputy Secretary of the U.N. Special Committee on the Problem of Hungary. In this capacity he had compiled a mass of material dealing with the Soviet's actions in that unfortunate country, and he became disturbed at the way the Hungarian situation was being used by the politicians of the U.N. In his efforts to keep the report on Hungary from being sabotaged, he aroused the antagonism of high U.N. officials, including Hammarskjold, and was suspended.

Some time later he was called on to turn over to the Secretariat some documents including a list of the anti-Communist Hungarians who had given him information with the understanding that their names would not be divulged. Fearful that this information would find its way to the Russians, with foreseeable consequences, Bang-Jensen refused. The lists were subsequently burned by him, in the presence of witnesses atop the U.N. Building. On July 3, 1958, the Secretary General notified him he was being dismissed for misconduct.

When his body was found less than a year later, the case had all the earmarks of a cloak-and-dagger thriller, and many still believe that he was murdered by Soviet agents. The manner of death is relatively unimportant. The significant point is that Bang-Jensen was ignominiously thrown out of the U.N. because he refused to compromise his principles.

What troubles thoughtful Americans even more than all the foregoing is the way in which our own Government has permitted the United Nations to formulate U.S. foreign policy. This peculiar kind of diplomat lunacy, which incidentally is bipartisan, takes many curious forms which require us to subordinate our own best interests to the interests of other nations. Through some strange process of reasoning our State Department goes on the assumption that, to be good, a policy must have U.N. endorsement. Keeping in mind the ministrations we can expect from the Soviet bloc and the treatment we are likely to get from such neutralists as Indonesia, India, Ghana, and Guinea, it is difficult to see much logic in this, but there it is.

An interesting example was the recent vote concerning Angola, Portugal's African territory. Siding with the Afro-Asian bloc we twice voted to condemn Portugal for "repressive acts" there. As a result we have alienated one of our NATO allies, and one that had proved highly dependable.

Curiously, on the same day that we went on record for the second time against Portu-

gal's colonial policy, the newspapers carried another story datelined United Nations. In this case we were accused by the United Nations of an unsatisfactory colonial policy in our handling of Micronesia, the Pacific Islands that we have had on our hands since we drove the Japanese out during World War II. The complaint was that we had not done enough for the islanders.

Another example of our undue and unrealistic concern for the new members of the U.N. is said to have been the reason the attempted invasion of Cuba by Cubans turned into a fiasco that made this country ridiculous in the eyes of the world. Those who took part in that ill-fated mission say that promised air cover which would have given them a fighting chance was withheld at the last moment. It has been reported, and it has not been denied, that this action was taken at the behest of our Ambassador to the United Nations, Adlai Stevenson, who told the President that such action would be offensive to the Afro-Asians and therefore embarrassing to us in the U.N.

Mr. Stevenson, with his talent for the ready quip, once made a speech about the United Nations in which he referred to the postponement of disarmament talks as "a considerable achievement of a negative sort." It would seem that this would apply also to Mr. Stevenson's contribution to the Cuban situation.

On the subject of Cuba, not long after the failure of the invasion, and while Americans were still indignant over that inexplicable performance, the United Nations approved the expenditure of $3 million to help Castro with his agricultural problems. This scheme, concocted by the governing council of the United Nations Special Fund, called on the United States to contribute $463,000. Attempts to learn from the U.N. if the United States had paid or was going to pay this money were unproductive. If a guess may be hazarded—we will pay.

The case of Red China was mentioned earlier, and reference was made to pressures being exerted to seat that nation in the U.N. It is no secret that much of the pressure comes from Great Britain. Lord Home not long ago laid it on the line when he advised us to wake up to "the facts of international life" and accept the inevitable by allowing Red China into the U.N. Certainly no one can accuse the British of letting idealism interfere with "the facts of international life" when trade and other matters important to the British are concerned. A thriving trade exists between Red China and Great Britain, and only recently it was announced that Canada, also extremely tolerant of Red China, had agreed to sell that famine-ridden country $362 million worth of grain. An additional quantity of grain worth more than $100 million was being sold to Red China by Australia. Obviously, what the nations of the British Commonwealth do is their own business, even though the grain deal helps to prop up a Communist regime that is in difficulties because of its inability to feed its own people. However, some skeptics cannot help but think that the U.N. figures in some of these British deals, as another aspect of "the facts of international life."

Unfortunately, we no longer have much bargaining power to cope with the realists and the opportunists in the United Nations. Our politicians have a strange compulsion to give our wealth away, and the idea of demanding something in return seems repulsive to them. For example, as one of his last official acts as President, Dwight D. Eisenhower appeared before the U.N. and assured members of U.S. aid without any strings attached. More recently, and indicative of the fact that such overwhelming generosity is bipartisan, Adlai Stevenson told representatives of the African nations that they could have American help but they had to show "initiative." Unless there has been a drastic change of policy, however, this means only that they will have to show enough initiative to ask for help.

Since our foreign aid is dispensed on the premise that we do not insist on anything in return, the beneficiaries can, and do, feel at liberty to take any position they choose in the U.N. They know they are going to get American money, regardless, and if they happen to swing over to the Communist side they are likely to come up with something from the Kremlin to boot. However, the Soviet drives a harder bargain, Mr. Khrushchev being about as philanthropic as a pawnbroker.

It might also be pointed out the wily Mr. K. is also a good actor. Advocates of the U.N. point to his shoe-pounding act in that body as proof that he is trying to destroy the organization. As a clincher they cite his demands that Dag Hammarskjold be fired. If you study pictures of Khrushchev as he banged his shoe, you will find that he was having no tantrum, as some seemed to think, but was obviously enjoying himself. This was not the action of a man calling for the end of the U.N. but of one who was expressing his contempt for the organization and the people in it.

There is another reason why Khrushchev is not likely to order his robots out of the U.N. The Russians made that mistake once before, in 1950, when they walked out in a boycott aimed at getting rid of Trygve Lie. When the North Koreans then swarmed over the border into South Korea, the matter was presented to the Security Council and neither Russia nor any of its satellites were around to exercise the veto and thus forestall action against the Reds. The Communists quickly came back but too late to reverse the action that had been taken.

Why should they leave the U.N.? Through the political instrumentation of the organization they can accomplish many things. While they were not present to stop the United States from initiating action in Korea, it may logically be assumed that the Communists in the U.N. were not inactive when our military leaders in Korea found themselves being hamstrung by U.N. meddling. Some of this was doubtless or a high-level nature, but much of it could well have come from lower echelons. During the Korean war a committee of the Senate and a New York grand jury started studying Secretariat posts allotted to citizens of the United States to see how many Communists held those jobs. Some 200 American employees of the U.N. suddenly resigned and were not required to testify. Seventeen who were brought before the committee refused to answer questions about Communist Party membership, and, under pressure, Trygve Lie dismissed them. But in 1953 the U.N. Administrative Tribunal ruled that they should not have been dismissed; it awarded them heavy damages, and ordered them rehired.

There may be some question about these people and what they were doing at the time of the Korean war, but the record speaks for itself concerning what the U.N. has not done about Korea since the war ended. At the time the Communists attacked, the U.N. resolved that North and South Korea would eventually be reunited. Today, 11 years later, the country is still divided; Red China is still at war with the United Nations, and the Soviet Union, which organized, directed, and armed the invading Red armies, has not even been reprimanded.

Later there was the Hungarian revolt against communism. While the U.N. stalled, doing nothing while the Hungarians won their revolution, Khrushchev waited to see what the United States would do. We in turn waited to take our cue from the United Nations. When the U.N. did nothing, Khrushchev brutally struck down a revolt for liberty that could have proved a turning point in history.

For more than a decade the United Nations has been passing resolutions ordering Israel to return to borders established by the U.N.—without result. It also adopted a resolution calling for Israel to internationalize Jerusalem. This brought from David Ben-Gurion the retort: "Jerusalem will be internationalized over our dead bodies." In 1948 the U.N. called on Israel to permit Arab refugees driven from their homes in Palestine to return, but the reply was a flat "No." Nor are the Arabs any more amenable to the U.N. Nasser was ordered to stop his blacklisting of Israel shipping in the Suez, but to date he has paid little attention.

When the Red Chinese moved into Tibet, slaughtering its peaceful citizens without cause, the U.N. viewed this barbarism with the greatest equanimity. And the dispute between India and Kashmir still goes on.

Little wonder that the U.N. is increasingly looked upon as an international debating society and a forum for making propaganda rather than as an effectual means of settling disputes. While this view may not be shared by speakers at PTA gatherings and at women's clubs, it certainly seems to reflect the view of first-string diplomats since they usually ignore it when there are important problems to be solved.

Soon after the U.N. was founded, in 1948, Stalin precipitated a crisis over Berlin. At that time the West took the problem to the Security Council. It it doubtful that the U.N. will even be called on in the current Berlin crisis even though Hammarskjold long ago made it clear that the U.N. wanted to be consulted. In the Laos crisis, too, the U.N. had no part. Nor was it called on to participate in the nuclear test negotiations conducted at Geneva.

Since every possible avenue that might lead to peace is being explored by President Kennedy, and was explored by President Eisenhower before him, their actions would indicate a definite lack of confidence on their part in the ability of the U.N. to do much good. Why a succession of summit meetings on questions that are the province of the United Nations? Why did we send our diplomats to Geneva, at the instigation of the British, to negotiate in a 14-nation conference on Laos when we had the U.N. here in the United States? A third question, flowing from these, is: If the United Nations is not capable of doing the job, why bother with a United Nations?

Advocates of the United Nations answer this by saying that the only way in which the U.N. can function properly is to give it more power, and subordinate ourselves still further to the global body. Such a view is currently being advocated by the National Council of Churches which, incidentally, also favors the admission of Red China to the U.N. Also in favor of giving still more of our sovereignty are the World Federalists.

If our aim is national suicide, then the national council and the World Federalists have the right prescription. That is evident from the way the votes are lining up against us on issues that have a powerful bearing on our national security. At the present time, an insidious move is underway to give the U.N. the power to intrude into our domestic affairs by extending the jurisdiction of the International Court of Justice or World Court, an organ of the U.N. Only 38 nations automatically accept that Court's jurisdiction while the other members of the U.N. may be made parties to World Court litigation only with their express consent. No Iron Curtain country has accepted the compulsory jurisdiction of the Court, even with reservations. The United States has up to now safeguarded its right to decide whether any case affecting American interests shall be admitted to adjudication by the

Court. Our safeguard has been in the so-called Connally amendment. But the internationalists are now working diligently to repeal this amendment, which would permit the World Court to inject itself into our affairs and force compliance with its decisions. At the present time four measures are up for consideration by the Senate Foreign Relations Committee which would serve to have the United States surrender sovereignty to the World Court. Two of these are resolutions. One, Senate Resolution 39, is sponsored by Senators HUMPHREY, MORSE, and JAVITS. Another, Senate Resolution 136, is sponsored by Senators JAVITS, HUMPHREY, and JOSEPH CLARK, Democrat, of Pennsylvania.

It does not seem to worry those who are pressuring to push these measures through that the World Court is headed by one Bohdan Winiarski, a jurist from Red Poland. Nor is the presence of Philip C. Jessup on this lofty bench reassuring. Jessup, it will be recalled, played an important role in the malodorous Institute of Pacific Relations.

If we expect to maintain our existence, let alone our position of leadership, it is high time that we stop taking the United Nations as seriously as we have up to now. We should recognize, as the Soviet does, that the U.N. has its uses, and we should make use of it when its facilities can serve to advance American aims. However, we should not permit it to formulate U.S. foreign policy, and we most certainly should not allow it to get a foothold in our domestic affairs by such devices as repeal of the Connally amendment.

Since the beginning of the century, we have been embroiled increasingly in world politics and conflicts. In helping to establish the United Nations, our hope was that through this organization there would be an end to conflicts. But while the cry has been peace, the world has had a succession of blood baths, thanks to the same Communist clique which now sits in the conclaves of the United Nations, and which is able to inject itself increasingly into our affairs through that organization.

There is a basic fallacy in this which, if understood, provides a clue as to what we should do. It is assumed that the United States is so strong that it can not only defend but subsidize half of the world. This is obvious from the demands that are made on us for military help and economic aid. Yet we ourselves make it appear that we are so weak that, unless we are propped up by the United Nations, we are helpless.

The time has come to show that we not only have the strength and decision necessary to assume once again the initiative in the world, but that we know how to use them. We have seen the delegates to the United Nations in action, and it certainly is not chauvinistic to say that this Nation can provide better leadership than seems to be available from that assemblage of global politicians. This is not to say that we ought to cut loose from the U.N. and go it alone. To repeat, where the U.N. can serve our national interests, let us use the U.N. But let it not be the other way around, as it has been, with the U.N. using the United States as a pawn. We can and must act like leaders, establish policies based primarily on what will be in the best interests of the United States of America—and then follow through on those policies without fear and without compromise.

A CALL FOR ARAB-ISRAEL PEACE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. CELLER. Mr. Speaker, on May 9, 1962, on the occasion of the 14th anniversary of the State of Israel, I had the privilege of presenting a statement on the floor congratulating Israel and calling for an Arab-Israel peace. That statement had attached to it 171 names of Members of the House. I am very happy to record here an additional 61 names of Members of the House who have subsequently joined in the signing of such statement, and I herewith present the full list of 232 names:

E. ROSS ADAIR, of Indiana.
JOSEPH P. ADDABBO, of New York.
HUGH J. ADDONIZIO, of New Jersey.
CARL ALBERT, of Oklahoma.
JOHN B. ANDERSON, of Illinois.
VICTOR L. ANFUSO, of New York.
LESLIE C. ARENDS, of Illinois.
THOMAS L. ASHLEY, of Ohio.
WAYNE N. ASPINALL, of Colorado.
JAMES C. AUCHINCLOSS, of New Jersey.
WILLIAM H. AYRES, of Ohio.
CLEVELAND M. BAILEY, of West Virginia.
HOWARD H. BAKER, of Tennessee.
WALTER S. BARING, of Nevada.
WILLIAM A. BARRETT, of Pennsylvania.
ROBERT R. BARRY, of New York.
PERKINS BASS, of New Hampshire.
WILLIAM H. BATES, of Massachusetts.
FRANK J. BECKER, of New York.
RALPH F. BEERMANN, of Nebraska.
JOHN A. BLATNIK, of Minnesota.
EDWARD P. BOLAND, of Massachusetts.
RICHARD BOLLING, of Missouri.
FRANK T. BOW, of Ohio.
FRANK W. BOYKIN, of Alabama.
JOHN BRADEMAS, of Indiana.
JAMES E. BROMWELL, of Iowa.
WILLIAM S. BROOMFIELD, of Michigan.
CHARLES A. BUCKLEY, of New York.
JAMES A. BURKE, of Massachusetts.
JAMES A. BYRNE, of Pennsylvania.
WILLIAM T. CAHILL, of New Jersey.
CLARENCE CANNON, of Missouri.
HUGH L. CAREY, of New York.
ELFORD A. CEDERBERG, of Michigan.
EMANUEL CELLER, of New York.
CHARLES E. CHAMBERLAIN, of Michigan.
J. EDGAR CHENOWETH, of Colorado.
ROBERT B. CHIPERFIELD, of Illinois.
MARGUERITE STITT CHURCH, of Illinois.
FRANK M. CLARK, of Pennsylvania.
MERWIN COAD, of Iowa.
JEFFERY COHELAN, of California.
HAROLD R. COLLIER, of Illinois.
SILVIO O. CONTE, of Massachusetts.
ROBERT J. CORBETT, of Pennsylvania.
JAMES C. CORMAN, of California.
WILLIAM C. CRAMER, of Florida.
GLENN CUNNINGHAM, of Nebraska.
LAURENCE CURTIS, of Massachusetts.
THOMAS B. CURTIS, of Missouri.
EMILIO Q. DADDARIO, of Connecticut.
PAUL B. DAGUE, of Pennsylvania.
DOMINICK V. DANIELS, of New Jersey.
CLIFFORD DAVIS, of Tennessee.
WILLIAM L. DAWSON, of Illinois.
JAMES J. DELANEY, of New York.
JOHN H. DENT, of Pennsylvania.
WINFIELD K. DENTON, of Indiana.
STEVEN B. DEROUNIAN, of New York.
EDWARD J. DERWINSKI, of Illinois.
CHARLES C. DIGGS, JR., of Michigan.
JOHN D. DINGEL, of Michigan.
PETER H. DOMINICK, of Colorado.
HAROLD D. DONOHUE, of Massachusetts.
EDWIN B. DOOLEY, of New York.
THOMAS N. DOWNING, of Virginia.
CLYDE DOYLE, of California.
THADDEUS J. DULSKI, of New York.
FLORENCE P. DWYER, of New Jersey.
JOE L. EVINS, of Tennessee.
GEORGE H. FALLON, of Maryland.
LEONARD FARBSTEIN, of New York.
DANTE B. FASCELL, of Florida.
MICHAEL A. FEIGHAN, of Ohio.
EDWARD R. FINNEGAN, of Illinois.
PAUL A. FINO, of New York.
DANIEL J. FLOOD, of Pennsylvania.
JOHN E. FOGARTY, of Rhode Island.
GERALD R. FORD, JR., of Michigan.
PETER FRELINGHUYSEN, JR., of New Jersey.
SAMUEL N. FRIEDEL, of Maryland.
JAMES G. FULTON, of Pennsylvania.
CORNELIUS E. GALLAGHER, of New Jersey.
PETER A. GARLAND, of Maine.
EDWARD A. GARMATZ, of Maryland.
J. VAUGHAN GARY, of Virginia.
LEON H. GAVIN, of Pennsylvania.
ROBERT N. GIAIMO, of Connecticut.
JACOB H. GILBERT, of New York.
MILTON W. GLENN, of New Jersey.
HENRY B. GONZALEZ, of Texas.
KATHRYN E. GRANAHAN, of Pennsylvania.
KENNETH J. GRAY, of Illinois.
EDITH GREEN, of Oregon.
WILLIAM J. GREEN, JR., of Pennsylvania.
ROBERT P. GRIFFIN, of Michigan.
MARTHA W. GRIFFITHS, of Michigan.
HARLAN HAGEN, of California.
SEYMOUR HALPERN, of New York.
RALPH R. HARDING, of Idaho.
JAMES HARVEY, of Michigan.
WAYNE L. HAYS, of Ohio.
JAMES C. HEALEY, of New York.
KEN HECHLER, of West Virginia.
CHET HOLIFIELD, of California.
ELMER J. HOLLAND, of Pennsylvania.
CRAIG HOSMER, of California.
W. R. HULL, JR., of Missouri.
DANIEL K. INOUYE, of Hawaii.
CHARLES S. JOELSON, of New Jersey.
HAROLD T. JOHNSON, of California.
THOMAS F. JOHNSON, of Maryland.
FRANK M. KARSTEN, of Missouri.
JOSEPH E. KARTH, of Minnesota.
ROBERT W. KASTENMEIER, of Wisconsin.
ELIZABETH KEE, of West Virginia.
HASTINGS KEITH, of Massachusetts.
EDNA F. KELLY, of New York.
EUGENE J. KEOGH, of New York.
CLARENCE E. KILBURN, of New York.
CARLETON J. KING, of New York.
CECIL R. KING, of California.
DAVID S. KING, of Utah.
MICHAEL J. KIRWAN, of Ohio.
JOHN C. KLUCZYNSKI, of Illinois.
FRANK KOWALSKI, of Connecticut.
JOHN C. KUNKEL, of Pennsylvania.
THOMAS J. LANE, of Massachusetts.
RICHARD E. LANKFORD, of Maryland.
ROLAND V. LIBONATI, of Illinois.
JOHN V. LINDSAY, of New York.
J. CARLTON LOSER, of Tennessee.
JOHN W. MCCORMACK, of Massachusetts.
GORDON L. MCDONOUGH, of California.
HARRIS B. MCDOWELL, JR., of Delaware.
JOHN J. MCFALL, of California.
CLIFFORD G. MCINTIRE, of Maine.
TORBERT H. MACDONALD, of Massachusetts.
CLARK MACGREGOR, of Minnesota.
PETER F. MACK, JR., of Illinois.
RAY J. MADDEN, of Indiana.
DON MAGNUSON, of Washington.
DAVID T. MARTIN, of Nebraska.
JOSEPH W. MARTIN, JR., of Massachusetts.
CHARLES MCC. MATHIAS, JR., of Maryland.
CHESTER E. MERROW, of New Hampshire.
ROBERT H. MICHEL, of Illinois.
GEORGE P. MILLER, of California.
WILLIAM E. MILLER, of New York.
WILLIAM E. MINSHALL, of Ohio.
WALTER H. MOELLER, of Ohio.
JOHN S. MONAGAN, of Connecticut.
JOSEPH M. MONTOYA, of New Mexico.
ARCH A. MOORE, JR., of West Virginia.
WILLIAM S. MOORHEAD, of Pennsylvania.
THOMAS E. MORGAN, of Pennsylvania.
THOMAS G. MORRIS, of New Mexico.
F. BRADFORD MORSE, of Massachusetts.
JOHN E. MOSS, of California.
ABRAHAM J. MULTER, of New York.
WILLIAM T. MURPHY, of Illinois.
LUCIEN N. NEDZI, of Michigan.
ANCHER NELSEN, of Minnesota.
ROBERT N. C. NIX, of Pennsylvania.
LEO W. O'BRIEN, of New York.
THOMAS J. O'BRIEN, of Illinois.
BARRATT O'HARA, of Illinois.

JAMES G. O'HARA, of Michigan.
ALVIN E. O'KONSKI, of Wisconsin.
THOMAS P. O'NEILL, JR., of Massachusetts.
FRANK C. OSMERS, of New Jersey.
HAROLD C. OSTERTAG, of New York.
THOMAS M. PELLY, of Washington.
PHILIP J. PHILBIN, of Massachusetts.
OTIS G. PIKE, of New York.
ALEXANDER PIRNIE, of New York.
MELVIN PRICE, of Illinois.
ROMAN C. PUCINSKI, of Illinois.
WILLIAM J. RANDALL, of Missouri.
BEN REIFEL, of South Dakota.
HENRY S. REUSS, of Wisconsin.
GEORGE M. RHODES, of Pennsylvania.
R. WALTER RIEHLMAN, of New York.
RALPH J. RIVERS, of Alaska.
HOWARD W. ROBISON, of New York.
PETER W. RODINO, JR., of New Jersey.
BYRON G. ROGERS, of Colorado.
JOHN J. ROONEY, of New York.
JAMES ROOSEVELT, of California.
BENJAMIN S. ROSENTHAL, of New York.
DAN ROSTENKOWSKI, of Illinois.
HAROLD M. RYAN, of Michigan.
WILLIAM FITTS RYAN, of New York.
KATHARINE ST. GEORGE, of New York.
FERNAND J. ST. GERMAIN, of Rhode Island.
ALFRED E. SANTANGELO, of New York.
D. S. SAUND, of California.
RICHARD S. SCHWEIKER, of Pennsylvania.
WILLIAM W. SCRANTON, of Pennsylvania.
HORACE SEELY-BROWN, JR., of Connecticut.
JOHN F. SHELLEY, of California.
GARNER E. SHRIVER, of Kansas.
ABNER W. SIBAL, of Connecticut.
B. F. SISK, of California.
JOHN M. SLACK, JR., of West Virginia.
BRENT SPENCE, of Kentucky.
WILLIAM L. SPRINGER, of Illinois.
ROBERT T. STAFFORD, of Vermont.
HARLEY O. STAGGERS, of West Virginia.
SAMUEL S. STRATTON, of New York.
LEONOR KRETZER SULLIVAN, of Missouri.
FRANK THOMPSON, JR., of New Jersey.
HOMER THORNBERRY, of Texas.
HERMAN TOLL, of Pennsylvania.
THOR C. TOLLEFSON, of Washington.
STANLEY R. TUPPER, of Maine.
MORRIS K. UDALL, of Arizona.
CHARLES A. VANIK, of Ohio.
JAMES E. VAN ZANDT, of Pennsylvania.
JOE D. WAGGONNER, JR., of Louisiana.
GEORGE M. WALLHAUSER, of New Jersey.
JOHN C. WATTS, of Kentucky.
PHIL WEAVER, of Nebraska.
JESSICA MCC. WEIS, of New York.
J. IRVING WHALLEY, of Pennsylvania.
J. ERNEST WHARTON, of New York.
WILLIAM B. WIDNALL, of New Jersey.
BOB WILSON, of California.
SIDNEY R. YATES, of Illinois.
CLEMENT J. ZABLOCKI, of Wisconsin.
HERBERT ZELENKO, of New York.

ARCHITECT OF CAPITOL CITED FOR SAFETY PROGRAM

Mr. STEED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. STEED. Mr. Speaker, the Architect of the Capitol, Mr. J. George Stewart, was cited for honorable mention for the President's Safety Award at a presentation ceremony held June 8 at the Executive Offices Building.

It is good to see this evidence of the success of the safety and fire prevention program carried on at the Capitol for the last 4 years under the administration of Mr. Stewart. The House Legislative Appropriations Subcommittee originally approved this work, and I trust it will be carried on and appropriately implemented in the future.

I also take this opportunity to pay tribute to the safety programs of the Departments of the Treasury and the Army and of the Federal Power Commission, which won the President's Safety Awards for 1961, presented by Vice President LYNDON B. JOHNSON.

At this point I wish to insert the remarks of the Architect in response to the presentation of the award:

REMARKS OF J. GEORGE STEWART, ARCHITECT OF THE CAPITOL

Mr. Vice President, Mr. Secretary, honored guests, ladies, and gentlemen, I would like to introduce three of my assistants who accompany me: Mr. Thomas F. Clancy, Supervising Engineer, Capitol Building; Mr. Robert F. Dalrymple, Safety Engineer; and Mr. William C. Justice, Chief Engineer at the Capitol Power Plant.

Just 4 years ago I appeared before the Appropriations Committees of the House and Senate and put forth a proposal to establish a small Safety and Fire Prevention Department on Capitol Hill.

I was granted funds at that time for a safety engineer and this force has since been augmented by safety inspectors. We are proud of this department and the work it has accomplished in this brief period.

Our buildings, which include the Capitol—the "Workshop of Congress" and a building of great importance and interest to the American people—are constantly being improved from a safety standpoint. Last fall the Congress appropriated $475,000 for elimination of fire hazards in the Capitol and this work is proceeding.

Many of our supervisors have received special training in safety and these employees in turn have trained men under their control. And above all else, today we are all safety conscious.

The Congress can justly be proud of this program and as I accept this award today, I do so in the name of the Congress, as well as my staff and myself, whose combined efforts have made this program and this award possible.

And while we are infants in this program, having started late, I now serve notice on all departments of the Government that we will be back later competing for a higher award.

WALNUT VENEER INDUSTRY

The SPEAKER pro tempore (Mr. LIBONATI). Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 60 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, the black walnut tree is as American as "Yankee Doodle Dandy," as Uncle Sam himself.

It is grown chiefly in five or six Middle Western States, is one of the few products exclusively American and it furnishes one of the world's most precious timbers for the manufacture of fine furniture. Its extinction would be no less than a national calamity, resulting from the careless dissipation of a rich heritage and neglect of its protection.

Sentiment, I presume, has much to do with the patterns of our lives and the direction of our interests. It is the sentiment of a long ago boyhood that brings me to the well in this historic Chamber to join with my colleagues from the few States where the black walnut grows to alert the House and the Nation to an alarming situation that threatens the extinction of this uniquely American tree.

The black walnut tree was the constant companion of my boyhood as it was that of most boys of the period in the Middle West. It was part and parcel of the America I knew, growing up as a boy in the village of Berrien Springs, than county seat of Berrien County in Michigan, 10 miles distant from the nearest town by horse and buggy over very sandy or very muddy roads.

But on the outskirts of our village we had our black walnut trees, and they were our pride and joy. Natives of our soil—no imports and transplantings these—we sensed that they were part of the history of our country and when we played games of war it always was a black walnut tree that served as the American fortress when hostile redskins or British redcoats were on simulated attack.

On Saturdays and other days after school in picking time I and my schoolmates would compete at gathering walnuts, shucking them and leaving them on roofs and elsewhere to dry out. Shucking black walnuts with the bare hands leaves a deep yellow stain. In our school the boy with lily white hands in walnut time was thought a bit of a sissy. The boy with the deepest yellow stain on his hands was the leader and the champion. Youth in the Middle West in those days measured American manhood by the depth of the yellow stain of the black walnut.

This was 70 or more years ago. It was not long after the close of the Civil War, and there were living then many who had fought in the war with Mexico and a few veterans of the War of 1812. America was growing up, and as it had been from the very first the native American black walnut tree was growing up with America, an inseparable part of what we call Americana.

Yes, Mr. Speaker, the black walnut tree is as American as Yankee Doodle Dandy; as Uncle Sam himself. This is the reason I have asked this time to discuss the plight of a unique American industry. Unique in fact for the entire world, because in our great Midwest are the last stands of that most beautiful of hardwoods, the American black walnut tree.

Unless we do something in the very near future to prevent the rapid depletion of this valuable natural resource, this loveliest of furniture woods soon will be gone, and it will take generations to replace it, if, indeed, it can be replaced at all.

Here are the simple facts:

Countries abroad, short of hardwood which they have squandered on their own soil, are buying increasing quantities of black walnut veneer logs in this country, driving up the price to astronomical figures and threatening the very existence of our domestic industry.

Exports of American black walnut veneer logs have increased from 600,000 board feet in 1954 to over 10 million board feet in 1960, and a comparable rate last year. Unless some curb is placed on these exports, they will go higher. These exports, plus reasonable

domestic usage—far less than the domestic usage in the twenties—have started a net drain; have upset the growth-drain balance necessary to the maintenance of black walnut as an American natural resource. If something is not done to stop this drain, black walnut will disappear—it will become a curio, like the American buffalo—in a few short years.

The export price of this most valuable hardwood log native to the United States has increased from $425 per thousand feet—the 1955–58 range—to about $825 per thousand board feet last year; in 1962, the average has been $970—certainly an inflationary trend.

The walnut veneer industry is centered in the midwest—in the States of Illinois, Indiana, Iowa, Missouri, Ohio, Kentucky, and Tennessee, and to some extent in Pennsylvania and West Virginia.

The industry has taken two steps to preserve this natural resource:

The first is its program, now in its 33d year, for conservation and replanting of black walnut trees here at home. I shall discuss this in a moment, while pointing out that it takes 50 years or more to get a walnut tree to usable size; much longer for a prime veneer quality tree.

Second, the industry has made a direct application to the Secretary of Commerce for relief under the Export Control Act of 1949. By that act, the Congress declared it to be the policy of the United States to impose export controls "to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand."

Certainly, Mr. Speaker, the present plight of the walnut veneer industry comes under this provision. Although a hearing was held in the Department of Commerce last November, attended by officials from all interested Government departments, there has been no action.

You will note that no tariff problem is involved here, and no interference whatever with President Kennedy's proposal for increasing the flow of trade.

As a matter of fact, preservation of black walnut veneer logs for use by domestic industry, would indeed be of assistance, because it would stimulate export of veneer or manufactured veneer products, whose value has been enhanced by the incorporation of substantial American labor. The same dollar export value of walnut veneer represents only one-third the volume of logs it takes to create that same export value.

Now, of course, these walnut logs—the raw material of the domestic veneer industry—are being shipped overseas because these foreign countries can pay more than twice as much for high quality American logs due to lower wage and production costs.

As examples, the average hourly wage rate in the American walnut veneer industry is $1.57, which contrasts sharply with rates of 52 cents in West Germany, 26 cents in Italy, and 20 cents in Japan, the three countries to which the great bulk of exported walnut veneer logs are being shipped.

No wonder these foreign manufacturers can buy our precious logs at double what our domestic manufacturers can afford to pay. They manufacture the veneer abroad, with their cheaper labor and costs, and ship finished plywood and furniture back to the United States for sale. This is no idle thought. It is being done. Most of the American black walnut logs exported in the last few years have been consumed abroad as the European economy has prospered, but some is now finding its way back to the United States, where it is being sold in competition with the products of American industry, at lower prices than American manufacturers can afford.

The American walnut veneer industry is not an integrated one—90 percent of the product of the industry is walnut veneer, for use by plywood and furniture manufacturers. Several of the companies are located in areas which the Secretary of Labor has designated as areas of substantial unemployment. All of the manufacturers have curtailed or postponed plans for modernization or upgrading of their facilities. Some have already curtailed operations—all as a result of the crisis occasioned by this abnormal foreign demand. To further withhold the relief to which the Export Control Act entitles them would be to intensify the unemployment problems of these already distressed areas and to aggravate the economic problems of the industry—to consign American black walnut to the status of a curio—a relic of what once was great—and uniquely American.

As I said, Mr. Speaker, the industry is active in its efforts to conserve and develop the supply of black walnut trees in the areas where they can be grown.

Black walnut, unlike other hardwoods, is not found and will not grow in large stands, but it grows sparsely, in small farm woodlots among other species and as scattered field and pasture trees. The industry has cooperated in Federal and State forestry programs designed to encourage the planting, management and proper harvesting of black walnut trees. Each year with the help of civic organizations, 4–H Clubs, Boy Scouts, and county agents, it supplies thousands of bushels of seed walnuts to State nurseries, which process and distribute seedlings and stratified seed walnuts to landowners for planting. The industry has cooperated with State and Federal forestry agencies in conducting and financing experiments to improve the growth and quality of walnut trees. It provides for the publication and distribution of educational pamphlets, strip films on proper planting of walnuts and seedlings and the proper care and harvesting of walnut trees in order to obtain the maximum yield of high quality wood.

In summing up, Mr. Speaker, may I point out again that this sharp increase in foreign demand for high-quality walnut logs, skimming the cream, if you please, will soon exhaust the limited supply of logs available to this and even future generations unless we stop it.

The abnormal foreign demand has driven up prices paid by domestic veneer producers and this increase has led in turn to higher retail prices which American consumers must pay for furniture, paneling, and other products made from walnut.

Continued depletion of high-quality walnut logs will compel domestic producers to curtail or cease operation, resulting in the loss of investment and increase in unemployment in areas already found to have substantial unemployment.

In order to protect the domestic economy from the excessive drain of this great natural resource, the industry has asked that exportation be cutback at least to the 1955–59 average annual export volume which would be about 2 million board feet.

This would help promote the domestic economy and would not injure our foreign trade policies.

I suggest this request is a very reasonable one. I hope it will get prompt and sympathetic attention from our Government.

This is a unique and pressing problem and I deemed it wise to bring it to the attention of the House.

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

Mr. O'HARA of Illinois. I am glad to yield to my distinguished colleague, the gentleman from Indiana.

Mr. DENTON. Mr. Speaker, I want to compliment the gentleman from Illinois for bringing to the attention of the Congress the serious problem of depletion of our domestic supply of walnut timber and I wish to associate myself with the statement which he has made.

I have a number of constituents, principally in New Albany, Ind., who are engaged in the walnut veneer manufacturing business and they advise me that during the last 10 years there has been a tremendous increase in the exportation of walnut logs to other countries, principally Germany, Italy, and Japan. This has made it very difficult for walnut veneer manufacturers to secure walnut logs, but if this rate of export continues, the entire source of their supply of walnut veneer logs in this country will be used up and destroyed.

It seems to me that this is a clear case for relief under provisions of the Export Control Act.

Mr. O'HARA of Illinois. I thank my friend from Indiana for his valuable contribution. He realizes, as do most of us in the Middle West, the importance of this industry. The black walnut tree is a native of our country. It is only grown here. To ship the unprocessed logs to other countries is bad for American industry and destructive of a great American raw material.

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

Mr. O'HARA of Illinois. I yield.

Mr. McCULLOCH. I have listened with a great deal of interest and some nostalgia to my distinguished colleague's story of his boyhood and his roaming of the woods. I too have long been a lover of trees in general and of the walnut tree in particular, because in that part of Ohio from which I come is found some of the finest walnut trees that grow in all the world. The burls and figures in the walnut wood are the envy of the best cabinet makers all over the world. It is the type of walnut which

was used on the walls of this Chamber and it is the type of the beautiful paneling in the Members' reception room in the Capitol, which was just completed this year.

I am happy indeed that my colleague from Illinois has taken time to let the Members of the House know what is happening to our walnut trees.

Whenever I think of trees, of course, I think of that immortal poem of Joyce Kilmer, and without objection from the House I would like to read it into the RECORD at this point.

Mr. O'HARA of Illinois. I wish the gentleman would.

Mr. McCULLOCH. It is as follows:

TREES

"I think that I shall never see
A poem lovely as a tree.
"A tree whose hungry mouth is pressed
Against the earth's sweet-flowing breast;
"A tree that looks at God all day,
And lifts her leafy arms to pray;
"A tree that may in summer wear
A nest of robins in her hair;
"Upon whose bosom snow has lain;
Who intimately lives with rain.
"Poems are made by fools like me,
But only God can make a tree."

As my distinguished colleague has said, it takes a long time to grow almost any kind of tree, but it takes a particularly long time to grow a walnut tree for veneer use. Seventy or more years. We have had important statistics from our distinguished colleagues. I would like to add one. From 1954 to 1960 exportation of walnut logs increased seventeenfold while domestic use has increased barely 3 percent.

Logs are now bought in Ohio and shipped to New Orleans, down the Gulf of Mexico, through the Panama Canal and across thousands of miles of the Pacific, and there made into veneer, one sixty-second of an inch thick where it may be processed by the delicate and loving hands of the Japanese and then becomes a part of the best furniture, or as good furniture as is made in all the world. We cannot process veneer by hand, our wages are too high. We must process veneer by mechanical abrasion, and for that reason we cannot cut and economically use veneer much, if any less, than one thirty-second of an inch thick.

So we are constantly outbid by our friends in three, four, or five countries in the world, though all the while most nations have export controls on the lumber that is in scarce supply in their countries.

As our distinguished colleague from Indiana has said, the material facts are before the responsible Departments, Commerce and State, and the justification for invoking the law is clear and convincing. I hope with what the gentleman from Illinois has said, and what others will say from these five, six, or seven Midwestern States, those who are responsible for the safety and welfare of this country will act pursuant to law in accordance with the evidence before them.

I had intended, Mr. Speaker, to end here, but in addition to the use of walnut lumber for fine furniture, panels, and cabinetwork, there has never been found a material that is better for use in gunstocks, both in army rifles and in sporting weapons, than walnut.

Walnut gunstocks have stopped the bullets and shrapnel of many an enemy before they tore into the flesh of American soldiers. Furthermore, they have withstood the wind, the rain, the freezing, the cold of the North and the heat and steam of the jungle, and when properly cared for by the soldier who depended upon it for his protection always responded with a reliability and a smoothness and a warmth that no other wood has ever shown.

So I hope, Mr. Speaker, that those who have never been in the country, who have never planted a walnut tree, will reconsider the record and have the courage to do that which should be done.

I thank the gentleman for yielding to me so much of his time.

Mr. O'HARA of Illinois. I thank my beloved friend from Ohio. I appreciate his reading of that beautiful poem, his tribute to trees in general, and especially the American black walnut tree.

It may be sentiment, but it seems to me that all worthwhile things of this world are grounded in sentiment—love of family, love of nation, and love of native trees. To me the black walnut tree stands for my country. It was here and here only before Columbus came to America, it was here when the Indians were roaming this country, it was here in the morning years of our Republic, a great and a noble tree grown only in the United States. It is not a transplanted tree. It is ours, our only uniquely American tree. Now it is threatened with being wiped out because of a lack of understanding that we cannot export excessive quantities of these native trees to be processed abroad.

Mr. Speaker, I speak with deep emotion. I would speak with the same deep emotion if Yankee Doodle Dandy were under attack and there was danger of Yankee Doodle Dandy being sent out of the United States. So, with the same sentiments and the same emotion I speak for the American black walnut tree.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may have 5 legislative days in which to extend their remarks on this subject.

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

There was no objection.

PLIGHT OF THE TEXTILE INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. JONAS] is recognized for 15 minutes.

Mr. JONAS. Mr. Speaker, soon after taking office in 1961, Secretary of Agriculture Freeman announced an increase in the price supports for cotton. Since this increase in the domestic price support level pushed the world price of cotton still higher than the domestic price, the Secretary increased the cotton export subsidy to 8½ cents per pound.

Recently I received a letter from the president of one of the most modern yarn mills in the country. He points out in this letter that the increase in the domestic price support level caused the price of the type of cotton he uses to go up from 32.50 cents to 37.33 cents per pound, and that the increase in the export subsidy to 8½ cents make it possible for his competitors abroad to buy American-grown cotton for $42.50 a bale less than he has to pay for the same type of cotton.

The following is quoted from the letter of this textile manufacturer. It points up with stark reality the difficulties faced by the domestic textile producers under current policies of the U.S. Government:

> We have one of the most modern textile spinning mills in the world; it was completed in early 1961. The plant employs 101 people including myself; it has all new machinery, new production methods, and strict quality control. Our manufacturing space is all refrigerated, clean, and is ideal for employee comfort and manufacturing. Our yarn quality is excellent and our customers are pleased with our quality. We all feel that we have done everything humanly possible to build an efficient plant to employ personnel who were left without work when a previous spinning mill closed down on the same location.
>
> We have been in a relatively bad market since we made our first pound of yarn. The cotton cost has risen from 32.50 cents to 37.33 cents per pound and the yarn prices have declined. Our product is all cotton carded knitting yarns from 14/1 to 30/1; we spin Memphis Territory Cotton.
>
> Last week I was in southern Germany and Switzerland looking at the newest Swiss textile machinery and methods in production. The mills there were spinning cotton from Pakistan. The management informed me that they could buy cotton from Pakistan and other countries other than the United States for 3 cents per pound cheaper than they could buy cotton from the United States—even with our 8½ cents per pound subsidy.
>
> When I came back last Thursday, I called on my knitting customers in New York. I could not procure any new business because they frankly showed me Portuguese yarn that they were buying for 11 cents per pound cheaper delivered than our costs.

This two-price system for cotton, under which the taxpayers of the United States are subsidizing foreign textile producers to the extent of $42.50 per bale of cotton, will destroy the domestic textile industry unless prompt relief is granted. Not only is there a substantial disparity in production costs by reason of low-wage rates abroad, but our Government is actually increasing this disparity by making American-grown cotton available to foreign producers at 8½ cents a pound cheaper than U.S. mills have to pay for it.

In view of these facts, it is not surprising that the Carded Yarn Association reports that the "March 1962 monthly total of cotton yarn imports represents an alltime peak following a pattern of steadily increasing volume."

Although 901–a yarn imports into this country were supposed to be frozen in the short term Geneva pact at 8,336,000 pounds for the base year, 12,811,000 pounds have already entered this country during the first 6 months of the agreement and there are still 6 more months to go. In other words, imports of carded single yarns in the period from

October 1961 through April of 1962 already exceed by 175 percent the entire base year quantity allowed under the Short Term Geneva Agreement of last year.

The Southern Textile News reported in its March 31, 1962, issue that "textile imports gain sharply during the last quarter of 1961" and quotes from figures released by the U.S. Department of Commerce which indicate that imports of cotton broadwoven cloth for January 1962 amounted to 48.7 million square yards, which was an increase of 70 percent over the December 1961 imports of 34.3 million square yards. The January total was at an annual rate of 584.4 million square yards.

This substantial increase in textile imports since the Short Term Geneva Agreement was made is not only alarming in itself but the danger is compounded by the fact that imports during the period from October 1, 1961, to October 1, 1962 will form the basic levels which will go into effect with the start of the "long-term"—5-year—Geneva agreement, October 1, 1962.

If imports continue to increase as they have increased during the first 6 months of the short-term agreement, the import figures that will be used to form the basis of the long-term agreement will be substantially higher than the domestic producers were led to believe when the Geneva agreement was made.

I respectfully request prompt action on the part of our Government to take such steps as may be necessary to halt this tremendously increasing flow of textile products into this country. The Government has the ability to take such action. The only question is whether the necessary steps will be taken and how soon. The Interagency Textile Administrative Committee announced on April 10 that action had been taken which resulted in the cessation of the exportation of certain cotton textiles from Spain to the United States.

An April 10, 1962, news release from the Office of the Secretary of Commerce, announcing the cessation of certain cotton textile exports from Spain to the United States, clearly shows that our Government is not powerless to protect the textile industry against disruption from unrestricted imports from abroad. The tremendous increase in shipments of certain categories of cotton textiles since October 1, 1961, is a sufficient danger signal to cause our Government to act in the interest of protecting the hundreds of thousands of people who derive their livelihood from the domestic textile industry, as well as those who have their money invested in that industry. The following quotation is taken from the news release just mentioned:

Under the terms of the agreement, a participating country, if unrestricted imports of cotton textiles are causing or threatening to cause disruption of its domestic market, may request the participating country responsible to restrain, at a specified level not longer than the level prevailing for the 12-month period ending June 30, 1961, its exports of those cotton textiles causing or threatening to cause such disruption. The arrangement provides for a 30-day discussion period in which the governments concerned may reach an agreement on the matters involved. Failing to achieve such an agreement, the requesting country may decline to accept imports at a level higher than the specified level, and in critical circumstances, action may be taken provisionally by either country involved while the request is under discussion.

Unless the Government takes steps immediately to stabilize textile imports at the 1961 levels, the injury and damage done to the domestic textile industry, and to the hundreds of thousands of U.S. citizens who derive their livelihood from that industry, will be irreparable. The extent of this damage cannot even be calculated because it will be projected far into the future.

As a Member of Congress who has supported the efforts of the textile industry to obtain relief from the inexcusable and unreasonable two-price cotton system, I would most respectfully urge the U.S. Tariff Commission to hand down its decision without further delay in the section 22 proceeding that was instituted before that Commission on November 21, 1961. The Commission completed hearings in the case on February 23, 1962, and final briefs were filed on March 26. Surely sufficient time has elapsed since March 26 for the Tariff Commission to render a decision on such a vital matter. It is now June 12 and soon 3 months will have elapsed since final briefs were filed. Certainly that should have been sufficient time to enable the Commission to render a decision in view of the emergency nature of the problem and the urgency for prompt and favorable action.

In my humble judgment, it would be unconscionable for the 8½ cents per pound cotton export subsidy to be continued without an equalizing fee to protect the textile industry against such unreasonable competition.

The need for immediate action should be obvious to all concerned and I sincerely hope that a favorable decision will be rendered by the Tariff Commission and that the decision will not longer be delayed.

I conclude my remarks on this subject today by including the text of a resolution adopted on June 6, 1962, by the Carded Yarn Association, Inc., and a similar resolution adopted on June 7, 1962, by the North Carolina Textile Manufacturers Association:

RESOLUTION ADOPTED BY THE MEMBERS OF THE CARDED YARN ASSOCIATION, INC., JUNE 6, 1962

Whereas under Government policy, the U.S. manufacturers of cotton yarns must pay 8½ cents per pound or $42.50 per bale more for their raw cotton than do the foreign manufacturers of yarn; and

Whereas this differential, resulting from the two-price cotton system, gives to the foreign manufacturer a grossly unfair advantage in selling his products in the U.S. markets in competition with the U.S. manufacturer; and

Whereas the profit windfall so created for the foreign manufacturer provides a tremendous stimulus to greatly increase the shipments of yarns to the U.S. markets, resulting in imports of carded single yarns in the period October 1961 through April 1962 which already exceed 175 percent of the entire 1961 base year quantity under the Short Term Geneva Agreement; and

Whereas this excess of imports will have the effect of raising permissive yarn imports under the long-term Geneva agreements to a level far higher than contemplated in the Geneva negotiations; and

Whereas President Kennedy, under point 4 of his program for textiles, directed that the Secretary of Agriculture find a method of eliminating or offsetting the disadvantage the American cotton mill has, compared to the foreign mill, in respect to its raw material cost; and

Whereas action was initiated before the Tariff Commission, under section 22 of the Agricultural Adjustment Act to implement such directive, with the Department of Agriculture urging the imposition of an 8½-cent offset fee on the raw cotton content of cotton textile imports; and

Whereas because cotton yarn represents the first major semimanufactured product in processing cotton, and raw cotton constitutes an extremely high percentage of total cost, the domestic yarn industry will be destroyed unless the cotton differential is offset: Now, therefore, be it

Resolved, That the Carded Yarn Association, speaking in behalf of every cotton spinner and every cotton mill employee, calls on each Member of Congress to express his vigorous support, for the imposition of an offset fee of 8½ cents per pound raw cotton content, to President Kennedy and to the Tariff Commission; and, to all others who have a concern in, and responsibility for, the correction of this gross injustice.

RESOLUTION ADOPTED BY THE NORTH CAROLINA TEXTILE MANUFACTURERS ASSOCIATION, JUNE 7, 1962

American-grown cotton can be purchased by foreign textile plants for $42.50 per bale less than the price American mills must pay for identical cotton. This phenomenal differential places domestic mills in a serious noncompetitive position.

President Kennedy on May 2, 1961, announced a textile program which included a key point to eliminate or offset this two-price cotton differential. Secretary of Agriculture Freeman, on November 13, 1961, requested the President to have the Tariff Commission investigate under section 22 of the Agricultural Adjustment Act the need for an offset import fee on cotton textile commodities to equalize the raw cotton cost differential between foreign and American mills.

Following the President's request of November 21, the Tariff Commission held hearings, which were completed February 23, 1962, and received final briefs on March 26.

Since that time no action has been taken.

Meanwhile, the flood of imports of textiles continues and is rising. The delay of the Tariff Commission's decision is fostering confusion and uncertainty in an already volatile market. It has halted incentive for purchases of capital equipment and is nullifying plans for plant expansion.

We, the textile manufacturers of North Carolina, urgently and respectfully request the Tariff Commission to make a prompt decision in this vitally important case. We believe the vast textile industry and many Members of Congress who have demonstrated an interest in this subject have a right to know the result.

Mr. JONAS. Mr. Speaker, I ask unanimous consent to revise and extend my remaks and include extraneous matter.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. THOMPSON of New Jersey (at the request of Mr. MORRISON), for today, June 12, 1962, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WRIGHT, for 45 minutes, on Thursday, June 14.

Mr. MICHEL, for 15 minutes, on Wednesday, June 13.

Mr. ALEXANDER (at the request of Mr. ALBERT), for 1 hour, on Thursday next.

Mr. JONAS (at the request of Mrs. MAY), for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. JOHN W. DAVIS and to include an address by Mr. THORNBERRY.

Mr. MADDEN to include testimony before the Committee on Interstate and Foreign Commerce yesterday.

Mr. ROOSEVELT in two instances, and to include extraneous matter.

Mr. ASPINALL, his remarks in the Committee of the Whole, and to include certain letters and other material pertinent to the issue under consideration.

Mr. SAYLOR, his remarks in the Committee of the Whole, and to include extraneous matter, including certain tables.

Mr. CHENOWETH, his remarks in the Committee of the Whole, and to include extraneous matter and communications.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. KOWALSKI.

Mr. THOMAS.

Mr. MULTER.

Mr. GONZALEZ.

Mr. BOLAND.

(The following Members (at the request of Mrs. MAY) and to include extraneous matter:)

Mr. GOODLING.

Mr. TOLLEFSON.

Mr. CONTE.

Mr. ROUSSELOT.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 11, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 2833. An act for the relief of Franziska Aloisia Fuchs;

H.R. 3247. An act to amend section 2385 of title 18 of the United States Code to define the term "organize" as used in that section;

H.R. 3595. An act for the relief of Anna Isernia Alloca;

H.R. 3633. An act for the relief of Angelina Rainone;

H.R. 3714. An act for the relief of Janina Maciejewska;

H.R. 4655. An act for the relief of Adele Anis Mansour;

H.R. 6330. An act for the relief of Vincent Edward Hughes, his wife, Carmel Philomena Hughes, and their alien children;

H.R. 6695. An act to amend title 39 of the United States Code with respect to the transportation of mail by highway post office services, and for other purposes;

H.R. 7061. An act 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;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes; and

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail.

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 13, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2173. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1963 involving a net decrease in the amount of $16,700,000 for the Agency for International Development (H. Doc. No. 430); to the Committee on Appropriations and ordered to be printed.

2174. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1963 involving an increase in the amount of $750,000 for the Deparment of the Interior (H. Doc. No. 431); to the Committee on Appropriations and ordered to be printed.

2175. A letter from the Administrator, Federal Aviation Agency, transmitting a report on violations of administrative control of funds procedures promulgated by this Agency in accordance with section 3679 of the Revised Statutes, as amended; to the Committee on Appropriations.

2176. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2177. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to facilitate the work of the Department of Agriculture, and for other purposes"; to the Committee on Agriculture.

2178. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 3 of the act of July 21, 1961 (75 Stat. 216, 217), and is submitted to the Speaker of the House of Representatives pursuant to rule XL of the House of Representatives; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 685. Resolution providing for the consideration of H.R. 11990, a bill to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; without amendment (Rept. No. 1806). Referred to the House Calendar.

Mr. PHILBIN: Committee on Armed Services. H.R. 7278. A bill to amend the act of June 5, 1952, so as to remove certain restrictions on the real property conveyed to the Territory of Hawaii by the United States under authority of such act; without amendment (Rept. No. 1807). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10263. A bill to authorize the Secretary of the Air Force to adjust the legislative jurisdiction exercised by the United States over lands within Eglin Air Force Base, Fla.; without amendment (Rept. No. 1808). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 10825. A bill to repeal the act of August 4, 1959 (73 Stat. 280); without amendment (Rept. No. 1809). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 11251. A bill to authorize the Secretary of the Army to relinquish to the State of New Jersey jurisdiction over any lands within the Fort Hancock Military Reservation; without amendment (Rept. No. 1810). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 8824. A bill to modify the application of the personal holding company tax in the case of consumer finance companies; with amendment (Rept. No. 1811). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 12061. A bill to extend the Renegotiation Act of 1951; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interstate and Foreign Commerce. H.R. 11244. A bill to supplement certain provisions of Federal law incorporating the Texas & Pacific Railway Co. in order to give certain additional authority to such company; with amendment (Rept. No. 1813). Referred to the House Calendar.

Mr. BENNETT of Florida: Committee on Armed Services. H.R. 12037. A bill to authorize the loan of naval vessels to friendly foreign countries and the extension of certain naval vessel loans now in existence; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H.R. 10788. A bill to amend section 204 of the Agricultural Act of 1956 (Rept. No. 1817). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. H.R. 11970. A bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes; with amendment (Rept. No. 1818). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the

Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1304. A bill for the relief of Jung Hae; with amendment (Rept. No. 1799). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1488. A bill for the relief of Clara G. Maggiora; without amendment (Rept. No. 1800). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2371. A bill for the relief of Ali Khosrowkhah; without amendment (Rept. No. 1801). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 2604. A bill for the relief of Pietro Dattoli; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2664. A bill for the relief of Mrs. Irena Ratajczak; without amendment (Rept. No. 1803). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 3000. A bill for the relief of Lea Min Wong; without amendment (Rept. No. 1804). Referred to the Committee of the Whole House.

Mr. MORSE: Committee on the Judiciary. H.R. 3501. A bill for the relief of Mrs. Hasmik Arzoo; with amendment (Rept. No. 1805). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 4718. A bill for the relief of Bogdan Kusulja; with amendment (Rept. No. 1815). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 9186. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); with amendment (Rept. No. 1816). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of Tennessee:

H.R. 12068. A bill to amend the U.S. Warehouse Act to prohibit kickbacks in connection with the storage of agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 12069. A bill to extend authority for the waiver of nonimmigrant visas; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 12070. A bill to provide assistance in the field of special education to institutions of higher education, and to the States, for training personnel and undertaking research and demonstration projects, and to establish, for consultation in connection therewith, an advisory council and technical advisory committees; and to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, and to make grants for construction of rehabilitation facilities and workshops; to the Committee on Education and Labor.

By Mr. QUIE:

H.R. 12071. A bill to provide assistance in the field of special education to institutions of higher education, and to the States, for training personnel and undertaking research and demonstration projects, and to establish, for consultation in connection therewith, an advisory council and technical advisory committees; and to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, and to make grants for construction of rehabilitation facilities and workshops; to the Committee on Education and Labor.

By Mr. GRAY:

H.R. 12072. A bill to amend the Tariff Act of 1930 to provide a uniform rate of duty for all grades of fluorspar at $7.50 per short ton ($8.40 per long ton); to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 12073. A bill to amend section 605 of the Communications Act of 1934 as it relates to unauthorized publication of communications; to the Committee on Interstate and Foreign Commerce.

By Mr. KOWALSKI:

H.R. 12074. A bill to amend title 38 of the United States Code in order to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. MAILLIARD:

H.R. 12075. A bill to amend section 5 of the War Claims Act of 1948 to provide detention and other benefits to citizens of the United States who were captured in China by the armed forces of Japan during World War II and were interned by the Imperial Japanese Government; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTOYA:

H.R. 12076. A bill to provide for the establishment of Valle Grande National Park in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NORBLAD:

H.R. 12077. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H.R. 12078. A bill to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Island; to the Committee on Interior and Insular Affairs.

By Mr. PIKE:

H.R. 12079. A bill for the relief of Suffolk County, N.Y.; to the Committee on the Judiciary.

By Mr. SPENCE:

H.R. 12080. A bill to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic despositors; to the Committee on Banking and Currency.

By Mr. TEAGUE of California:

H.R. 12081. A bill to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 12082. A bill to amend the Internal Security Act of 1950; to the Committee on Un-American Activities.

By Mr. BENNETT of Michigan:

H.R. 12083. A bill to authorize the addition of certain donated lands to the administrative headquarters site, Isle Royale National Park; to the Committee on Interior and Insular Affairs.

By Mr. BRUCE:

H.R. 12084. A bill to amend the Internal Revenue Code of 1954 to encourage individual responsibility in the field of medical care by expanding the present deduction for medical expenses to include all such expenses incurred by a taxpayer (regardless of the amount thereof and regardless of the person on whose behalf they are paid), and to provide comparable encouragement for individuals electing to take the standard deduction; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 12085. A bill to assist the States in providing necessary instruction for adults not proficient in basic educational skills through grants to States for pilot projects, improvement of State services, and programs of instruction, and through grants to institutions of higher learning for development of materials and methods of instruction and for training of teaching and supervisory personnel; to the Committee on Education and Labor.

H.R. 12086. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 12087. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MacGREGOR:

H.R. 12088. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. PUCINSKI:

H.R. 12089. A bill to provide Federal assistance to local educational agencies to assist them to meet the financial burden resulting from the entry into their school systems of children from outside the State; to the Committee on Education and Labor.

By Mr. BREEDING:

H.J. Res. 734. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment; to the Committee on Agriculture.

By Mr. HORAN:

H.J. Res. 735. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood, and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. WESTLAND:

H.J. Res. 736. Joint resolution to provide for the acquisition and operation of the Freedom Train II by the Archivist of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BELL:

H.J. Res. 737. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; to the Committee on Foreign Affairs.

By Mr. GREEN of Pennsylvania:

H.J. Res. 738. Joint resolution to authorize the President to designate Philadelphia, Pa., as the site of a World's Fair commemorating the 200th anniversary of the signing of the Declaration of Independence; to the Committee on Foreign Affairs.

By Mr. MONTOYA:

H. Con. Res. 481. Concurrent resolution to favor the establishment of an International Living Museum of Anthropology and Ethnography; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Res. 686. Resolution expressing the sense of the House of Representatives with respect to non-Federal installation of electric generating facilities at Hanford, Wash.; to the Joint Committee on Atomic Energy.

MEMORIALS

Under clause 4 of rule XXII.

The SPEAKER presented a memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to authorize and provide for additional accommodations for veterans in the veterans' hospitals in East Orange and Lyons, N.J., which was referred to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 12090. A bill for the relief of James Comeau; to the Committee on the Judiciary.

By Mr. COHELAN:

H.R. 12091. A bill for the relief of Miss Helena Hilda Butterfield; to the Committee on the Judiciary.

By Mr. DAGUE:

H.R. 12092. A bill for the relief of Arthur H. Brackbill; to the Committee on the Judiciary.

H.R. 12093. A bill for the relief of Joseph Wolf, Jr.; to the Committee on the Judiciary.

H.R. 12094. A bill for the relief of Wilmer R. Bricker; to the Committee on the Judiciary.

H.R. 12095. A bill for the relief of William C. Doyle; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12096. A bill for the relief of Mariano Fagone; to the Committee on the Judiciary.

H.R. 12097. A bill for the relief of John Houmis; to the Committee on the Judiciary.

By Mr. GAVIN:

H.R. 12098. A bill for the relief of Suh Hyang Hee; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 12099. A bill for the relief of Mrs. Zorka Boskov; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 12100. A bill for the relief of Mrs. Milagros Elizaga Jacoby (nee Uy); to the Committee on the Judiciary.

H.R. 12101. A bill for the relief of Mrs. Nathalie Iline; to the Committee on the Judiciary.

By Mr. MILLER of New York:

H.R. 12102. A bill for the relief of Jose Domenech; to the Committee on the Judiciary.

H.R. 12103. A bill for the relief of Dr. Sayed Ahmad Madani and Shami H. Madani; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12104. A bill for the relief of Ging Sze Chin; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 12105. A bill for the relief of Alexei Bogdanoff; to the Committee on the Judiciary.

H.R. 12106. A bill for the relief of Avangelia Karas; to the Committee on the Judiciary.

By Mr. MOELLER:

H. Res. 687. Resolution providing for sending the bill H.R. 11894 and accompanying papers to the Court of Claims; to the Committee on the Judiciary.

SENATE

TUESDAY, JUNE 12, 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:

O Thou who art from everlasting to everlasting, give us, we pray, as we come, an elevated vision of the long years, with the constant realization that a lifetime here is but a second in the eternal plan of the God of the ages.

So may we toil in these fields of time in the sense of the eternal. Undiscouraged and undismayed by the imperfections of mankind, barely emerging from the nursery of his final destiny, teach us Thy patience as we labor on in the hope that sends a shining ray far down the future's broadening way.

Solemnize us with the consciousness that beyond the appraisals of men regarding what is said and done here, there falls upon the record of Thy servants who here serve the Republic, the searching light of Thy judgments.

We ask it in the name of the Master of all good workmen. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 11, 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 June 8, 1962, the President had approved and signed the following acts and joint resolutions:

S. 971. An act for the relief of Salvatore Briganti;

S. 2132. An act to approve the revised June 1957 reclassification of land of the Fort Shaw division of the Sun River project, Montana, and to authorize the modification of the repayment contract with Fort Shaw Irrigation District;

S. 3157. An act to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired;

S.J. Res. 88. Joint resolution authorizing the issuance of a gold medal to Bob Hope; and

S.J. Res. 151. Joint resolution permitting the Secretary of the Interior to continue to deliver water to lands in the Third Division, Riverton Federal reclamation project, Wyoming.

REPORT ON MUTUAL SECURITY PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 432)

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

To the Congress of the United States:

Transmitted herewith is the final annual report on the operations of the mutual security program for the period ending June 30, 1961. The report was prepared under the direction of the Administrator of the Agency for International Development as coordinator of the foreign assistance program, with participation by the Department of State and the Department of Defense.

This report marks the end of one decade in our aid programs and the beginning of another; the transition from what was primarily a decade of defense to a decade of development. The past decade has seen the strengthening of many of our friends and allies so that they have been enabled not only to thrive without our grant assistance, but also to bear an increasing share of the responsibility of helping the less-developed nations.

Fiscal year 1961 can perhaps best be characterized as a year of reevaluation for the foreign assistance program. A Presidential task force was set up early in 1961 to review the program thoroughly—from basic policy to future objectives. The work of this task force, and subsequently the constructive efforts of the Congress, resulted in the Foreign Assistance Act of 1961, which created the Agency for International Development and in effect inaugurated the decade of development.

For the new decade, new tools have been forged to implement the changes in program emphasis toward economic and social progress through self-help, long-range development, and a shift from grant assistance to loans. These objectives can be realized, however, only if the strength and will of the free world against overt aggression and subversion from within are maintained. We must continue, therefore, to carry forward an effective military assistance program to sustain the safeguards and defensive arrangements necessary for the peaceful development of the free world.

JOHN F. KENNEDY.

THE WHITE HOUSE, *June 11, 1962.*

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.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Judiciary Committee.

The Permanent Subcommittee on Investigations, of the Committee on Government Operations.

The Internal Security Subcommittee, of the Judiciary Committee.

The Finance Committee.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

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

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

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

U.S. ARMY

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

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

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

U.S. AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the U.S. Air Force.

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

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

U.S. MARSHAL

The Chief Clerk read the nomination of Luke C. Moore, of the District of Columbia, to be U.S. marshal for the District of Columbia for a term of 4 years.

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

NOMINATIONS IN THE ARMY PLACED ON THE SECRETARY'S DESK

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

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

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

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

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

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

The VICE PRESIDENT. The Secretary 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.

CONCURRENT RESOLUTION OF LOUISIANA LEGISLATURE

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a concurrent resolution adopted by the Legislature of the State of Louisiana, proposing an amendment to the Constitution to be known as "The Freedom of Choice Amendment."

There being no objection, the concurrent resolution was referred to the Committee on the Judiciary, as follows:

HOUSE CONCURRENT RESOLUTION 7

Concurrent resolution memorializing the Congress of the United States to propose an amendment to the Constitution of the United States to be known as "The Freedom of Choice Amendment"

Whereas since the earliest days of the Union of the United States the individual States have exercised certain basic rights within their respective borders; and

Whereas this system of State rights has produced beneficial results and is in accord with the principles of local self-government; and

Whereas such rights are in keeping with the basic design of our Federal system: Therefore be it

Resolved by the House of Representatives of the Legislature of Louisiana (the senate thereof concurring herein), That the Congress of the United States is hereby memorialized to adopt and offer to the States for ratification or rejection the following amendment to the Constitution of the United States:

"This amendment shall be known as 'The Freedom of Choice Amendment.'

"The right of the owners and operators of all kind and description, their agents, servants and employees, of all hotels, restaurants, inns, cafes, bars, ice cream parlors, soft drink stands, motels, apartment houses, trailer camps, cemeteries, dance halls, skating rinks, bath houses, barber shops, beauty shops and other privately owned places of public accommodation or amusement to choose their own guests, patrons and tenants shall not be abridged.

"The right of churches, lodges, fraternities, sororities, private clubs, and all other privately owned and operated institutions and associations to choose their own guests, patrons, and members shall not be abridged.

"The rights of owners of land to contract with other owners of land, either individually or through associations, for the use and occupancy of privately owned lands in the same neighborhood shall not be abridged: *Provided*, That no owner of land shall be compelled to join in any such contract or become a member of any neighborhood association: *And provided further*, That the right and freedom of such contracting owners to give written consent by a majority vote shall not be restricted or abridged by law or contract so as to prevent the giving of such consent to any person solely because of said person's race, color, creed or nationality. The term 'neighborhood' shall mean whatever area the contracting parties may designate.

"Unless restricted by his own voluntary agreement, the right of any property owner to sell or lease his property to another person of his own choice shall not be abridged.

"Educational policies, including administration, finance, subject matter of instruction, assignment of pupils and all matters pertaining thereto shall be exercised exclusively by the several States solely as the legislative bodies thereof shall determine to be in the best interests of the people of said State, or by such other means as provided by such legislative bodies, including initiative and referendum voting.

"Rules and regulations pertaining to intrastate transportation and all other intrastate public agencies shall be exercised exclusively by the States"; and be it further

Resolved, that the clerk of the House of Representatives of the Louisiana Legislature shall transmit copies of this concurrent resolution to the Congress of the United States and to the Members of the Louisiana delegation in the Congress.

_____ _____,

Speaker of the House of Representatives.

_____ _____,

Lieutenant Governor and President of the Senate.

POLISH CONSTITUTION RESOLUTION

Mr. KEATING. Mr. President, the Polish American Congress, downstate New York division, adopted a resolution at exercises on May 6, 1962, commemorating the Polish Constitution of the 3d of May. One thousand Americans of Polish birth or descent gathered for this occasion to honor and reassure the Polish people of their interest in striving for Polish independence from the yoke of Soviet dictatorship. Through the continuing faith of these Americans, the hopes of the Polish people may be kept alive, and independence once more restored to the Polish nation.

Mr. President, I ask unanimous consent to have the resolution of the Polish American Congress printed in the RECORD.

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

Whereas the adoption of the Polish Constitution of the 3d of May, 1791, was one of the greatest acts in the 1,000-year history of Poland as a Christian nation; and

Whereas this expression of the rights of the individual adopted shortly after the Declaration of Independence in the United States was the first guarantee of personal liberty given to the people of any nation in central or eastern Europe; and

Whereas the Constitution of the 3d of May not only assured the people of Poland of their liberty under the then Polish Government but also served as a beacon of hope to all oppressed peoples in surrounding countries; and

Whereas because of their devotion to liberty, the people of Poland soon thereafter in 1796, saw their nation overrun by neighboring tyrants anxious to destroy the seed of liberty planted in their midst, causing the third partition of that nation; and

Whereas the people of Poland upon regaining their freedom were once more attacked and subjected by the same brutal forces which caused the third partition of Poland, still carry in their hearts a love for the ideals of freedom expressed in the Polish Constitution of the 3d of May; and

Whereas this devotion to liberty caused Poland to fight against hopeless odds when attacked in 1939 by Nazi Germany and Communist Russia, and to continue that fight until the present day; and

Whereas Poland, which has made countless contributions during the past 1,000 years to the protection and advancement of Christian ideals and Western civilization still suffers the fate of a colony of Communist Russia while at the same time, former colonies of onetime colonial empires are attain-

ing full national independence despite their primitive civilizations:

Now, therefore, 1,000 Americans of Polish birth or descent, assembled at exercises commemorating the Polish Constitution of the 3d of May under the auspices of the downstate New York division of the Polish American Congress on Sunday, May 6, 1962, in the Polish National Hall in New York, do hereby resolve as follows:

1. To continue to work for the full freedom and independence of Poland.

2. To assure the enslaved people of Poland of our brotherly love and our determination to aid them.

3. To convey our appreciation to Stefan Cardinal Wyszynski, the primate and spiritual leader of Poland.

4. To appeal to the President of the United States for final recognition of the Oder Neisse line as the western boundary of Poland and to make the restoration of Poland's former boundary line on the east as one of the aims of American foreign policy.

5. To appeal to the President of the United States to bring to the attention of the United Nations, the plight of the people of Poland and other central and eastern European nations behind the Iron Curtain to the end that full independence shall be restored to these nations in the same spirit in which independence has been granted to the former subjects of once great colonial empires.

BILLS INTRODUCED

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

By Mr. BUSH:

S. 3397. A bill for the relief of Janos Kardos; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 3398. A bill to make price support available to producers of durum wheat who were unable to plant an acreage of durum wheat for 1962 equal to the acreage required under the 1962 durum wheat program; to the Committee on Agriculture and Forestry.

By Mr. BUTLER:

S. 3399. A bill for the relief of Mrs. Rosa Lee Cheng; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 3400. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 3401. A bill to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. ELLENDER (by request):

S. 3402. A bill to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. ALLOTT:

S. 3403. A bill to provide for the construction, operation, and maintenance of the Fruitland Mesa Federal reclamation project, Colorado; to the Committee on Interior and Insular Affairs.

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

By Mr. KEFAUVER:

S. 3404. A bill for the relief of Basilios Captain; to the Committee on the Judiciary.

INCLUSION OF RAILROAD SIGNALMEN WITHIN COVERAGE OF HOURS OF SERVICE LAW

Mr. SMATHERS. Mr. President, I introduce for appropriate reference, a bill which would include railroad signalmen within the coverage of the hours of service law. This hours of service law, substantially unchanged since its enactment in 1907, is designed "to promote the safety of employees and travelers upon railroads by limiting the hours of service of employees thereon."

The Brotherhood of Railroad Signalmen requested that I, in my capacity as chairman of the Surface Transportation Subcommittee, introduce this measure on behalf of the men who install, repair, and maintain signal systems. A supporting memorandum, retained in the committee files for public inspection, states:

It is axiomatic that no signal system is better than the maintenance afforded it. And it follows that no fatigued signalman should be permitted to work on a signal system where his mistakes may result in signal failures or display of improper aspects which could lead to catastrophic collisions or derailments.

The railroads have an excellent safety record, but recent events suggests that there may be room for some improvements. It is my hope that the various Federal agencies and private industries concerned with this problem will provide the Senate committee with their comments and suggestions in connection with this measure.

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

The bill (S. 3401) to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes, introduced by Mr. SMATHERS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

FRUITLAND MESA FEDERAL RECLAMATION PROJECT, COLORADO

Mr. ALLOTT. Mr. President, I introduce, for appropriate reference a bill providing for the construction, operation and maintenance of the Fruitland Mesa Federal reclamation project in Colorado.

The authorization of this project as a participating unit of the Colorado River storage project was approved by this body some 7 years ago; however, when the Colorado River storage bill came back from the conference committee, in the form in which it was finally enacted into law, the Fruitland Mesa unit, along with some 23 other participating units, was simply designated to receive priority in the completion of planning reports.

The report of the Bureau of Reclamation on the Fruitland Mesa project has now been completed, and it has been approved and adopted by the Secretary of the Interior.

Fruitland Mesa is a proposed multipurpose water resource development in the Gunnison River basin in west-central Colorado. The project would develop presently unused flows of Soap, Curecanti, and Crystal Creeks for irrigation and for important benefits to sport fishing and recreation.

The lands to be irrigated would include 16,520 acres that would receive a full water supply from the project, and supplemental water would be provided for 6,930 acres presently irrigated but without adequate water supply.

This area is one of generally depressed living standards largely because of inadequate supplies of irrigation water and reductions in grazing permits on Federal lands. Frequent drought conditions have caused severe water shortages in the latter part of the irrigation season in many recent years. By providing a dependable supply of irrigation water, this project would improve and stabilize the economic status of the farmers and produce other important benefits to the entire area, the State, and the Nation.

Livestock feed is presently grown on 94 percent of the irrigated land, and the greater portion of the land would continue to be devoted to that purpose after completion of this project. It is expected, however, that with the dependable late-season supply of water provided by the project, some lands would be planted to fruits, particularly pears and cherries.

A major feature of the project would be the proposed Soap Park Dam and Reservoir on Soap Creek with a storage capacity of 44,670 acre-feet. This reservoir would provide benefits to sport fishing, and it is anticipated that the reservoir and adjacent areas in the Gunnison National Forest will become a center of extensive public recreation use. The project area is within a few miles of the Black Canyon of the Gunnison National Monument which, with its spectacular gorge of the Gunnison River, provides one of the most remarkable bits of scenery in western Colorado.

Over 95 percent of the cost of this project is allocated to irrigation and would be fully reimbursable in accordance with usual reclamation practices. The benefit-cost ratio for the project is 2:49 to 1 over a 100-year period of analysis.

I urge the Senate to act promptly upon this legislation, which is most important to the State of Colorado.

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

The bill (S. 3403) to provide for the construction, operation, and maintenance of the Fruitland Mesa Federal reclamation project, Colorado, introduced by Mr. ALLOTT, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1963—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes, which were ordered to lie on the table and to be printed.

ESTABLISHMENT OF A COMMUNICATIONS SATELLITE AUTHORITY—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 2890) to establish a Communications Satellite Authority to provide for the development of a global communication system, and for other purposes, the name of the Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor.

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

NOTICE OF HEARING ON NOMINATION OF ROGER D. FOLEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEVADA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, June 19, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Roger D. Foley, of Nevada, to be U.S. district judge, for the district of Nevada, new position.

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

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2865) for the relief of Ferdinand A. Hermens.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 10502) for the relief of James B. Troup.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address delivered by Senator KERR, entitled "Utilizing Human and Physical Resources," at the commencement exercises at Salem College, Salem, W. Va., on June 8, 1962; and remarks made by himself in presenting Senator KERR.

By Mr. WILEY:

Excerpts from weekend address over Wisconsin radio stations relating to the progress of major legislation in Congress.

By Mr. KUCHEL:

Partial text of remarks by him before Propeller Club, Los Angeles, Calif., May 22, 1962, on the subject "Jobs, Cargoes, and Goods—The United States and the Common Market."

SECRETARY FREEMAN RESPONDS TO LUMBER INDUSTRY PROPOSALS FOR CHANGE IN FOREST SERVICE POLICIES

Mrs. NEUBERGER. Mr. President, on February 21, 1962, a group of Senators and Representatives and lumber industry officials from their States met with the Secretary of Agriculture to discuss some of the factors which have retarded prosperity of the forest-products industry, our Nation's fourth largest employment source. The discussion at the meeting with Secretary Freeman centered around management and sales policies of the Forest Service which they claimed were adversely affecting lumber operators, both large and small.

The economic stability of many communities in the West is closely related to Forest Service operations, because of the Government's large timber ownership. For instance, in my State of Oregon, about 11.4 million acres of commercial forest land is in the national forests, out of a total of about 25.8 million acres.

At the February meeting, the National Lumber Manufacturers Association made four proposals to the Secretary of Agriculture. These were:

First. Institute an orderly program of timber sales designed to promote the regular harvest of trees from national forest commercial forest areas, to insure community stability, continuous employment, improved wood products, and a healthy forest industry.

Second. Take cognizance of the monopoly the Government has as the principal seller of timber in large areas, and avoid taking advantage of the dominant position in the setting of rates for timber.

Third. Revise the existing procedure for appealing adverse decisions of the U.S. Forest Service, Department of Agriculture.

Fourth. Revise the existing Federal timber sales contract form, to provide a normal buyer and seller relationship.

Yesterday Secretary Freeman forwarded to me his reply to the National Lumber Manufacturers Association. He has proposed some changes in existing regulations. I doubt that these revisions will entirely satisfy the industry, although they do provide a starting point for a more realistic relationship between Forest Service policies and the requirement that stands of timber in the forest reserves be used to promote employment and economic stability in adjacent areas.

I ask consent, Mr. President, to include in the RECORD, with my remarks, a copy of the Secretary's letter to me and his response to Mr. Arthur Temple, president of the National Lumber Manufacturers Association, dated June 7, 1962.

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

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 11, 1962.

Hon. MAURINE B. NEUBERGER,
U.S. Senate.

DEAR SENATOR NEUBERGER: Enclosed is a copy of my response to the four proposals presented by representatives of the National Lumber Manufacturers Association at the February 21 meeting.

I appreciate your interest in this matter and assure you that the Department of Agriculture will continue to cooperate with the lumber industry in trying to work out solutions to mutual problems.

Sincerely yours,

ORVILLE FREEMAN,
Secretary.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 7, 1962.

Mr. ARTHUR TEMPLE,
President, National Lumber Manufacturers Association, Diboll, Tex.

DEAR MR. TEMPLE: When we met on February 21, I promised serious consideration to the four points presented by you and others connected with the National Lumber Manufacturers Association.

Since that time there have been a number of other developments affecting forestry and the lumber industry which have both domestic and international implications.

To some extent the points you raised were covered in a letter to nine western Senators on April 17 to which was appended a memorandum from Chief Forester Cliff. I have requested Mr. Cliff to furnish his analysis and recommendations for action on your four proposals. A copy of his memorandum is enclosed. His recommendations are approved subject to the following comments.

PROPOSAL NO. 1—PERFORMANCE STANDARDS

I believe you will find the revised wording proposed by Mr. Cliff for a regulation stating timber sale program objectives substantially meets the basic objectives of your first proposal. The regular harvest of full sustained yield should be the objective of national forest timber sale programs. However, in pursuing this objective, it is necessary to coordinate timber harvesting with other national forest uses.

We are constantly striving to improve administration. Your further recommendation on strengthening annual reporting is thus timely. The Forest Service will be developing data, some along the lines you suggest, but all designed to better show the record of management and aid in accelerating improvements.

PROPOSAL NO. 2—TIMBER APPRAISALS

The Department's General Counsel advises that "appraised value" as used in the basic timber sale act of June 4, 1897 (16 U.S.C. 476) means fair market value. It is our opinion that an appraisal made in accordance with your proposed regulation would not develop market value. This estops complete adoption of your proposal.

Mr. Cliff has proposed wording for a regulation on appraisal procedure which develops market value. I am willing to include this appraisal procedure statement in departmental regulations for the national forests.

The Forest Service is continually reviewing stumpage pricing policies and procedures. It is seeking to meet current developments as they unfold with equitable adjustments. We want to avoid unnecessary and nonproductive controversies with timber purchasers. Important contributions toward this purpose are Mr. Cliff's decisions to terminate the use of the quartile system and, insofar as minimum rate limitations will permit, to require adherence to guidelines to maintain average rate of profit margin at a reasonable level for all species for which cutting is mandatory.

PROPOSAL NO. 3—APPEAL PROCEDURES

The first two items of your specific proposals on appeal procedure are now available under the existing regulation A-10 govern-

ing appeals on Forest Service actions. The third item which proposes referral of appeals to independent boards or the courts for final decision would require authorizing legislation. I understand that Congresswoman HANSEN's bill H.R. 11135 includes three provisions similar to the three provisions of proposal No. 3 of your February 21 recommendations to me. This Department will, of course, report to the House Committee on Agriculture on this bill when requested. I do not at this time want to close the door to full consideration of this bill in connection with such a report.

It would be helpful to the Department to have a series of documented cases presented which demonstrate what in your judgment are the inadequacies of the present procedure. These could include not only cases where appeals may have been filed but also situations where your members have perhaps felt frustrated under the existing procedure.

On April 17 I indicated to the Northwest Senators that we would endeavor to utilize experienced and responsible personnel for "troubleshooting" purposes. The goal I have asked the Forest Service to attain is the resolution of operating problems at the field level so that matters brought before the Chief and before me represent major policy matters.

PROPOSAL NO. 4—TIMBER SALE CONTRACTS

I shall be glad to have you proceed to work with the Forest Service on a contract review project along the lines outlined by Mr. Cliff.

In summary, we have developed alternative wordings for regulations on your first two proposals. We realize that the revised statement on appraisal differs materially from your proposal, but a basic legal question on the meaning and use of fair market value is involved. In order to reduce areas of disagreement, appraisal procedures have been adjusted by elimination of the quartile system and establishment of firm guidelines on maintenance of average profit margins for all species for which cutting is mandatory. The only actual issue raised in connection with appeals is legislative rather than administrative. On the matter of contract wording review, we are offering to set up a working group with the timber industry.

We want to continue to work together to maximize use and benefits from the National Forests for both industry and the general public.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

U.S. GOVERNMENT,
FOREST SERVICE,
Washington, D.C., May 7, 1962.

To: Orville L. Freeman, Secretary of Agriculture.

From: Edward P. Cliff, Chief.

Subject: External relations (National Lumber Manufacturers Association's proposals).

This memorandum is in response to your request for Forest Service recommendations on the four proposals submitted to you by the National Lumber Manufacturers Association on February 21. My analysis of the proposals and my recommendations are stated below:

PROPOSAL NO. 1

This is a proposal for issuance of a new regulation of the Secretary of Agriculture entitled "Sale of the Allowable Cut."

For almost 20 years, an objective of national forest management has been the development of cutting at the full allowable rate on each national forest working circle. Although we have not reached this goal we have been making steady progress toward it. I recommend incorporating a statement of this policy in the Secretary's regulations. A suitable statement for this purpose, which can be inserted as the first paragraph in a revision of regulation S-6 (36 C.F.R. 221.6), follows:

"The Forest Service shall develop an orderly program of timber sales designed to obtain regular harvest from commercial forest areas of the national forests on a full sustained-yield basis in accordance with policies established for multiple-use management and protection of national forest resources. Attainment of this objective in annual timber sale programs must necessarily depend on the finances available, local market demand for stumpage, and adequacy of transportation.

One of the reasons for revision of the language proposed by the association is to provide for recognition of associated resource values in multiple-use management of the national forests. Another reason is to recognize factors beyond control of the Department which might limit attainment of timber harvesting goals.

The second paragraph of the association's proposed regulation would require the Chief of the Forest Service to report annually to the Secretary of Agriculture on a number of items in respect to cutting rates, allowable cutting limits, and comparisons of potential growth per acre with average volume cut per acre on each national forest. Most of the data listed is already made available and published in various forms. The Forest Service is willing to compile this material centrally and issue it annually. A Secretary's regulation to require this is unnecessary and could prove cumbersome to adjust to keep in step with developing needs for information and data on the national forest timber business.

In summary, my recommendation on proposal No. 1 is to adopt substitute wording for the first paragraph which will be included in a revision of regulation S-6. In respect to the second paragraph we propose to compile the information requested and publish it annually.

PROPOSAL NO. 2

This is a proposal to issue a new Secretary's regulation entitled "Timber Appraisal."

The first paragraph of the association's proposed regulation, as well as the introductory material, stresses the dominant position of the Forest Service as the principal seller of timber in large areas in the United States, and the lack of a normal market in those areas where there are no alternative sources of supply. Approximately two-thirds of the saw-log timber cut in the West comes from private timber and one-third from public timber. In the South and East the proportion of cut from public timber is substantially less. However, there are many localities in the West were the bulk of the timber available for sale is on the national forests and other public lands. It is also true that as old growth private timber is liquidated or becomes more tightly held there is growing dependence on national forests by western timber operators who own little or no timberland.

Virtually every sawmill which must buy timber for current operating purposes is faced with a problem of relatively few sources of supply since logs cannot be hauled great distances. Both mills purchasing national forest timber and mills purchasing private timber generally have the same basic problem of lack of alternative timber sources. We agree that where the Forest Service is in a dominant position, it should not take advantage of this position in the setting of the price for timber. We do not believe that we have been doing so.

The Forest Service has recognized that the lumber industry has been experiencing depressed market conditions during the past 2 years. The following adjustments in national forest stumpage prices and pricing policies have been made since 1959:

1. Appraised stumpage prices have been substantially reduced. Weighted average prices for timber sold in the six western national forest regions, exclusive of Alaska, were:

[Per thousand board feet]

	Calendar year		
	1959	1960	1961
Average appraised price	$14.80	$13.46	$10.27
Average bid price	19.65	16.28	13.78

Appraised and bid prices in 1961 were about 30 percent less than in 1959.

2. Appraisal procedure adjustments were made in December 1961 and January 1962 which resulted in further reductions in appraised prices of about $1.50 per thousand board feet for ponderosa pine and from $2 to $6 per thousand for timber in the Douglas-fir region of Oregon and Washington.

3. Minimum rates for ponderosa pine in the Rocky Mountain and Southwestern States were reduced to $3 per thousand in December 1961.

4. In other parts of the West, minimum stumpage prices for ponderosa pine, Douglas-fir, and other high-value species were reduced to $3 per thousand in April 1962.

5. In December 1961, the stumpage price adjustment procedure was modified to provide (a) a more effective method of amortizing road costs, and (b) a more equitable offset for periods when further stumpage price decreases are restricted by minimum contract rates.

National forest timber is sold under the provisions of 16 U.S.C. 476, which provides that timber shall be offered at not less than appraised value. Appraised value in this context means fair market value. The Forest Service attempts to establish fair market value in its timber appraisals. At any particular time and for any particular condition, there should be only one market value level for all purposes. There cannot be a different market level for sales, income tax, condemnation, or other purposes.

The determination of fair market value in many situations, particularly in parts of the West where the amount of timber available for current purchases is much less than the local demand for such stumpage, is a difficult, complicated, and controversial matter. We give consideration to all pertinent factors which affect market value of stumpage. We are willing to consider proposals for modification of the methods in use to reflect various factors affecting market value. But it is not proper to exclude consideration of any factor which is pertinent to the determination of market value.

Analysis of transactions in stumpage, including bidding performance for national forest timber offerings, is an essential part of determination of fair market value for timber. In highly competitive areas, bid prices for national forest timber must be discounted. Such discounting must be primarily on a judgment basis. Use of judgment is an essential item in determination of fair market value. Judgment is used primarily to determine what factors are pertinent in a particular appraisal and what weight to give them.

Adoption of the second paragraph of the association's proposal No. 2 would set apart national forest timber appraisal from timber appraisal for other properties and other purposes. We consider that the proposed regulation would specify procedures which do not develop market value and

hence would be contrary to our statutory responsibilities.

The association's proposal would require that profit margins in appraisals be based on Government reports of profit experience in competing building materials industries with due allowance for differences in risk. Profit margins for appraisals of any sort must be developed by experience over considerable periods to go with the cost and selling value levels used in the analytical appraisal process. Transference of profit-margin levels between industries with differing accounting and trade practices, markets and raw materials supply factors would not be a sound procedure.

The association's proposal also specifies: "Product values shall be based on current market experience." Conformance to this proposed requirement would result in a direct relationship between end-product prices (lumber or plywood) and stumpage prices. Stumpage price levels would have the same fluctuations as end-product prices.

Stumpage, logs, and lumber are all separate commodities. Supply, demand, and distribution relationships for stumpage, which has restricted local markets, are markedly different than for finished forest products which are marketed all over the United States. In the long run, lumber prices are one of the strongest factors affecting stumpage prices. However, stumpage prices do not follow all the fluctuations of the lumber market.

The association's request for exclusive use of current product prices is undoubtedly generated in part by its objections to the practice adopted by the Forest Service in 1961, commonly called the quartile method, which established upper and lower limitations on the base index used for stumpage rate adjustment sales (escalation) and for the adjustment of the lumber selling prices used in appraisal to current conditions. For a few years prior to 1961, the Forest Service has generally used the most recent calendar quarter for this purpose. However, we have varied the period used in accordance with our judgment of market trends.

Under the quartile system, the most recent swing in lumber prices is divided into four parts and use of the most recent calendar quarter base lumber price indexes is limited to values between the upper and lower quartiles of this range. This procedure, in effect, dampens the swing of stumpage prices as compared to lumber prices. This dampening is in accordance with observation of the lumber-stumpage price relationships since 1950. This method systematizes judgment and informs purchasers of what they can expect as the lumber market shifts. During periods when quarterly indexes are between the two quartiles, the most recent calendar quarter is used.

It has proven difficult to obtain understanding of the nature of the quartile procedure. It has been criticized as "forward pricing and price prediction." The system has generated more controversy than its significance or utility justifies. Therefore, I am taking immediate action to terminate use of the quartile system. In making this termination, the Forest Service is acting to be responsive to industry views. We feel that use of the quartile system has advantages to the industry as well as to the Government and we have been willing to maintain use of the system through periods when advantages to industry would accrue. We have obtained no acceptance of the quartile system by industry and are now closing out this issue.

We shall return to the practice previously in effect which is to use a price and cost period considered to be representative and adequate for developing conversion and stumpage value for the timber under appraisal. At present we will adjust product selling values in appraisals to reflect current price levels. Under this method there is need for more variation in the profit ratio than is necessary under the quartile system to produce fair market value stumpage. The adjustment pricing period may be varied by making it more or less current than the most recent calendar quarter or of longer duration in accordance with our judgment of market trends, and thereby reduce the variation in profit ratios.

The phrase "for entire sale offerings," in the first sentence of the second paragraph of the association's proposal is intended to establish a requirement that appraisals be made on a basis which will provide an average normal profit for all species. Under this proposal the price of higher valued species would be reduced to offset less than normal profit resulting from insufficient margin of product value over cost in low-value species.

Utilization of material with low margin of product value over cost along with species with ample margin of profit value over cost will maximize the total margin of profit for a timber tract but the average rate of profit will be reduced. A reasonable reduction in the rate of profit margin generally has been accepted by timber purchasers and by timber owners cutting their own timber in order to increase the total dollars of profit margin in the cutting of a tract of timber. Guidelines for making adjustments to maintain average rate of profit margin at a reasonable level for all species for which cutting is mandatory, insofar as minimum stumpage prices will permit, are established in the "National Forest Handbook" (FSH 2423.72). My review of this point discloses that these guidelines have not been put to use to the degree intended and as a practical matter timber is usually advertised with required utilization of species appraising to less than normal profit on the basis that there is a demand and market for it without adjustment to average profit margin standards. Revised instructions are being issued to require observance of these guidelines for all sale offerings and to limit the reduction in average profit rate in appraisals to not more than 25 percent because of requirements for utilization of species or product groups which appraise to less than normal profit opportunity.

We feel that this treatment is a reasonable compromise between the conflicting viewpoints of maximizing total dollar profit opportunity and the rate of profit opportunity in appraisal of a particular tract. This procedure will not apply when it is possible to permit optional utilization on the part of the bidder of material with inadequate profit margins. In some instances there will be insufficient margin of product value above cost for all species to provide 75 percent of normal profit margin. Such sales must necessarily either be withheld or offered with subnormal profit margins. Sales of this kind when offered will be priced at minimum rates for all species. While we cannot recommend acceptance of the association's proposed regulation on appraisal procedure, we feel a statement in the Secretary's regulation on the broad principles of national forest timber appraisals is desirable. The following language is recommended for insertion in a revision of regulation S-7 (36 CFR 221.7):

"The objective of national forest timber appraisals is to establish fair market value. The basic procedure will be analytical appraisal under which stumpage is a residual value determined by subtracting from product values the sum of operating costs and margins for profit and risk. Costs and product values shall be those of an operator of average efficiency and related to the conditions of the local terrain and timber quality. All the pertinent factors affecting value shall be considered in determination of cost, product values and margins for profit and risk including prices paid in transactions, in valuations established for other purposes with public agencies, or by the courts, for comparable timber."

PROPOSAL NO. 3

Under this heading the association criticizes the adequacy of present appeal procedures, states that purchasers are subject to arbitrary decisions by administrators without rights of appeal outside the agency, and that lack of a prompt and impartial appeals procedure is becoming increasingly serious. Three specific procedural steps are proposed. Items 1 and 2, which deal with written decisions and reviews in writing, can be obtained under the present regulation A-10 (36 CFR 211.2). This provides an appeal procedure for aggrieved persons who, in transacting or wishing to transact certain kinds of business (including timber sales) with the Forest Service, feel that an administrative action or decision of a Forest Service officer was in error. The third item is a request for consideration beyond the second stage of written decision by an impartial board or to the courts with the right of hearing and examination of the evidence in an adversary proceeding.

Under regulation A-10, the appeal procedure to the Chief of the Forest Service, in grievances involving contractual relationships, provides for a public hearing conducted by a hearing examiner who is entirely independent of the Forest Service and provides that the testimony of witnesses be under oath or affirmation and subject to cross-examination. Decisions by the Chief are based exclusively on the hearing record, and if the decision is appealed to the Secretary, his decision will be based on the same record which was before the Chief and supplemental briefs. The regulation further provides that the Secretary, if he determines that the hearing record is incomplete or insufficient, will remand the case to the Chief with appropriate instructions for further action.

We know of no arrangement under which disputes over the administration of national forest property can be deferred to a board of arbitration for final adjudication. Such an arrangement would place final decisions on administration of national forest property in the hands of persons who have no statutory administrative responsibility. There is no statute authorizing appeals from final agency actions or decisions concerning the discretionary administration of national forests to the courts for judicial review. In addition to the administrative appeal procedure, persons adversely affected by Forest Service actions or decisions giving rise to justiciable controversies have recourse to the courts. Item 3 of the proposal advanced by the association is, therefore, unusual and, if accepted, would have wide repercussions on the administration of other uses of the national forests.

In summary, our position on proposal No. 3 is that there is no authority to set up provision for referral of disputes for final adjudication to an arbitration board or to the courts. On the other hand, we are quite anxious to have a prompt and effective appeals procedure in operation for national forest timber sales as well as for all other activities of the Forest Service. We shall be glad to work with the association as with other groups on consideration of specific problems or specific proposals for solutions of problems in connection with appeal procedures under the present regulation or any possible modification of that regulation which is in line with authorized practices of Federal administration.

PROPOSAL NO. 4

This is a request for a new timber sale contract form.

The last major revision of the national forest timber sale contract form was completed in 1954 after lengthy discussion with industry groups culminating in a full week's conference with representatives of the National Lumber Manufacturers Association and the American Pulpwood Association. There have been few changes since that time. The basic contract is essentially the same one which the industry reviewed 8 years ago.

We are entirely willing to review the present timber sale contract form with purchaser groups for the objective of clarifying or otherwise finding better solutions for the items which disturb the association.

Contract wording is a detailed matter which should be studied by experts representing both buyers and sellers of timber. We do not consider it advisable to set up a working committee composed exclusively of attorneys. We shall be glad to have representatives of the Forest Service and of the Department's Office of the General Counsel meet with representatives of the association who are concerned with both operating and legal considerations. This initial group could proceed to develop a plan for prosecuting this proposal.

If the association wishes, and the General Accounting Office is willing, we would be pleased to submit the contract form for its review. However, we regard the choice of terms and conditions in such contract to be for agency determination.

This analysis has been prepared with recognition of the difficult market conditions during the past 2 years. The changes in timber sale administration made to date, together with action proposed by this memorandum, constitute our attempts to take constructive action to the extent possible. This action will not close consideration of the problems of timber pricing and timber sale for we will continually search for improvement in this important segment of the national forest program.

EDWARD P. CLIFF.

HAWAII SURGEONS HELP SAMOA

Mr. LONG of Hawaii. Mr. President, one of the most urgent problems faced by our friends in American Samoa is to obtain the services of badly needed professional people in various fields of endeavor. Recently, members of the Hawaii Medical Association volunteered to help remedy the shortage of medical help in Samoa. Surgeon members of the Hawaii Medical Association have taken turns serving in Samoa until a permanent surgeon can be found to take a position there. The action of the Hawaii Medical Association and its members is in the best tradition of the medical profession. I am proud to call the attention of my colleagues to this generous action, which is an important step toward recognition of our longstanding responsibilities to the loyal and friendly people of American Samoa.

I ask unanimous consent that an article from the American Medical Association News of May 28, telling of the action of the members of the Hawaii Medical Association, be printed at this point in the RECORD.

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

Members of the Hawaii Medical Association were warmly praised by the Governor of American Samoa for their volunteer efforts to ease a critical physician shortage on the island.

In a letter to the American Medical Association, Gov. H. Rex Lee pointed out that for several months Samoa's Medical Services Department has been unable to recruit a surgeon.

MEDICAL SOCIETY HELPS

The Hawaii Medical Association, Governor Lee said, learned of the situation and arranged with some of its surgeon members to go to Samoa and provide "a very desperately needed service."

Through April, four Hawaii surgeons had served on the island for a month each. The first volunteer was Thomas H. Richert, M.D., who described the situation as "a real emergency."

Dr. Richert was followed to the island by M.D.'s C. V. Waite, Frederick B. Warshauer and Edward W. Boone.

SERVICE AND SKILL

"These men," Governor Lee wrote, "have given their skills without compensation and at a considerable financial loss to themselves.

"We feel," the Governor continued, "that in these times when the medical profession is frequently criticized for its material approach, such generosity and devotion to humanity should be made known to the lay public."

Arrangements have been made to continue sending volunteer surgeons to Samoa until a permanent surgeon is obtained. HMA also plans to send specialists in various areas of medicine to conduct clinics and seminars.

FREEDOM ACADEMY

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article by the distinguished journalist, Mr. Roscoe Drummond, entitled, "Freedom Academy Has Merit," which appeared in the New York Herald Tribune for Sunday, June 10. This article in somewhat abbreviated form also appeared in the Washington Post for Sunday, June 10. I ask unanimous consent to have printed in the body of the RECORD the Drummond article as it appeared in the Washington Post.

With respect to the Washington Post I might add with gratitude that the Freedom Academy seems to be making some progress, for an earlier column by Mr. Drummond, describing in detail the purposes of the Freedom Academy, was excised in toto by the Post.

This most recent article by Mr. Drummond deals with the negative views on the Freedom Academy bill—S. 822—which have just been communicated to the Senate Foreign Relations Committee by the Department of State. In his concise, yet always thorough, style, Mr. Drummond points out that the negative views of the Department of State reflect a fundamental misunderstanding of the purposes and objectives envisioned for the Freedom Academy.

Of all the agencies of Government none should be more interested than the Department of State in the upgrading and improvement of our total research and training efforts in the multiple and complex disciplines of nonmilitary conflict. This is the task proposed for the Freedom Academy in S. 822, a bill sponsored by 12 Members of this body whose basic philosophies span our two-party political spectrum. It is, indeed, unfortunate that the Department of State, which stands to be the prime beneficiary of the Freedom Academy bill's proposed program of research and training should resist the adoption of this legislation. Such negativism is especially discouraging at a time when our country so badly needs positive thinking in its Department of State.

I heartily concur with Mr. Drummond's expressed hope that Senator FULBRIGHT and Congressman WALTER will not be dissuaded from holding public hearings on the Freedom Academy bill by reason of State's adverse views which are premised on a serious misunderstanding of the proposal for action embodied in S. 822.

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

[From the New York Herald Tribune, June 10, 1962]

NEGATIVE GOOD NEWS

(By Roscoe Drummond)

WASHINGTON.—The bipartisan Senate sponsors of the Freedom Academy bill have received some bad news—and a little good news—from the State Department.

The bad news is that the State Department does not want Congress to pass the bill creating a Freedom Academy which would do independent research on methods of waging the cold war and would provide special training for people, inside and outside the Government, to conduct the nonmilitary side of the conflict more effectively.

Frederick G. Dutton, Assistant Secretary of State for Congressional Relations, in a 3-page, 1,200-word letter, suffocates the Freedom Academy idea with praise for its purposes and with a "no" in every paragraph, saying in effect: "Hands off, we're doing just fine."

On the other hand, the State Department, worried about the public support which the Freedom Academy is winning and apparently in an effort to blunt the case for it, announces that it is preparing to add a 5-week course in cold-war techniques to the regular curriculum of the Foreign Service Institute.

I call this negative good news.

It is good because by it the State Department admits the need for doing more to provide cold-war training.

It is negative because it shows that the Department is doing nothing adequate to provide this training. A 5-week course thrown together by an improvised faculty for a few Government officials is like sending the marines to Guadalcanal after preparing them for a game of ping-pong.

Thus the State Department concedes that what the Freedom Academy would do is needed and moves to meet that need inadequately—woefully inadequately.

Perhaps it is understandable that the State Department should resist the Freedom Academy proposal. Every arm of the Government is jealous over its traditional prerogatives. There is a built-in bureaucratic resistance to anything that might upset the status quo—or even appear to do so.

Assistant Secretary Dutton's letter shows that the State Department is extremely sensitive over its jurisdictional authority as the President's sole agent in foreign affairs. I think it is overly sensitive and that Mr. Dutton's rebuff to the sponsors of the Freedom Academy bill rests on a misreading and a misunderstanding of the project.

Fragments of the problem are being dealt with by research specialists today. The need is to draw together under one roof the most qualified experts to undertake coordinated and sustained research to provide, not a cursory course for a few weeks, but a complete, specialized, and thorough training.

The Freedom Academy would not be operational, would not undercut the State Department. The service academies—the Army, Navy, Air Force, and National War Colleges—all undertake continuous studies of military strategy. This research is available to the services; it produces new ideas and breaks new ground, but the service academies do not undercut the Pentagon nor take operational responsibility from the Chiefs of Staff.

The proposed Freedom Academy would not dilute nor impair the authority of the State Department any more than the Naval Academy dilutes or impairs the authority of the Navy. It would strengthen the State Department by nourishing the insight and the expertness of all in Government dealing with the cold war.

I should think that Senator WILLIAM FULBRIGHT, of Arkansas, and Representative FRANCIS WALTER, of Pennsylvania, the respective chairmen of the Senate and House committees to which the Freedom Academy bill has been assigned, would not accept the State Department's negative attitude.

[From the Washington Post, June 10, 1962]

EDUCATION FOR THE COLD WAR—FREEDOM ACADEMY HAS MERIT

(By Roscoe Drummond)

The bipartisan Senate sponsors of the Freedom Academy bill have received some bad news—and a little good news—from the State Department.

The bad news is that the State Department does not want Congress to pass the bill creating a Freedom Academy which would do independent research on methods of waging the cold war and would provide special training for people, inside and outside the Government, to conduct the nonmilitary side of the conflict more effectively.

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TRIBUTE TO GRADUATING CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICH.

Mr. HART. Mr. President, a trip to Washington has been a tradition for the graduating class of Glen Lake Community High School, not far from Traverse City, Mich.

This year, however, the class is not coming because 6 weeks ago one of its members was discovered to have cancer.

So, instead, 33 graduates decided to give their entire class fund—$700—to the stricken boy, 17-year-old Duane Richardson.

Mr. President, this school district is not a rich one. It is questionable whether many of these youngsters will be able to make the trip on their own in the near future. Yet I understand these youngsters made the decision almost spontaneously.

Graduating classes come to Washington because it is an excellent place to grasp firsthand a little of our history and to learn something about the spirit of sacrifice that has made this Nation a great one.

So perhaps by giving up their trip, these youngsters at Glen Lake Community High School have proven that they have already learned the greatest lesson, that of charity. We are very proud of them and I take this means of telling the people of the country about them.

LOCAL RESIDENTS OPPOSE NEW DAM IN KANSAS

Mr. PROXMIRE. Mr. President, last week I appeared before the Senate Appropriations Committee to outline in detail why it would be a serious mistake to go ahead with the proposed Glen Elder dam and irrigation project in Kansas.

In my statement I made three main points:

First. The Glen Elder project has not been properly authorized. Neither the Interior nor Public Works Committees, in the House of Representatives or the Senate, has ever considered this project in detail. The only previous congressional reference to it was a single line in the 1944 omnibus Pick-Sloan authorization, where it is listed along with 325 other projects. Since that date the project has been altered substantially. In the intervening 18 years the economic context in which a project evaluation must be made has also changed completely.

Second. Irrigation provided by the Glen Elder project will lead to a substantial increase in feed grain surpluses. The official description of the project indicates that 13,000 of the newly irrigated acres will be used to grow grain sorghums, with a crop value at current prices of over $1 million per year. I consider it incomprehensible that we should provide funds to increase grain sorghum production at the same time Congress is trying to deal with a feed grain surplus amounting to $3.3 billion, including over 700 million bushels of sorghums.

Third. The economic justification for the Glen Elder project is dubious, which further emphasizes the need for full congressional review and authorization. Its overall benefit-cost ratio is barely above one. Modifications in criteria suggested by the President's Water Resources Council could lower the ratio to less than one. Its financial feasibility is also doubtful. Some $4 million of the $17 million cost of the irrigation features will be repaid by the users over a 50-year period. The other $13 million will not be repaid until about the year 2060, when revenues from the power sales of the Missouri River basin will become available. Even though the initial costs will eventually be paid in this way, the general taxpayer will bear the substantial imputed interest cost, an estimated $50 million, as well as the cost of acquiring the surplus grain sorghums.

I have now received a number of letters from citizens of Kansas who live in the area immediately surrounding the Glen Elder project. These are people who have firsthand knowledge of the alleged benefits attributed to the project.

It is very interesting to note that they strongly oppose it. Their letters included press clippings from the Beloit, Kans., Daily Call and other Kansas papers which further document the local opposition. One item in the paper indicates that the opposition goes back some 10 years, since in 1952 nearly 100 farmers living in the area appeared to protest against the project.

I ask unanimous consent that certain letters from Kansas residents with names deleted be printed in the RECORD at this point, along with the attached newspaper clippings.

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

JUNE 8, 1962.

DEAR SIR: I'm surely glad somebody had nerve enough to speak out against this dam. I live about 30 miles down the river from Glen Elder. We get all the rainfall we need maybe not at the right time nor the right amount at once—if we had irrigation you take the water in your turn maybe we get a big rain what then? Our valley is too narrow—it would take years of leveling by the time farmers were ready to irrigate they would have lost the land in expense. The floods are a matter of cause and effect. They grade up the roads and highways so what? Lets make smaller dams and keep more water where it falls. If this water should cover up Waconda Springs I say it would be a crime against nature. Power to you.

Yours truly,

——— ———.

WISCONSIN SENATOR FIGHTS KANSAS DAM

WASHINGTON, June 7.—Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, came out today against the proposed Glen Elder Dam and irrigation project in Kansas, saying it would add millions of dollars to the cost of farm surpluses.

In a statement prepared for a Senate Appropriations Subcommittee, PROXMIRE criticized the Kennedy administration for backing the project as the one major new start in the water projects for the year beginning July 1.

"The right hand doesn't know what the left hand is doing when a reclamation project is proposed that will bring thousands of acres of land into new production of feed grains, just a few days after enactment of a farm bill sharply limiting farm production of feed grains.

"The only substantial new start in the President's budget for reclamation projects in fiscal 1963 is the Glen Elder Dam. Yet one of the main benefits expected from this project is irrigation for 13,000 acres of land to produce grain sorghums, an important feed grain.

"Just 2 weeks ago the Senate passed the administration farm bill putting tight controls on the Nation's feed grains and specifically on grain sorghums. Right now the U.S. Government has a surplus of more than $3.3 billion worth of feed grains.

"The Glen Elder project would provide water for 60 new farms which would grow 13,000 new acres of grain sorghums with an annual crop value of more than $1 million.

"As a national policy on resource development, this is straight out of 'Alice in Wonderland.'

"The spectacle of using scarce tax dollars to misuse scarce water to grow feed grains at the same time the Federal Government is spending more dollars to buy surplus feed grains is utterly beyond comprehension."

JUNE 8, 1962.

DEAR SENATOR: Being a part of the majority of this area opposed to the construction of the proposed Glen Elder Dam, my husband and I were delighted to see by last night's Salina Journal that you are also opposed to it. It does not make sense to spend over $59 million for a reservoir, which, because of its location, will not provide the expected flood control, and there will be no irrigation district.

There will be no irrigation district because over 48,000 acres of land along the river below the damsite in Mitchell, Cloud, and Ottawa Counties have been petitioned out of any irrigation district that might be proposed.

Although the Bureau of Reclamation claimed at first that there would be a district of 21,000 acres, which they have now cut to 13,000, the Bureau knows that even these few acres will be impossible to find for a district. Thus, they are asking for the project under an entirely false premise.

Maps showing the blacked-out areas of farms petitioned out, plus copies of the original petitions and witnessed signatures, are on file in Floyd Dominey's office in Washington, D.C. He and the Bureau know that Kansas law requires 50 percent of the landowners to petition the State for an irrigation district. The maps show that there is not enough land not blacked out to create a district. The maps have also been submitted to the Senate Appropriations Committee, of which you, I believe, are a member, by Joseph E. Franzmathes, Washington, D.C., who represents the big majority of the area opposed to the entire project.

The proposed dam would back water to a point west of Downs, in Osborne County. Osborne County is a part of the irrigation district below the Webster Dam, which shows how close the Glen Elder Dam is to the Webster as well as the Kirwin, both on this one small Solomon River. State figures show that the Solomon drains one-eighth of the State, but puts only one-twelfth of the water into or carried by the Kaw, or Kansas River, during floodtimes. That is the figure before the Webster Dam, so it would be even smaller now. The big feeder creeks of the river are below that Glen Elder site, so the dam would offer very little flood control.

As to recreation spots, this area is surrounded by the Lovewell, Kanopolis, Webster, and Kirwin Dams and Reservoirs plus parks, so that to say it is needed for that purpose is as smart as to irrigate to produce more.

This area has been fighting this dam for 25 years. The enclosed newspaper clipping shows an item reprinted from a 1952 paper, when a Congressional Basin Survey Commission met at Hays, Kans. Congressman Clifford Hope, chairman of the group, later made an investigative tour through the valley and proposed site. His report stated that he found the dam neither needed nor wanted. That should have killed it once and for all, but the Bureau hates to give up. It keeps trying to get it approved, and each time makes it a bigger project, until it is now one of the biggest lakes in the State that they want.

Since the project will do none of the things for which it is proposed, and since the majority oppose it in a three-county area, why waste money investigating, surveying, and planning it? It is no wonder that we can't balance the budget when we have such senseless spending of tax dollars.

Sorry that I have written at such length, but I hope you will continue to oppose the project. Perhaps this letter will help substantiate the statements of Mr. Franzmathes, who grew up here and has land along the river in what the Bureau says would be the irrigation district. He knows the facts and the sentiment here.

Thank you for anything you can do to kill the entire project.

Sincerely,

_____ _____.

FROM OLD GAZETTE FILES—JUNE 12, 1952

Nearly 100 Mitchell County farmers living below the proposed Glen Elder Dam as well as several businessmen appeared before the Basis Survey Commission at Hays on Friday to protest this proposed project by the Bureau of Reclamation. Stewart Barker acted as spokesman for the delegation.

JUNE 8, 1962.

DEAR SIR: We are indeed very, very grateful for your protest against the Glen Elder, Kansas Dam.

In 1952 a group of some 100 farmers and businessmen appeared before the mission's Basis Survey Commission and defeated the issue. It was proven that it was not wanted nor necessary with two other dams Kerwin and Webster being built to enlarged capacities.

Unfortunately in 1956 a restaurant owner who moved into Beloit and two others reactivated the issue and for 2 years it was promoted up and down the Beloit streets by motor boat owners, etc. Lovewell Dam in Jewell County is only some 35 miles distant over good roads.

The April 10 meeting brought out the fact that those of us in the proposed irrigation district would be faced with $1,000 per acre costs. The feed grain payment last year on my husband's farm was $18 to $15.20 per acre. How many years would it take to pay for 1 acre. Furthermore this feed grain land has to be worked twice or three times a year to keep the land free of weeds—and this alone costs some $10 per acre, labor, gasoline, tractor, etc.

To protect ourselves we landowners now have approximately 380 landowners owning some 49,000 acres petitioned out of any irrigation district ever being formed in the Glen Elder district. This constitutes 90 percent of the entire district. Copies of these petitions were sent to Floyd Downing, Commissioner, Bureau of Records, on August 8, 1960. Mr. Joe Franzmathes who attended the April 10 meeting, also appeared before us at the House Appropriations Committee meeting and the Senate Appropriations Committee with our petition of protest and the blocked out maps.

Furthermore, a group of 30 landowners took our maps and petitions of protest to Topeka before Gov. John Anderson and Mr. Robert Smith, secretary of the Water Resources Board on November 1, 1961.

We simply cannot afford $1,000 per acre, nor does it make sense to take 14,000 acres of the best bottomland in Kansas out of production and the perimeter area, excess roads, etc., will be for more.

This part of Kansas is a wheat-producing area. Preferably to feed grain crops. Last year in the Bostwick District in Jewell County just north of us the farmers were delayed in getting their corn and milo planted, because of excessive rains, this made the crops late in maturing and some one-third of the crops were never harvested because early snow and rains put the feed down. Yet their repayment costs, fertilizer costs, higher taxes went right on. You can bet on it.

Your quote "This is straight out of Alice in Wonderland" also being beyond comprehension.

Believe me, Senator PROXMIRE, you can't imagine how right you really are.

If Senators and Representatives in Washington saw Chet Huntley's T.V. broadcast on "The Land" they should wake up to what is really happening to Kansas. He picked out Westmoreland, Kans., as a rundown, one horse town. Why didn't he tell the Nation that one reason was because the Department of Interior had taken out some 26,000 acres for Juttle Creek Reservoir and prorated the taxes on the remaining land. Now they want to take out some 57,000 acres of land out of the same county for that fool Prairie National Park. And for those who lamented loud and long over Udall reception, I want to tell you for sure, the story of Alice in Wonderland would be a dream in comparison. Pottawatomie County stands to lose some more land from the Verdigris Reservoir, yet these taxes go higher and higher.

When the Russian hordes take over the U.S. Senate, they won't want Kansas; there's going to be nothing left but dams, reservoirs, parks, etc., and whenever the Corps of Engineers and Bureau of Reclamation can go ahead making plans for dams three times the cost, three times the size, etc., and twist the President and Congress around their little finger, there is not much left of our democratic form of Government, and a government of the people, by the people and for the people has most certainly perished from this earth.

We ask you to continue your fight against any and all funds ever being spent to further this project. Thank you,

Respectfully,

_____ _____

JUNE 7, 1962.

DEAR SENATOR: I wish to congratulate you on your stand on the proposed Glen Elder Dam in Kansas, as this is something that we do not need, and a waste of the taxpayer's money, keep up the good work. From one that lives in this territory and knows the situation.

Sincerely,

_____ _____.

AIR VIEWS ON GLEN ELDER DAM

WASHINGTON.—Spokesmen from Kansas gave conflicting testimony to a congressional committee Thursday for and against the Glen Elder Dam and Reservoir project in Kansas.

Floyd Funston of Solomon and Paul Mears of Beloit said it is vital to their area's economic survival and urged a $750,000 appropriation so construction can start in the year beginning July 1.

Joe E. Franzmathes, appearing for the Solomon Valley Citizens Association, said 90 percent of the farmers owning land in the proposed irrigation district don't want the project.

Franzmathes, a native of Beloit, is an attorney in the U.S. State Department in Washington. His wife is the former Elizabeth Lutz of Beloit.

He said there is a good chance the reservoir water will be salty and no good for irrigation. Besides, he said, irrigation is not necessary to make the land produce profitably.

He also expressed a doubt the proposed dam would provide any appreciable flood protection for the Kansas River Valley or Kansas City.

"The solution of the flood problem in that area," he said, "is to build many small dams on draws, washes, and small tributaries, create ponds on farms and terrace the land.

"If the city of Beloit needs an additional water reservoir, a $59 million dam, flooding 14,000 acres of good bottomland, seems to be a pretty expensive water supply system for a town of about 3,500 population."

Funston and Mears, appearing for the Solomon Valley Flood Control and Water Conservation Association, told the committee:

"The Glen Elder Dam, a key flood control structure of the Kansas River basin, will provide a high degree of protection to the lower Solomon River Valley; and, when operated in conjunction with other basin reservoirs will effectively aid control of flooding on the lower Smoky Hill and Kansas Rivers."

Funston and Mears contended the project will pay for itself in 100 years. They said its other benefits will include storage water for irrigation and other purposes, a municipal water supply for Beloit and other communities, pollution abatement, wildlife conservation and recreation facilities.

J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. JAVITS. Mr. President, J. Edgar Hoover, its Director, has dedicated his career of 45 years to building up in the FBI of the Department of Justice, one of the world's most efficient organizations to combat crime and subversion. Every citizen of the United States is in some way indebted to him for the safety of our Nation. Mr. Hoover's profound understanding of the purpose and enforcement of law has unfailingly afforded each individual dignity in defense of his actions and has maintained an orderly functioning of due process of law.

The Business and Professional Women's Clubs of New York State, Inc., has taken the initiative at its convention, May 24 to 27, to accord proper recognition to Director J. Edgar Hoover for his untiring efforts on behalf of freedom and justice by adopting a resolution praising his contribution to our Nation. I ask unanimous consent that this resolution be printed in the RECORD as a part of my remarks.

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

RESOLUTION BY BUSINESS AND PROFESSIONAL WOMEN'S CLUBS OF NEW YORK STATE, INC.

Whereas J. Edgar Hoover has dedicated his entire life to fighting the criminal and the subversive, and under whose leadership the FBI has become a highly respected American institution standing for the highest principles of justice, freedom, and fairplay; and

Whereas J. Edgar Hoover has contributed to a public understanding of the menace of communism through his speeches, articles, and especially in his book, "Masters of Deceit"; and has long advocated that communism can and must be met through reliance on law and our democratic institutions and has abhorred vigilante methods, witch hunts, and mass hysteria; and

Whereas J. Edgar Hoover will have completed 45 years of service in the U.S. Department of Justice on July 26, 1962, including the duties of Director of the FBI for the past 38 years: Therefore be it

Resolved, That the Business and Professional Women's Clubs of New York, May 24 to 27, 1961, commend J. Edgar Hoover and the FBI for their unparalleled contribution to the welfare and safety of the American people; and be it further

Resolved, That this convention convey to J. Edgar Hoover and the FBI its gratitude and continued support; and be it further

Resolved, That this resolution be submitted to the National Federation of Business and Professional Women's Clubs, Inc., seeking similar commendation; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, to Mr. J. Edgar Hoover, to the Attorney General and to the Senators and Congressmen from New York State.

ARMY NATIONAL GUARD, AIR NATIONAL GUARD, AND AIR RESERVE CALLUPS

Mr. GOLDWATER. Mr. President, the Secretary of Defense has indicated a desire to drastically cut the Reserve and National Guard Forces under their present organizational numbers.

Mr. President, no nation, regardless of its wealth, can afford to maintain in times of peace a full-time army or a full-time air force or navy. This is prohibited not only from a dollar standpoint but also the drain on industry personnel, and the labor force could not tolerate it. Historically, then, we and other nations have had to depend on what we call the citizen forces or the weekend soldiers, the Reserves, and the National Guard. Other nations in the past have provided better trained units than we possessed, but I believe the callup in the Berlin crisis of last fall adequately indicated that the level of proficiency of our Reserve and National Guard Forces has made tremendous progress since the days of World War II. Probably the biggest factor bringing about this change came with the passage of the Universal Military Training and Service Act of 1951 which established reserve obligations for persons entering the Active Forces after they had finished their term of active service. The Reserve Forces Act of 1955 and steps taken under that legislation also added to the effectiveness of these forces. The burden taken off unit commanders by having basic training done under the 6-month program enabled those commanders to stress more effectively unit training which, until the end of World War II, was one of the great weaknesses of the Guard and the Reserve.

That the successful callup of Reserve Forces of the Guard, both ground and air, and of the Navy has had a distinct impact upon the thinking of the leadership of Russia there can be no doubt. One of the most firmly held beliefs in the minds of Russian military people has historically been that the United States has no Reserve Forces in being which could be brought into a military situation quickly and with effectiveness. The ability of the President to call upon Reserve Forces to augment the regular forces and to have those Reserve Forces act so efficiently and so quickly makes it very plain to Mr. Khrushchev and to other leaders of the Communist movement that our citizen soldiers, sailors, and airmen are ready not in 6 months but overnight to assume their place in line alongside of the Regulars. This allows the President, as Commander in Chief, and his commanders in the military forces to exercise more flexibility than they have ever been able to exercise before because regular units in the field can be moved to wherever they are needed and the gaps created are filled immediately by Reserve and Guard Forces.

In view of the greater efficiency and strength of the Reserve Forces, it is impossible to understand the desire of the Department of Defense to cut down their numbers. Contrary to this, I would suggest a greater expenditure for our Reserve and Guard Forces in the form of modernized and adequate equipment and the encouragement of young men to enter these forces.

Mr. President, those of us who have devoted a large part of our lives to Reserve activities feel that we are finally achieving the peak of perfection in training that we have striven for all of these years, and to not have the wholehearted support of the Department of Defense in this important part of our forces buildup is unthinkable. So that my colleagues might be better equipped with an understanding of what took place under the callup of the Reserves, I have had prepared a summary of Air National Guard and Air Reserve mobilizations and a summary of Air National Guard, Army, mobilizations in the 20th century, which I ask unanimous consent be printed at this point in my remarks.

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

A SUMMARY OF AIR NATIONAL GUARD MOBILIZATIONS IN THE 20TH CENTURY

The Air National Guard had its origin before the Wright brothers were able to convince the U.S. Army that the airplane had military possibilities. The first State unit, designated 1st Company, Signal Corps, National Guard of New York, was established April 30, 1908, at the armory at Park Avenue and 34th Street in New York City. Although the U.S. Army had established the Aeronautical Division in the Office of the Chief Signal Officer less than a year previously, the Wright brothers did not successfully

demonstrate their flying machine for the Army until November 1908.

The 1st Company began its actual flying in 1911 when its first official pilot, Beckwith Havens, joined the company and the unit received its first effective aircraft. In the year before, the company's homemade airplane failed to leave the ground at maneuvers. When Havens operated the new airplane at the joint Army-National Guard maneuvers in 1912, the aircraft inventory of the U.S. Army only included two airplanes.

Another National Guard aviation unit, an aeronautical detachment in the 7th Coast Artillery Co. of the California National Guard, was organized in February 1911. Its first member, Eugene Burton Ely, had just the month before made a singular contribution to naval aviation when he first proved the feasibility of landing aircraft on warships. The Missouri National Guard organized a third aviation unit—a Signal Corps air section—in March 1911, and its members were taught flight and ballooning.

WORLD WAR I

The first federally recognized aviation unit in the National Guard, and the only one prior to World War I, was the 1st Aero Company, New York National Guard. This unit was organized on November 1, 1915, under the command of Capt. Raynall C. Bolling. The company was mustered into Federal service July 13, 1916, for the Mexican border disturbances, remaining on active duty for 4 months. Training at the Signal Corps Aviation Station at Mineola, N.Y., the unit employed four military biplanes purchased through private contributions, and a training plane donated by the Wright Co. In November 1916, seven JN4's of the 1st Aero Company, under the command of Captain Bolling, made the first National Guard cross-country flight from Mineola to Princeton, N.J., and return.

During World War I, the War Department decided that no National Guard aviation units would be used in the war. However, most of the guard's aviation personnel saw service in the conflict. The then Major Bolling was killed in World War I as he fought off German captors. Bolling and Miller Air Force Bases are named for Bolling and J. E. Miller, another officer of the 1st Aero Company.

WORLD WAR II

During the 1920–21 reorganization of the National Guard, aviation units were solidly placed in the organization. In 1920, the War Department announced its plans to include "aero units" in the postwar organization of National Guard divisions. At this time the first regulations governing the organization of the observation squadron, the balloon company, and the photo section in the National Guard were issued. The troop basis authorized 19 observation squadrons, and to these were added 10 more shortly before World War II.

The National Guard, which was ordered into Federal service beginning in September 1940, furnished 29 observation squadrons, including 800 officers and 4,000 enlisted men. These guardsmen were in a high state of readiness, and according to the 1941 Annual Report of the Chief, National Guard Bureau, "enjoyed an experience level which was a great deal higher than the average throughout the air service." Because of the state of their training, the Army Air Forces was able to use them to a great extent in providing command echelons and integral units in its observation groups in the air support commands created on September 1, 1941. Most of the new observation groups were composed in greater part of former National Guard squadrons.

KOREA

In October 1945, the Secretary of War approved policies relating to the postwar organization of the National Guard which included provision for air units in the several States. The Air National Guard as known today began when the 120th Fighter Squadron of Colorado became the first National Guard unit to gain Federal recognition after World War II. The date was June 30, 1946. The official use of the name Air National Guard dates from the adoption of the National Security Act (Public Law 253, 80th Cong.) on July 26, 1947.

The last of the 514 units alloted to the Air National Guard in 1946 was federally recognized in May 1949.

In October 1950, the first Air National Guard units to be ordered into active Federal service during the Korean war reported to their stations. In less than a year, more than three-fourths of the Air National Guard was on active duty with the U.S. Air Force in Korea, Europe, and in the continental United States. The Air National Guard contributed 22 of its 27 wings and a total of 45,000 officers and airmen. Before the end of the Korean war, 66 of the Air Guard's tactical squadrons were in Federal service and 4 of its pilots had become jet aces. Air Guardsmen were awarded more than 1,300 citations, medals, and honors.

BERLIN MOBILIZATION

Today the Air National Guard is at the highest degree of readiness in history with a strength of more than 70,000 officers and airmen, including those on active duty, and with all its squadrons equipped with firstline aircraft. The tactical squadrons completed the changeover to jets in fiscal year 1959. The Air Guard began allotting Century-series aircraft to its squadrons in 1958, and these aircraft—F-100's, F-102's, and F-104's—now make up approximately 18 percent of the total Air Guard aircraft inventory.

On October 1, 1961, as part of the military buildup occasioned by the heightening of international tension at that time, a partial mobilization of the Air National Guard was effected. Over 21,000 Air Guardsmen were called to active duty for a period not to exceed 1 year. In October and early November, 8 of the fighter squadrons involved in this callup, comprising more than 200 aircraft, flew to various bases in Europe, in a single accident-free deployment. Additional units, including three F-104 flying squadrons, were mobilized on November 1, 1961. Within the month, these 3 flying squadrons and their 60 aircraft were airlifted to Europe.

The Air National Guard contributed a total of nine wings, plus the three F-104 squadrons, to the buildup. Of these, six were tactical fighter wings, the F-86H Sabrejet, the F-84F Thunderstreak, and the F-100 Supersabre. One is a tactical reconnaissance wing, using the RF-84F Thunderflash, and two are long-range air transport wings, flying the F-97 Stratofreighter.

Praise for the successful deployment, the resultant buildup in Europe, and for the wings and squadrons on active duty at their home stations had come from all over. Gen. Curtis LeMay, Air Force Chief of Staff, summed it up when he said: "Never before has the U.S. Air Force depended so heavily on the ability of the Air National Guard and Air Force Reserve to respond so quickly and effectively. Never before have the Air Reserve Forces met a challenge with such speed and efficiency."

The fighter squadrons integrated into the regular Air Force with no problem and were flying regular patrols within days after landing. The air transport squadrons have worked side by side with Air Force MATS squadrons in exercises and transport missions all over the world. The aircraft control and warning squadrons called up are performing regular Air Force missions proficiently both in the United States and in Europe.

Before World War II, the Army Air Corps Reserve had 2,500 pilot officers; some 1,500 were qualified for flying. There were no administrative or specialist-rated officers; no enlisted men.

Of these, some 800 were on active duty in 1939. Only 700 were left for call. Soon after Pearl Harbor, nearly all were in service. An Air Corps Enlisted Reserve was recruited during the war as a holding group with some training through Civil Air Patrol. The National Guard had an aerial observation squadron in each of 28 States and the District of Columbia, with a total personnel of 4,800. All these units were called.

Compared with an active force of only 1,600 officers and 18,000 enlisted men in 1939, the small Reserve and Guard were a big augmentation. But in the growth to a wartime peak of 376,000 officers and nearly 2 million enlisted, the air war was fought largely by men of no prior experience.

During the Korean war, 158,870 reservists and guardsmen were called up and assigned to the Air Force. This included 22 wings, or about 80 percent of the Air National Guard, totaling 45,594 men. Of these, 19 were fighter wings, 2 light bombardment, and 1 TAC reconnaissance. Twenty-nine were Air Force Reserve wings.

BACKGROUND: 1961 USAF RESERVE MOBILIZATIONS

July 25, 1961: President Kennedy announced Government's plan to augment military forces in face of the Berlin problem.

August 1, 1961: The Governors of all States in which the Air Force intended to mobilize Reserve Forces and the commander of Continental Air Command were notified of the tentative selection of individual units for possible recall.

August 11, 1961: The U.S. commanders in European and Atlantic areas, and each service Chief, were notified of Air Force plans to deploy large tactical forces to Europe.

August 21, 1961: Secretary of the Air Force called special meeting of Air Reserve Forces policy committee to confer on personnel policies for buildup.

August 25, 1961: Individual Air National Guard and Air Force Reserve units chosen for active duty were notified and given October 1, 1961, as their active duty date. All units selected were on the original priority list furnished to State Governors, and Continental Air Command, on August 1. The units were also informed where they were to be based and to which major air command (TAC or MATS) they would be attached for mission assignment.

The Air Force Deputy Chief of Staff for Systems and Logistics established new supply priorities for the units to be called up and placed hundreds of supply orders for the units being activated (spare engines, external fuel tanks, clothing, ammunition, etc.).

The Air Force Director of Civil Engineering was given authority to accomplish all necessary construction in Europe to support the tactical units scheduled for deployment there.

September 1961: Tactical Air Command, Military Air Transport Service, and the U.S. Air Forces in Europe prepared for assimilation of jet tactical fighter squadrons, troop carrier squadrons, air transport squadrons, and aircraft control and warning units which would be assigned to the three commands.

Flying units intensified training and were authorized to achieve 100-percent manning by October 1 and to draw supplies necessary for extended active duty.

U.S. and European bases scheduled to receive the recalled units were readied.

October 1, 1961: Air National Guard fighter, transport, and aircraft control and warning squadrons, and Air Force Reserve troop

carrier squadrons entered active duty at their regular home bases.

October 9, 1961: Three F–104 fighter interceptor squadrons were alerted for recall on November 1.

During the remainder of the month, units which were to remain in the United States continued training toward full assumption of their missions with Tactical Air Command and Military Air Transport Service.

The Air National Guard units scheduled for deployment to Europe on November 1, 1961, began training for the oversea trip and completed their equipment shakedowns.

Late in October, advance echelons of ground crews departed the United States for Europe to take over ground facilities at the bases to be occupied.

October 25–26, 1961: Flying units moved deployment jet fighter and reconnaissance aircraft to staging bases for oversea flights.

November 1, 1961: The three F–104 squadrons entered active duty, were reorganized as tactical fighter squadrons, and began disassembling their Starfighters for airlift across the Atlantic.

Oversea deployment flights of F–84F, RF–84F, and F–86H aircraft began from U.S. staging bases.

November 2–10, 1961: Some 200 jet fighters arrived at their European deployment bases after cross-Atlantic flights. Squadrons and flights of aircraft control and warning personnel arrived at deployment destinations in Germany.

November 10–22, 1961: Another 60-odd F–104A's, partially disassembled, arrived by C–124 Globemaster at Ramstein, Germany, and Moron, Spain, air bases.

Not a single accident occurred during the mass movement overseas.

Late November 1961: Several tactical fighter units achieved sufficient combat readiness to begin standing runway alert with the permanent U.S. Air Forces in Europe.

Mid-December 1961: Two weeks ahead of planned deadline for completion of the deployment, the Air Reserve Forces sent to Europe were in place on their assigned bases and were ready and prepared to fight if needed.

January 1, 1962: Air transport and troop carrier wings, which had been recalled while in transit to assigned aircraft, attained operational readiness and were incorporated into MATS and TAC system.

Additional notes

Total Air Reserve Forces deployed in Europe in November 1961 were 10 tactical fighter squadrons, 1 tactical reconnaissance squadron, and 1 tactical control group (Aircraft Control and Warning).

Total personnel deployed 11,000.

The more than 250 jet aircraft deployed to Europe departed the United States and were in position overseas less than 6 weeks after they were called to active duty. The deployment time compares with almost 3 months required during the Korean war before the first unit called up reached Korea.

The total number of Air Force reservists recalled exceeded 27,000.

In addition to units mobilized for 1 year, 10 Air Force Reserve SA–16 rescue crews went on 60 days active duty in the Atlantic area to cover the deployment.

Of the 27,000 air reservists called up, 24,000 were volunteer members of the units, were in drill-pay status and had been conditioned to possible recall.

Filler reservists were provided for the remaining 12 percent of the authorized spaces.

Of 2,666 individuals called as fillers, 1,274 or 48 percent were volunteers; 1,030 or 39 percent were non-prior-service personnel; 362 or 13 percent were personnel who had completed a period of active duty, had Ready Reserve obligated time and had military specialties not otherwise available.

Examples: C–124 and C–97 flight engineers; qualified engine and aircraft mechanics; communications specialists; aeromedical technicians.

Of the 27,000 air reservists called, more than 95 percent had been in drill-pay status, volunteered, or were non-prior-service, draft-deferred personnel.

The Reserve mobilization was the first time since 1940 that the United States called Reserve Forces to active duty when the country was not at war.

On November 9, 1961, Gen. Curtis E. LeMay, Air Force Chief of Staff, sent the following message to the Reserve units deployed to Europe:

"The movement of the newly federalized Air National Guard units to Europe was executed in an orderly, efficient, and professional way. This required the utmost in leadership, planning, and cooperation on the part of all units and personnel involved. All obstacles were overcome by ingenuity and determination in spite of the extremely short preparation time available. The end result of the safe and expeditious arrival of the fighters would be a source of great pride to all who had a part in the operation."

In late December in a letter to the families of the recalled reservists, General LeMay stated:

"Never before has the U.S. Air Force depended so heavily upon the ability of the Air National Guard and Air Force Reserve to respond so quickly and effectively. Never before have the Air Reserve Forces met a challenge with such speed and efficiency."

The Air Reserve Forces units recalled to active duty represent only a small portion of our total Reserve Forces strength. This is best illustrated by the fact that 61 flying squadrons and 100 Guard support units comprising 50,000 personnel remain available in the Air National Guard. In the Air Force Reserve remain 45 flying squadrons, 348 nonflying support units, and individuals comprising another 60,000 skilled and ready personnel.

The Air Force considers the Air Force Reserve and the Air National Guard to be useful and valuable parts of our overall aerospace power and will continue to take advantage of their inherent potential. The Air Force not only intends to support these components but also hopes to find new methods and new missions to make them even more useful.

Basically, the Air Force considers that its Ready Reserve constitutes an integral part of the total aerospace strength—and as such must be maintained as a force—in being.

A SUMMARY OF ARMY NATIONAL GUARD MOBILIZATIONS IN THE 20TH CENTURY

On October 1, 1961, the Army and Air National Guard began the most successful mobilization in U.S. history. There were many factors contributing to this success. Some of them can be traced directly to legislation of the past 10 years. Others, however, are the result of gradual and painstaking evolution; of profiting from the mistakes of previous mobilizations.

By and large, the three major factors contributing to last October's mobilization were (a) the 6-month training program, (b) the preservation of unit integrity, (c) reorganization of the Guard before the crisis occurred.

The significance of these factors becomes clearer when viewed against the background of previous mobilizations.

WORLD WAR I

Under the National Defense Act of June 3, 1916, the organized militia was officially reestablished as the National Guard, and the organization was made to conform to that of the Regular Army.

The Guard began to reorganize in 1916, but because of low manning permitted by the Regular Army and the call to active service for duty on the Mexican border, the process moved slowly. One of the questions experts on the Guard have asked is why the period during which the Guard was on the Mexican border was not utilized to organize the Army, including the National Guard, into divisions at least, and armies and corps, if possible, and comparable to those in effect in the European armies at that time.

Because this was not done, the Guard had to be reorganized after it was called to active duty for the First World War, resulting in much confusion and in the making up of composite divisions which broke up unit integrity and slowed down training.

In addition, the War Department practically destroyed the Guard when it ordered the discharge of every officer and enlisted man from every State obligation on the same day it drafted the individual members of the Guard into Federal service.

During the First World War the National Guard furnished more than 380,000 men and two-fifths of the divisions in the American Expeditionary Force. Eleven divisions were in actual combat and were credited with piercing the Hindenburg Line, crushing the St. Mihiel salient, smashing to victory through the Meuse-Argonne, and spent more days in actual combat than did either the Regular or National Army divisions. The performance of these National Guard organizations, according to records of the German Supreme Command which were released after World War I by Maj. Gerd von Rundstedt (Field Marshal von Rundstedt of World War II), was exceptionally high: Of the eight American divisions considered excellent or superior by the German High Command six were National Guard divisions. These were the 26th, 28th, 32d, 33d, and 42d Divisions.

World War I fatalities in the Regular Army and National Army totaled 28,501. For the National Guard, fatalities numbered 1,238.

WORLD WAR II

Following World War I, the National Guard became once again the National Guard of the several States. The divisional organization, established during the war, was retained.

Under the act of June 15, 1933, a new component of the Army was created, termed the National Guard of the United States. This new component, while identical in personnel and organization to the National Guard of the several States, was nevertheless a separate entity. It was a component of the Army in peace as well as in war, while the National Guard of the several States was a component of the Army only when in the active military service of the United States.

But the National Guard of the United States still could be ordered into active Federal service only by the President after Congress had declared an emergency to exist. Thus, when the National Guard of the United States was active in the Federal service—the National Guard of the several States was inactive and vice versa.

World War I

Division	Date mobilized	Date overseas
26th	August 1917	October 1917.
27th	July 1917	May 1918.
28th	do	Do.
29th	August 1917	June 1918.
30th	do	May 1918.
31st	do	October 1918.
32d	do	February 1918.
33d	do	May 1918.
34th	do	September 1918.
35th	do	May 1918.
36th	do	July 1918.
37th	August–October 1917.	June 1918.
38th	August 1917	October 1918.
39th	do	August 1918.
40th	do	Do.
41st	September 1917	December 1917.
42d	do	November 1917.

For the first 4 years after World War I, the National Guard reorganized in the States at the rate of about 40,000 men a year. Then came an economy era. The Guard was not allowed to attain its target strength of 435,000, but was held down and stabilized at about 185,000 for the next 15 years. Then, under the impetus of Hitler's threat to world peace, the ceiling was raised. New units were created and enlistments increased.

By joint resolution of Congress, approved August 27, 1940, the National Guard was ordered into active military service of the United States for 12 consecutive months. Induction began September 16, 1940, and was completed October 6, 1941. The National Guard brought into Federal service a total of 300,034 men in formed and trained units, comprising 18 combat divisions and 100,000 in other, separate units.

But, while the Regular Army was undergoing organizational changes to the three-regiment triangular division during this time, the Guard was not reorganized until later. The so-called American defense period of 1940–41 was permitted to pass without converting the unwieldy, immobile, and difficult-to-supply square divisions of the Guard to triangular divisions, as had been done in the Regular Army. In October 1940 the Guard division commanders urged such a course, but it was determined by the War Department that henceforth the Army Corps would consist of two square divisions, one triangular division, and such armor as might be attached. Yet, almost coincidental with Pearl Harbor, nine Guard divisions were ordered converted, and later the remainder. In one instance, the conversion took place while one division was en route overseas, and the confusion and adverse effect on morale and esprit may well be imagined.

In addition, contrary to a congressional statement of policy in the Selective Training and Service Act of 1940, hundreds of National Guard units, many of them with a long historical tradition, were broken up during the period of World War II. No explanation has ever been given for why this was done, and it would be difficult to explain the reason why, when National Guard divisions were finally converted to the triangular type, the surplus units were not utilized to organize from six to nine divisions with all trained personnel instead of organizing new divisions with untrained men.

But the units the Army left alone, even without the benefits of modernization and little active duty training, acquitted themselves admirably. For instance, an artillery regiment from the State of New Mexico underwent a conversion starting in April of 1940 and then was inducted into Federal service on January 6, 1941. The regiment was sent immediately into combat in the Philippines and on April 9, 1942, surrendered to Japanese forces on Luzon. In the 4 months the organization was in combat it hung on fiercely. The August 7, 1950, edition of Life magazine said of them: "Their guns burned out firing at Japanese planes, and at the end they were turned into infantry to protect MacArthur's retreat. After the fall of Bataan nearly all the survivors joined the Death March." Less than half ever came home.

World War II

Division	Date mobilized	Date overseas
26th	January 1941	September 1944.
27th	October 1940	March 1942.
28th	February 1941	October 1943.
29th	do	October 1942.
30th	September 1940	February 1944.
31st	November 1940	April 1944.
32d	October 1940	May 1942.
33d	March 1941	July 1943.
34th	February 1941	January 1942.
35th	December 1940	May 1944.
36th	November 1940	April 1943.
37th	October 1940	May 1942.

World War II—Continued

Division	Date mobilized	Date overseas
38th	January 1941	December 1943.
40th	March 1941	August 1942.
41st	September 1940	March 1942.
43d	February 1941	October 1942.
44th	September 1940	September 1944.
45th	do	June 1943.

Mr. Louis Morton in the book "The Fall of the Philippines," says of the unit: "Acts of personal heroism were commonplace * * * men dashed into flaming buildings to rescue their comrades as well as supplies and equipment. Others braved the strafing gunfire to aid the wounded. One private appropriated an abandoned truck and made seven trips with wounded men to the station hospital."

Even those units that were cannibalized and reorganized acquitted themselves quite well. When the mobilization was completed on October 1, 1941, the size of the Army had been doubled by the activation of the National Guard.

It is estimated that over 75,000 National Guard enlisted men became commissioned officers during World War II, either by being graduated from officer candidate schools or by battlefield commissions. National Guard units participated in 34 separate campaigns and 7 assault landings. The casualties of National Guard divisions totaled approximately 175,000. Available records show that 148 Presidential citations were awarded to National Guard units for outstanding performance of duty in action or for conspicuous valor or heroism. Individual guardsmen received 14 Medals of Honor, 50 Distinguished Service Crosses, 48 Distinguished Flying Crosses, and more than 500 Silver Star Medals.

KOREA

With the end of World War II the National Guard was completely demobilized as its members were separated from Federal service and returned directly to civilian life. For a short period, there actually was no National Guard.

A joint committee of the War Department General Staff drew up the policies for the postwar National Guard, which were approved by the Secretary of War on October 13, 1945. These policies delineated an entirely new conception of the National Guard as an M-Day (mobilization day) force, trained, equipped, and immediately available for service in the event of aggression by an enemy.

When hostilities commenced in Korea on June 27, 1950, the Guard had just completed a thorough job of rebuilding and reorganization following this deactivation. By June 30, 1951, 110,000 Army guardsmen from 1,457 units, including 8 infantry divisions and 3 regimental combat teams, were on active duty. These units would have been combat-ready in far less time than they actually took had they not been required to send many combat troops to Korea as individual replacements. The cannibalized units, plus the large amount of Guard equipment withdrawn from the States by the Department of Army (approximately $700 million worth of equipment and facilities in all), slowed down the Guard's preparation for battle. Despite these obstacles the Guard contributed significantly to the Korean conflict.

Korean war

Division	Date mobilized	Date overseas
28th	September 1950.	November 1951 (Europe).
40th	do	March 1951 (Korea).
43d	do	September–October 1951 (Korea).
45th	do	March 1951 (Korea).

Some units went right into battle and acquitted themselves well. For instance, the 313th and 204th Field Artillery Battalions of the Utah National Guard were ordered into Federal service in August, 1950. They were sent intact, with Utah officers and men, and additional fillers into Korea in January 1951. Between the date they were ordered into active service and their entry into combat, they received only 2 weeks of unit training. They saw 11 months of action. During that time they did not lose one man through enemy action, although one of the units received the Presidential citation for gallantry in action. There were approximately 700 Utah National Guardsmen involved.

BERLIN MOBILIZATION

The Berlin mobilization was the most successful mobilization of National Guard forces in our history. On October 1, 1961, the 32d Infantry and the 49th Armored Division and the 104 nondivision units were 45,118 men strong. When mobilized on October 15, they brought into Federal service 98.3 percent of that strength.

Both of these divisions and the majority of the nondivisional units were combat ready in 4 months and are now members of the Strategic Army Corps. This is 2 months less time than was required of these divisions since they were both among the six divisions designated by General Taylor in 1955 as part of his "six by six" plan which required these divisions to be ready for combat in 6 months.

Many items of equipment in national short supply, both in the Active Army and in the Reserve components have been an Army-wide problem during this mobilization. The States responded to a levy made upon them for vehicles, self-propelled artillery and other weapons by delivering more than 8,000 such items to the Active Army in condition which permitted immediate use in training, not only by mobilized Guard and Reserve units, but by the units of the expanded Active Army. In doing this, the National Guard reenacted the role that it played in filling Army shortages in the Korean war. Great publicity has been given to complaints from inducted reservists. Investigation shows that but few active members of inducted Guard or Reserve units were involved. The bulk of the complaints came from fillers. General Van Fleet, in a report concerning these complaints, said:

"The spirit of the citizen-soldier in all of the units and camps visited stands out as the one indelible impression. It is magnificent and truly reflects the readiness of America to answer the call of the President in this or any other emergency. Complaints are insignificant and not representative of the overwhelming majority. The headlines appearing in the press of dissatisfaction and inadequacy of supplies are overstated. Morale is extremely high in all units. The quality of these units is far above any previous mobilization that took place in World War II or Korea."

This success was made possible because several policies which the National Guard had been working for since the First World War were adopted. During the Korean conflict, though the National Guard had been brought to the highest state of modernization and readiness in its history, its combat readiness was hampered after mobilization by the requirement of breaking up recalled units to send individual replacements to Korea. The maintenance of unit integrity, for the first time, during the Berlin mobilization solved this problem and the success of the mobilization proved the wisdom of the practice.

The second great help to the success of the mobilization concerned reorganization. During the mobilizations of the two World Wars, modernization and formation of the basic National Guard division structure was not begun until the crises were upon us. But

during the mobilization the modernization to the Pentomic division concept had been completed 3 years before the mobilization, preventing the resultant confusion and damage to readiness posture after recall.

Finally, General Van Fleet's observations were possible because of the actions taken by the National Guard following the Korean war.

Personnel: Higher enlistment standards were imposed, paralleling those of the Active Army. Seventy percent of all guard personnel have been trained on active duty. Approximately 80 percent of National Guard officers are veterans. Virtually all new officer appointments are graduates of Officers Candidate Schools and all officers must complete Army Service School resident or extension courses to qualify for promotion.

Training: Because all of its members were basically combat trained, the National Guard, for the past 3 years, has been able to devote all its time to the training of its batteries and companies as units.

The high level of training achieved in the National Guard is due in large extent to the 6-month training. Though viewed with some apprehension by the National Guard when instituted, it has been a major factor in producing mobilization readiness.

The drill attendance attained by these units is 93 percent—up since Korea from 77 percent. Annual field training attendance has climbed to 97 percent.

Technicians: A recognized major factor in this mobilization readiness has been the National Guard technician program. In this recent mobilization, these technicians constituted a hard core of professionals who materially assisted in the transition from State to Federal service and who are fully qualified to carry on their administrative, training, and maintenance functions for the mobilized National Guard.

National Guard maintenance: Every battalion in the National Guard operates its own organizational maintenance shop, manned by technicians who are members of units. These shops are backed up in each State by a combined field maintenance shop also operated by technicians who are members of National Guard ordnance units. This system has met every peacetime requirement and has now met the demands of active Federal service.

Administration: The conversion from State to Federal status was facilitated by adoption, during the past few years, of Active Army administrative procedures. The Guard now uses Active Army personnel forms.

A recently adopted change to the National Guard property accounting system simplified the transfer of property accountability from the States back to the Federal Government.

The Army pay voucher system was applied to the Guard in 1960.

During the months immediately preceding the recent mobilization, the Guard Bureau, together with State authorities, reviewed and refined all mobilization procedures relating to supply and personnel matters.

Facilities: Seventy percent of armory requirements have been provided. Provision of these fine facilities is reflected in the level of unit training and in the excellent state of administration.

To the 900 still satisfactory armory facilities constructed by the States prior to World War II, have been added the 1,054 new armories built under the provisions of the RFFA of 1950. In addition, the States at great cost to themselves, and with some assistance from Federal appropriations, have provided field training facilities without which it would have been impossible to train our divisions and other units.

These premobilization actions made possible the statement of Gen. George H. Decker, Chief of Staff, U.S. Army, following his visit to the 32d Infantry Division at Fort Lewis and the 49th Armored Division at Fort Polk:

"The most impressive fact concerning the Reserve Forces on active duty is the high quality of personnel of all ranks, I was most favorably impressed by their keenness of mind, their professional skill and their devotion to duty."

To that it can be added that the Army could have called up any two from a dozen National Guard divisions which would have earned the same praise from the Chief of Staff.

Mr. GOLDWATER. Mr. President, failing to include an equally detailed report on Naval Reserve Forces does not by any means indicate either a lack of interest in that field or a lack of appreciation of their tremendous contribution in the Reserve area. It is only that I am better acquainted with the activities particularly in the Air and the Army, having been a member during my life of both the Air National Guard and the Air Reserve and the Infantry Reserve. It is interesting to note, however, that the Navy activated 40 destroyers and destroyer escorts, and 18 antisubmarine squadrons. These were mostly manned by Reserve personnel and they were sent within a matter of a very few weeks into active duty. Some of these destroyers formed part of the antisubmarine group in the North Atlantic. In fact, the antisubmarine warning system was greatly strengthened by the bringing in of Naval Reserves.

In all, Mr. President, we of this country are indebted to the men and women we call weekend soldiers or weekend sailors or weekend airmen, because they comprise a tremendously strong string of substitutes who sit on the bench waiting to be called in to help their regular brothers already on the field. It is to be hoped that this thoughtless reduction, as has been suggested by the Department of Defense, will be ignored by both Houses of Congress, and that the Department itself will recognize the need for the retention of the strength of the Reserve Forces and the building up of this strength rather than the tearing down of it.

Mr. President, I ask unanimous consent to have printed in the RECORD two documents relating to the call to active duty and release of National Guard units.

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

Air National Guard units called and release date

Unit	Base of release	Release completed by—
1. 161st Fighter Group, including 197th Fighter-Interceptor Squadron (augmented) returning from Ramstein, Germany.	Sky Harbor Airport, Phoenix, Ariz.	Aug. 15
2. 134th Fighter Group, including 151st Fighter-Interceptor Squadron (augmented) returning from Ramstein, Germany.	McGee-Tyson Airport, Knoxville, Tenn.	Do.
3. 169th Fighter Group, including 157th Fighter-Interceptor Squadron (augmented) returning from Moron, Spain.	McEntire Air National Guard Base, S.C.	Do.
4. 435th Troop Carrier Wing, excluding squadrons listed in 5 and 6, below	Homestead Air Force Base, Fla.	Aug. 27
5. 77th Troop Carrier Squadron	Donaldson Air Force Base, S.C.	Do.
6. 78th Troop Carrier Squadron	Barksdale Air Force Base, La.	Do.
7. 442d Troop Carrier Wing Headquarters, excluding squadron listed in 8, below	Richards-Gebaur Air Force Base, Mo.	Do.
8. 305th Troop Carrier Squadron	Tinker Air Force Base, Okla.	Do.
9. 108th Tactical Fighter Wing, including elements returning from Chaumont, France, but excluding squadrons listed in 10 and 11, below.	McGuire Air Force Base, N.J.	Aug. 20
10. 119th Tactical Fighter Squadron (augmented)	Atlantic City, N.J.	Do.
11. 149th Tactical Fighter Squadron (augmented)	Byrd Field, Richmond, Va.	Do.
12. 113th Tactical Fighter Wing, excluding squadrons listed in 13 and 14, below	Andrews Air Force Base, Md.	Aug. 24
13. 120th Tactical Fighter Squadron (augmented)	Buckley Field, Denver, Colo.	Do.
14. 136th Tactical Fighter Squadron (augmented)	Niagara Falls Municipal Airport, N.Y.	Do.
15. 117th Tactical Reconnaissance Wing, including elements returning from Chaumont and Dreux, France, but excluding squadrons listed in 16, 17, and 18, below.	Sumpter Smith Air National Guard Base, Birmingham, Ala.	Aug. 20
16. 153d Tactical Reconnaissance Squadron (augmented)	Key Field, Meridian, Miss.	Do.
17. 160th Tactical Reconnaissance Squadron (augmented)	Donnelly Field, Montgomery, Ala.	Do.
18. 184th Tactical Reconnaissance Squadron (augmented)	Municipal Airport, Fort Smith, Ark.	Do.
19. 131st Tactical Fighter Wing, including elements returning from Toul, France, but excluding squadrons listed in 20 and 21, below.	Lambert Field, St. Louis, Mo.	Do.
20. 169th Tactical Fighter Squadron (augmented)	Greater Peoria Airport, Ill.	Do.
21. 170th Tactical Fighter Squadron (augmented)	Capitol Airport, Springfield, Ill.	Aug. 1
22. 102d Tactical Fighter Wing, including elements returning from Phalsbourg, France, but excluding squadrons listed in 23 and 24, below.	Logan International Airport, Boston, Mass.	Aug. 20
23. 131st Tactical Fighter Squadron, returning from Phalsbourg, France	Barnes Field, Westfield, Mass.	Do.
24. 138th Tactical Fighter Squadron (augmented) returning from Phalsbourg, France	Hancock Field, Syracuse, N.Y.	Do.
25. 122d Tactical Fighter Wing, including elements returning from Chambley, France, but excluding squadrons listed in 26 and 27, below.	Baer Field, Fort Wayne, Ind.	Do.
26. 112th Tactical Fighter Squadron (augmented)	Express Airport, Toledo, Ohio	Do.
27. 113th Tactical Fighter Squadron (augmented)	Hulman Field, Terre Haute, Ind.	Do.

Air National Guard units called and release date—Continued

Unit	Base of release	Release completed by—
28. 121st Tactical Fighter Wing, including elements returning from Etain, France, but excluding squadrons listed in 29 and 30, below.	Lockbourne Air Force Base, Columbus, Ohio	Aug. 20
29. 162d Tactical Fighter Squadron (augmented)	Municipal Airport, Springfield, Ohio	Do.
30. 164th Tactical Fighter Squadron (augmented)	Municipal Airport, Mansfield, Ohio	Do.
31. Elements of 152d Tactical Control Group returning from Germany (from Roslyn, N.Y.):		
(a) Group Headquarters and 106th Tactical Control Squadron (from Roslyn, N.Y.)	Bolling Air Force Base, D.C.	(1)
(b) 102d A.C. & W. Squadron (Howard, R.I.)	do	(1)
(c) 101st A.C. & W. Flight (Worcester, Mass.)	do	(1)
(d) 103d A.C. & W. Squadron (Orange, Conn.)	do	(1)
(e) 108th A.C. & W. Flight (Syracuse, N.Y.)	do	(1)
(f) 123d A.C. & W. Squadron (Blue Ash, Ohio)	do	(1)
(g) 112th A.C. & W. Flight (State College, Pa.)	do	(1)
32. 133d Air Transport Wing, excluding groups listed in 33 and 34, below	Minneapolis-St. Paul International Airport, Minn.	Aug. 31
33. 157th Air Transport Group	Grenier Field, Manchester, N.H.	Do.
34. 109th Air Transport Group	City Airport, Schenectady, N.Y.	Do.
35. 146th Air Transport Wing, excluding group listed in 36, below	Van Nuys, Calif.	Do.
36. 138th Air Transport Group	Municipal Airport, Tulsa, Okla.	Do.
37. Weather flights:		
(a) 101st Weather Flight	Logan International Airport, Boston, Mass.	Do.
(b) 113th Weather Flight	Hulman Field, Terre Haute, Ind.	Do.
(c) 121st Weather Flight	Andrews Air Force Base, Md.	Do.
(d) 125th Weather Flight	Municipal Airport, Tulsa, Okla.	Do.
(e) 131st Weather Flight, returning from Phalsbourg, France	Barnes Field, Westfield, Mass.	Do.
(f) 163d Weather Flight, returning from Chambley, France	Baer Field, Fort Wayne, Ind.	Do.
(g) 164th Weather Flight, returning from Etain, France	Municipal Airport, Mansfield, Ohio	Do.
(h) 195th Weather Flight	Van Nuys, Calif.	Do.

[1] Release is planned to be done incrementally between mid-July and early August.

Army National Guard units called to active duty and release dates

ALABAMA

Unit	Mobilization station	Home station	Begin movement on—
HHC, 1st Medium Tank Battalion, 131st Armor	Camp Irwin	Ozark	Aug. 1
146th Engineer Cnstruction Battalion	Fort Rucker	Enterprise	Do.
711th Signal Battalion, combat area	Fort Gordon	Mobile	Do.
145th Quartermaster Company	Fort Lee	Georgiana	Do.
900th Engineer Company, maintenance direct support	Fort Polk	Brundidge	Aug. 5
128th Medical Company, maintenance	Fort Benning	Fairhope	Do.
186th Engineer Company, light equipment	do	Brewton	Aug. 7
129th Medical Clearing Company	do	Mobile	Do.
403d Ordnance Company, ammunition	Fort Chaffee	Florala	Do.
252d Transportation Company, direct support	Fort Eustis	Birmingham	Do.
HHB, 2d Howitzer Battalion, 203 Artillery	Fort Polk	Auburn	Aug. 9
279th Signal Battalion, corps	Fort Hood	Huntsville	Do.
109th Evacuation Hospital	Fort Polk	Tarrant	Do.
131st Ordnance Company, general auto support	Fort Benning	Oxford	Do.
156th Military Police Battalion, Army	Fort Gordon	Linden	Do.

ARIZONA

222d Transportation Company, light truck	Fort Ord	Winslow	Aug. 1

ARKANSAS

404th Ordnance Company, general auto support	Fort Chaffee	Monticello	Aug. 5
216th Medical Clearing Company	Fort Benning	Lake Village	Aug. 7
172d Engineer Company, maintenance, direct support	Fort Bragg	Heber Springs	Aug. 9
148th Evacuation Hospital	Fort Chaffee	Little Rock	Do.
296th Medical Holding Company	do	Booneville	Do.
219th Medical Company, ambulance	do	Dewitt	Aug. 11

CALIFORNIA

152d Medical Company, air ambulance	Fort Ord	Sacramento	Aug. 1
3668th Ordnance Company, ammunition	Fort Lewis	Redlands	Do.
161st Ordnance Company, field supply	do	Long Beach	Do.
123d Ordnance Company, general support	Camp Irwin	do	Do.

COLORADO

928th Medical Company, ambulance	Fort Carson	Burlington	Aug. 1
169th Field Artillery, HHB	Fort Sill	Denver	Aug. 5
947th Medical Clearing Company	Fort Carson	do	Aug. 7
140th Signal Battalion, combat area	Fort Riley	do	Aug. 9
122d Medical Company, ambulance	Fort Polk	Trinidad	Aug. 11

DELAWARE

1049th Transportation Company, aircraft highway maintenance	Fort Meade	New Castle	Aug. 7
109th Ordnance Battalion, ammunition HHD	Aberdeen Proving Ground	Middletown	Aug. 9
116th Surgical Hospital	Fort Campbell	New Castle	Do.

Army National Guard units called to active duty and release dates—Continued

DISTRICT OF COLUMBIA

Unit	Mobilization station	Home station	Begin move-on—
107th Engineer Company, panel bridge	Fort Meade	Washington, D.C	Aug. 1
114th Engineer Company, panel bridge	Fort Benning	do	Aug. 5
FLORIDA			
379th Signal Detachment (RQ)	Tobyhanna	Camp Blanding	Aug. 1
39th Signal Detachment (RQ)	do	Jacksonville	Do.
144th Transportation Company, Light Truck	Fort Bragg	Marianna	Aug. 5
149th Quartermaster Company, Petrol Depot	Fort Lee	West Palm Beach	Aug. 7
138th Transportation Company, Light Truck	Fort Benning	Cocoa	Aug. 9
GEORGIA			
111th Signal Battalion, Army	Fort Meade	Washington	Aug. 9
IDAHO			
129th Engineer Company, Dump Truck	Fort Lewis	Driggs	Aug. 1
616th Transportation Company, Light Truck	do	Emmett	Do.
938th Engineer Company, Dump Truck	do	Ashton	Do.
139th Engineer Battalion, Combat	do	Nampa	Aug. 7
145th Engineer Group, Combat HHC	do	Idaho Falls	Do.
ILLINOIS			
128th Ordnance Company, Field Supply	Fort Leonard Wood	Quincy	Aug. 5
3637th Ordnance Company, Direct Auto Support	Fort Knox	Springfield	Aug. 7
IOWA			
1063d Aviation Company, Fixed Wing	Fort Riley	Waterloo	Aug. 1
KANSAS			
496th Ordnance Group, Maintenance and Supply, HHD	Fort Riley	Topeka	Aug. 1
110th Ordnance Battalion, Ammunition, HHD	do	Norton	Do.
110th Ordnance Company, General Auto Support	do	Manhattan	Do.
170th Ordnance Company, Ammunition	Fort Bliss	Mankato	Aug. 9
260th Ordnance Company, Direct Auto Support	Fort Riley	Marysville	Do.
KENTUCKY			
2d Medium Tank Battalion, 123d Armor	Fort Stewart	Owensboro	Aug. 7
413th Ordnance Company, General Support	do	Frankfort	Do.
3d Medium Tank Battalion, 123d Armor	Fort Knox	Bowling Green	Aug. 9
LOUISIANA			
159th Evacuation Hospital	Fort Sill	New Orleans	Aug 5
3628th Ordnance Company, Direct Auto Support	do	Lafayette	Do.
769th Signal Battalion, Cable Construction	Fort Polk	Baton Rouge	Aug. 7
415th Ordnance Company, General Auto Support	Fort Campbell	Alexandria	Aug. 9
204th Transportation Group, Truck HHD	Fort Eustis	New Orleans	Do.
MAINE			
2d Medium Tank Battalion, 20 Armor	Fort Campbell	Lewiston	Aug. 7
MASSACHUSETTS			
664th Medical Detachment (OA)	Fort Devens	Pittsfield	Aug. 1
3d Howitzer Battalion, 211 Artillery	Fort Bragg	Fall River	Aug. 5
1st Howitzer Battalion, 211 Artillery, 155 millimeter	do	New Bedford	Aug. 7
102d Field Artillery Group, HHB	do	Fall River	Aug. 9
MICHIGAN			
156th Signal Battalion, Combat Area	Fort Benning	Detroit	Aug. 5
MISSISSIPPI			
148th Engineer Company, Maintenance Direct Support	Fort Rucker	Pascagoula	Aug. 1
367th Ordnance Company, Direct Auto Support	Fort Bragg	Natchez	Do.
114th Military Police Company	Fort Gordon	Jackson	Aug. 5
1065th Transportation Company, Light Truck	Fort Polk	Poplarville	Do.
156th Engineer Company, Light Equipment	do	Yazoo City	Do.
223d Engineer Battalion, Construction	do	West Point	Do.
134th Surgical Hospital	Fort Polk	Jackson	Aug. 7
123d Medical Company, Air Ambulance	Fort Bragg	Meridian	Aug. 9
134th Transportation Company, Light Truck	Fort Chaffee	Bay St. Louis	Do.

Army National Guard units called to active duty and release dates—Continued

MISSOURI

Unit	Mobilization station	Home station	Begin movement on—
106th Ordnance Company, General Auto Support	Fort Knox	Desoto	Aug. 5
864th Medical Company, Ambulance	Fort Riley	St. Louis	Aug. 7
204th Signal Battalion, Supply and Maintenance	Fort Benning Fort Campbell Fort Bragg	do	Do.

NEBRASKA

24th Medical Company, Air Ambulance	Fort Leonard Wood	Wahoo	Aug. 1
1057th Transportation Company, Light Truck	Fort Carson	York	Do.
1056th Transportation Company, Light Truck	Fort Sill	Crete	Aug. 5

NEW HAMPSHIRE

157th Signal Company, Construction	Fort Meade	Manchester	Aug. 1
4th Howitzer Battalion, 197th Artillery, 155 Millimeter	Fort Bragg	Keene	Aug. 5
2d Howitzer Battalion, 172d Artillery, 8-inch Towed	do	Nashua	Aug. 7
1st Howitzer Battalion, 172d Artillery	do	Manchester	Aug. 9

NEW JERSEY

114th Surgical Hospital	Fort Dix	Paterson	Aug. 1
141st Transportation Company, Light Truck	do	Orange	Do.
253d Transportation Company, Light Truck	Fort Campbell	do	Aug. 5
30th Ordnance Battalion, Maintenance and Supply HHD	Fort Bliss	Camden	Do.
112th Field Artillery Group, HHB	Fort Polk	Trenton	Aug. 9
122d Ordnance Company, Direct Support	Fort Chaffee	Camden	Do.

NEW MEXICO

394th Signal Detachment, RQ	Tobyhanna	Albuquerque	Aug. 1

NEW YORK

134th Ordnance Company, Direct Auto Support	Fort Dix	Rochester	Aug. 1
587th Transportation Company, Terminal Service	Fort Eustis	Neconset	Do.
105th Military Police Company	Fort Benning	Utica	Do.
101st Signal Battalion, Combat Area	Fort Devens	Yonkers	Aug. 5

NORTH CAROLINA

123d Signal Detachment, RQ	Tobyhanna	Wilmington	Aug. 1

NORTH DAKOTA

818th Engineer Company, Dump Truck	Fort Lewis	Bottineau	Aug. 1
896th Engineer Company, Float Bridge	Fort Riley	Bismarck	Do.
769th Transportation Company, Light Truck	do	Mott	Do.
164th Engineer Group, Combat HHC	Fort Leonard Wood	Bismarck	Aug 5
164th Engineer Battalion, Combat	Fort Riley	Minot	Do.
231st Medical Clearing Company	do	Grand Forks	Aug. 7

OHIO

131st Medical Company, Collecting	Fort Campbell	Xenia	Aug. 1
112th Ordnance Company, Direct Support	Fort Sill	Newark	Aug. 7
3641st Ordnance Company, Direct Auto Support	Fort Knox	Port Clinton	Aug. 9
357th Ordnance Company, General Supply	do	Elyria	Do.

PENNSYLVANIA

165th Military Police Battalion	Fort Polk	Lehighton	Aug. 5
131st Transportation Company, Light Truck	do	Wellsboro	Aug. 11

RHODE ISLAND

107th Signal Support	Fort Sill	Providence	Aug. 5

SOUTH CAROLINA

111st Signal Company, Large Base	Fort Benning	Greenville	Aug. 5
108th Signal Battalion, Support HHD	Fort Stewart	Greenwood	Aug. 9

Army National Guard units called to active duty and release dates—Continued

SOUTH DAKOTA

Unit	Mobilization station	Home station	Begin movement on—
211th Engineer Company, Panel Bridge	Fort Lewis	Lemmon	Aug. 1
740th Transportation Company, Light Truck	Fort Carson	Milbank	Do.
741st Transportation Company, Light Truck	do	Clear Lake	Do.
214th Engineer Company, Dump Truck	Fort Polk	Mobridge	Aug. 5
1st Howitzer Battalion, 147th Artillery	Fort Sill	Sioux Falls	Aug. 7
730th Medical Clearing Company	Fort Riley	Winner	Do.
115th Signal Company, Support	do	Yankton	Aug. 9

TEXAS

136th Transportation Company, Medical Helicopter	Fort Riley	Austin	Aug. 1
49th Armored Division	Fort Polk	Dallas	Aug. 5
1104th Transportation Company, Aircraft Heavy Maintenance	Atlanta General Depot	Carrizo Springs	Aug. 7
122d Transportation Company, Direct Support	Fort Hood	Ellington	Do.

UTAH

144th Evacuation Hospital	Fort Leonard Wood	Fort Douglas	Aug. 1
1st Target Acquisition Battalion, 140th Artillery	Fort Hood	do	Aug. 5
115th Engineer Battalion, Combat	Fort Lewis	Murray	Aug. 7
XI Corps Artillery, HHB	Fort Hood	Fort Douglas	Aug. 9
116th Engineer Company, Light Equipment	Fort Lewis	Springville	Do.
3659th Ordnance Company, Direct Auto Support	do	Salt Lake City	Do.
115th Ordnance Company, Direct Support	do	Fort Douglas	Do.

VERMONT

58th Engineer Battalion, Depot HHD	Granite City	Middlebury	Aug. 1
45th Engineer Company, Dump Truck	Fort Devens	Proctor	Aug. 5
131st Engineer Company, Light Equipment	do	South Burlington	Do.

VIRGINIA

2d Howitzer Battalion, 111th Artillery	Fort Campbell	Richmond	Aug. 5
189th Engineer Company, Float Bridge	Fort Belvoir	Fredericksburg	Do.
684th Signal Company, Support	Fort Bragg	Radford	Aug. 9

WASHINGTON

1041st Transportation Company, Staging Area	Fort Lewis	Camp Murray	Aug. 7

WEST VIRGINIA

150th Armored Cavalry Regiment	Fort Meade	St. Albans	Aug. 9
3664th Ordnance Company, Direct Support	Fort Polk	Point Pleasant	Aug. 11

WISCONSIN

32d Infantry Division	Fort Lewis	Milwaukee	Aug. 1

WYOMING

1022d Engineer Battalion, Combat	Fort Lewis	Laramie	Aug. 9

PROFITS CREATE JOBS

Mr. GOLDWATER. Mr. President, on June 8 my distinguished and delightful friend, Senator HUMPHREY, of Minnesota, commented upon my astonishment that Mr. George Meany, the president of the AFL-CIO, apparently from his own remarks, does not understand how profits mean more jobs. The Senator, in his customary, complete manner, made available the complete remarks of Mr. Meany by placing them in the RECORD. I am glad that he did this because my comments were based merely on the newspaper accounts of his statement. However, on reading carefully the remarks as inserted in the RECORD, I feel that, while Mr. Meany certainly must understand the relationship of profit to job, his remarks do not indicate this. Mr. President, no man who has worked as hard as Mr. Meany all of his life, climbing as he has to the presidency of America's greatest labor organization, could conceivably question the fact that capital which stems from profits creates jobs. It is unfortunate, therefore, that in his remarks at the White House Conference he did put the question in such a manner that the casual reader would have no doubts about Mr. Meany's economic understanding.

Mr. Meany and my friend from Minnesota, as well as all Americans, are deeply concerned about the problem of unemployment, but, unfortunately, they do not recognize that many people take employment as just one of those things that happen. Jobs are created by invested capital and capital is created by profit. This cycle is the nearest thing to perpetual motion man has ever devised and it is only when man begins to tamper with the natural functioning of this cycle that unemployment occurs. Mr. Meany comments in his remarks about great profits and the fact that some of them are increasing year after year. In volume, this is true—in other words, the total profits of the Nation have risen but the percentage of profits to sales has not increased since 1950.

If needed tax adjustments can be made, particularly in the field of depreciation allowance, the creation of investment capital will begin again and jobs will pick up. I might remind my colleagues that the worldwide depression into which we entered in 1929 started in Austria when that country's capital structure gradually dried up. Austria had gone through a long period of government investing in noncapital

ventures much as we have been doing in this country, and when there was no more money to invest, the banks closed up and the depression started. To prevent our economy from suffering the same fate, it behooves all of us occupied in Government to bend our efforts to the end that Government becomes less demanding on the profits of companies and people so that companies and people can invest their money in the form of capital in new businesses, new machines, and new jobs.

VIETNAM—ANOTHER KOREA?

Mr. MORSE. Mr. President, Dr. Hans J. Morgenthau is widely recognized as one of the leading authors and writers on foreign policy subjects. Recently there was published in the magazine Public Affairs, an article which Dr. Morgenthau has written on the subject "Vietnam—Another Korea?"

Dr. Morgenthau is director of the Center for the Study of American Foreign and Military Policy, at the University of Chicago. His most recent book is entitled "The Purpose of American Politics."

In the article on Vietnam, Dr. Morgenthau challenges some of our present policies in South Vietnam and raises some very pertinent questions to which our Government needs to give heed as we reappraise American foreign policy in southeast Asia, and with particular reference to South Vietnam.

I ask unanimous consent that the article be printed at this point in the RECORD.

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

VIETNAM—ANOTHER KOREA?

(By Hans J. Morgenthau)

The involvement of the United States in the Vietnamese war poses acutely two fundamental issues with which American foreign policy has tried to come to terms elsewhere, and which it is likely to have to face in Vietnam and elsewhere in an even more acute form. These issues are: the unqualified support we are extending to regimes whose political weakness compels us in the end to commit ourselves militarily beyond what our national interest would require; and the peripheral containment of Communist China. In order to understand the nature of the issues as they pose themselves in Vietnam, it is first necessary to take a look at the history of our involvement in the affairs of Vietnam.

That history has been determined by a number of paradoxes. The war which France fought in Indochina until the Geneva agreement ended it in 1954 was for her essentially a colonial war, no different from the wars that France and Spain had fought in Africa in the twenties. For the great majority of the Vietnamese, on the other hand, the war was a war for national liberation. However, for the two powers without whose intervention the Indochina war would have taken on a different character and might well have had a different outcome, the United States and Communist China, the war had nothing to do with national liberation of colonialism. As far as Communist China was concerned, the war was an attempt to extend the area of influence and domination of communism. For the United States, too, the main issue of the war was the expansion of communism. Certainly the United States did not support France for the purpose of maintaining French power in Indochina. The United States looked at the Indochina war as part and parcel of its overall strategy of containing communism throughout the world.

Yet while American interests were directly affected by the outcome of the Indochina war, the United States intervened only to the extent of supporting the French war effort; it did not intervene in the war itself nor did it participate actively in the Geneva settlement. On the one hand, the United States realized that the war was lost for the West, short of American intervention. On the other hand, it did not see fit, recovering as it was from the trauma of the Korean war just ended, to take over the military burden in Indochina which France had shouldered so long, with such enormous liabilities, and such lack of success. While the United States is committed to the containment of communism everywhere in the world, this commitment is obviously subject to qualifications; the limited involvement of the United States in the Indochina war and its passivity during the Geneva negotiations are cases in point.

The Geneva Conference ratified the military defeat of France and the political bankruptcy of its policy in Indochina. This defeat and bankruptcy having been complete before the conference, one must ask why a conference was held in the first place. From a strictly military point of view, the Vietminh could have marched south and forced the French to evacuate. Why, then, did the Communists agree to hold a conference? Why did the Soviet Union even emphasize at the Berlin Conference of 1954 the necessity for such a conference? And why was it that at the conference itself the Communist powers, for the sake of agreement, made important concessions to the West? The Communists went into the conference proposing the 14th parallel as the dividing line between North and South Vietnam, and they retreated to the 17th parallel. They originally demanded that elections be held 6 months after the armistice, and they conceded 2 years.

We have heard much of negotiating from strength. Certainly at Geneva in 1954, the Communists had strength. Yet they conducted the negotiations in the spirit of compromise, and the political settlement to which they agreed was much more advantageous to the West than was warranted by the actual military situation. It would certainly be absurd to suggest that it was magnanimity which induced the Communists to make these concessions, or that it was simply for the sake of an agreement per se that they were made. It seems to me that a consideration of why those concessions were made, why there was a conference to begin with, with a compromise agreement to terminate it, will give us an inkling of the place that South Vietnam holds today in the overall world situation, particularly from the point of view of the United States and its interests.

First of all, Communist China pursues in Asia an overall military and political objective which parallels the objective of the Soviet Union in Europe. It is to remove the power of the United States from the continent of Asia; for American power on the continent of Asia, especially in the form of military strong points, constitutes a permanent challenge to the power of Communist China on that continent. A continuation of the Indochina war, ending foreseeably with a complete military disaster for France, might still have led to the active participation of the United States and established it as a military power within the traditional sphere of influence of China.

Secondly, what the Communists conceded at Geneva, both they and many Western observers viewed as only temporary concessions. It was then generally believed that South Vietnam was doomed; that Ngo Dinh Diem was the creation of the United States, pulled out of a hat by desperate American officials; that he would be unable to master the chaos then prevailing in South Vietnam; and that elections, whenever held, would give an overwhelming majority to the Communists. Thus the Communists expected, and in view of the facts then available had a right to expect, that sooner or later South Vietnam would fall to them.

Thirdly, the Vietminh wanted to take over the Red River delta intact rather than to have to conquer it.

Finally, and perhaps most importantly, the Soviet Union had just embarked upon its new policy of transforming the cold war of position into a cold war of maneuver, which was to be decided not in southeast Asia but Europe. At that time France occupied a key position in the overall struggle for power in Europe. Its attitude was decisive for the success of the European Defense Community. By making a concession to France, by not humiliating France to the limit of its ability, the Soviet Union must have hoped to prevent France from ratifying EDC. For whatever reasons, France did not ratify EDC, and in that measure the expectations of the Soviet Union were justified.

II

However, the expectations of friend and foe alike, which anticipated the absorption of South Vietnam into the Communist orbit as inevitable, were belied by the vigor and success with which South Vietnam set about creating a new state from the ruins of a French colony. The vigor and at least temporary success of this seemingly hopeless experiment were due to three factors: American support, the qualities of the Vietnamese people, especially of the refugees from the north, and the personality of President Diem.

The United States, once the danger of getting involved in another Korean-type war had passed, recovered the ability to correlate its commitments to the objective of its foreign policy. That objective being the containment of communism, the United States embarked upon a concerted policy of political, military, and economic assistance to President Diem's regime. Without that assistance, President Diem could not have achieved his initial successes.

Yet these successes owe a great deal also to the extraordinary qualities of the Vietnamese people. Anybody who has traveled in Asia with his eyes open, beholding the different degrees of decay and backwardness, must have been impressed with the vitality and intelligence of the Vietnamese people. The order, vigor, and productivity of the refugee camps were—to take only one example—monuments to these qualities.

But the qualities of the Vietnamese people and American aid would not have been enough by themselves; they needed the fulcrum of President Diem's extraordinary personality in order to become effective as raw material in the building of a temporary political order in South Vietnam. In little more than a year Diem managed to get rid of the Emperor and make himself President; to establish his control over the army; to purge the police of the gangster element; to push back, and in part eliminate, the independent power of the religious sects and of the Communists; and thus to establish something approaching efficient administration in a considerable part of the territory of Vietnam. All this was done entirely by totalitarian means—suppression of political opposition, muzzling of the press, arbitrary executions, and so on. Nor were the positive—puritanical and ideological—elements of totalitarianism missing. Diem embarked upon a successful "Anti-Loose Living" campaign which soon transformed Saigon, the former Paris of southeast Asia, into the dullest of French colonial towns, and he also

set up a most intricate and elaborate system of propaganda and control in the villages.[1]

It was obvious to me when I visited Vietnam in 1955—and I told President Diem so to his evident displeasure—that these policies would inevitably lead to a bipolarization of politics in South Vietnam. Supported by an oligarchy whose interests were tied to the regime, he would have to govern a politically frustrated and hence indifferent population, while the Communist underground would provide the only organized opportunity for political opposition. By equating all opposition with communism, he would force the popular aspirations for change into Communist channels. This is in fact what happened. Having to choose between President Diem's personal totalitarianism and the totalitarianism of communism, which at least can justify itself by a forward-looking philosophy, the Vietnamese people at best have abstained from choosing and at worst have chosen communism.

The extent of popular disaffection with the Diem regime is not known to American public opinion, which following the example of government, prefers to think of the problem of South Vietnam in terms of Communist aggression versus the defense of freedom. This disaffection is particularly widespread among those classes which are the natural supporters of a democratic regime or else its indispensable allies, such as busines and professional men, university teachers and students, civil servants, and army officers. It is especially strong among the refugees from the north, who, after fleeing from Communist totalitarianism, are disappointed and embittered at the discovery that they have exchanged one totalitarianism for another. Their disaffection extends to the Kennedy administration from which they expected support for their aspirations. It is significant and bodes ill for the future of the regime, moreover, that the intensity of disaffection increases with the degree of education and political sophistication.

The attitude of the great mass of the peasants, on the other hand, is marked by indifference to the ideological positions of either side. They tend to look at Diem as a kind of American puppet, the successor to Bao Dai, the French puppet, and at the Americans as the successors to French colonial rule. Communism means nothing to them one way or the other. What interests them and determines their attitude are the benefits and disadvantages to be expected from either side. Thus they will submit to, and cooperate with, whoever happens to exercise authority at a particular time, and prisoners will join the other side almost as a matter of course, only to rejoin their former friends if the fortunes of guerrilla war should change.

III

How has American policy tried to cope with this situation? It has done so by two simple expedients, which have recommended themselves here as elsewhere exactly because of their simplicity: support for the domestic political status quo and military defense against the foreign enemy. Both policies are simple, as compared with the alternatives, in terms of the intellectual effort to be expended and the short-term political risks to be taken. But they also contradict each other in that the domestic political status quo is the greatest single impediment to successful military defense, short of commitments in men and material on the part of the United States out of all proportion to the American interests at stake. Nothing could be simpler than to see in President Diem's regime the only viable anti-Communist government of South Vietnam, which therefore must be supported come what may, despite one's misgivings about its philosophy and policies. Nothing could be simpler than to reduce the political and military instability of South Vietnam to the result of Communist aggression from without to be countered by military action. But the very simplicity of these conceptions distorts a complex reality, and in consequence, policies based upon them are bound to be unsuccessful or can be made successful only at disproportionate costs and at inordinate risks.

If it was obvious to a casual observer like myself in 1955, it could not have been lost upon the experts 6 years later, that the main source of the political and military instability of South Vietnam must be sought in the very status quo which our policy is committed to maintain. If South Vietnam had a government which could count upon the loyalty of its civil service and armed forces and the support of the peasants, guerrillas would not be able to control whole provinces and penetrate to the very outskirts of the capital. Guerrilla warfare is a political problem before it is a military one. Both in Malaya and Greece, military action against the guerrillas remained ineffective until drastic political reforms removed the causes for popular indifference and hostility. The case of Greece is particularly instructive in this respect; for here the United States in the late forties had to cope with a situation not dissimilar from that which confronts it today in South Vietnam. The United States was able to restore peace and order in Greece through a coordinated political, economic, and military campaign which required the commitment of limited American resources because it gave priority to political and economic reforms. The arguments advanced on behalf of the inevitability of the existing political and economic status quo were as specious in the case of Greece a they are now in the case of South Vietnam.

The idea that there is no alternative to Diem is in the nature of a self-fulfilling prophecy. There appears to be no alternative to Diem only because we have placed all our bets on him. Six years ago, I was impressed with both the number and quality of public figures who took a passionate and intelligent interest in establishing a free and decent political order in South Vietnam. It is of course impossible to say from a distance whether such men are still available today. But certainly the United States could, if it had a mind to, find a general who could take over the reins of government and through whom the necessary political, economic, and social reforms could be effected.

The United States has two alternative policies to choose from: political reforms as a precondition for the restoration of peace and order in South Vietnam, or purely military means. The former policy requires the elimination of Diem and demands of American officials in the field great manipulative skills and exposes them to considerable short-term political risks, while it is likely to require of the United States but a limited military commitment. On the highest level at least, the Government of the United States seems to have recognized the need for such political reforms, but there is no indication that this intellectual recognition has been transformed into effective political action in Saigon. Thus we have been forced to choose, halfheartedly and almost by default, the other alternative of a purely military solution.

IV

This policy is a legacy from the Dulles era. It was then widely held that the acquisition by a Communist power of any piece of territory, regardless of its size and location, was a calamity which signaled the beginning of the end for the free world. Vietnam, for instance, was considered to be the "cork in the bottle," the "first in a row of dominoes"; if it fell all of Indochina would fall, too. In fact, of course, North Vietnam went Communist, but South Vietnam did not, nor did the other states of Indochina. This unexpectedly favorable outcome of the Indochina war provides empirical proof for the proposition that Communist territorial gains can be localized and affect the interests of the United States adversely in differing degrees.

The misconception that each Communist territorial gain constitutes for the United States a calamity of the first magnitude has as its corollary the proposition that the United States must commit its military power to the defense of any territory that might be threatened by Communist subversion or aggression. The indiscriminate policy of alliances, offering our military support to whatever nation was willing to accept it (i.e., SEATO and the Eisenhower doctrine) reflects that conviction. However, when the chips were down we were fortunately capable of distinguishing among interests which did not require any American military commitment at all, those which required a limited military commitment, and those which might require an all-out military commitment. Thus we did not intervene in the Indochina war, risking thereby, and reconciling ourselves to, the loss of all of Vietnam to the Communists. We did not commit our military strength to the liberation of the countries of Eastern Europe, of Cuba, and of Tibet. We were very careful in limiting the Korean war, and it was Mr. Dulles himself, the most consistent proponent of a military oriented foreign policy, who liquidated the Korean war on the basis of the status quo ante bellum.

It is therefore incumbent upon the Government of the United States to determine with all possible precision the extent of the American interest in South Vietnam. The extent of our military commitment must depend upon that political determination. Is South Vietnam as important to us, or more or less so, than Korea or Cuba? Or is it as important as Berlin? The answer to political questions such as these must determine the extent of our military commitment.

Once South Vietnam is assigned its place in the hierarchy of American interests throughout the world, the Government of the United States can profitably raise the question of a diplomatic solution to the problem of South Vietnam. Such a solution could be envisaged after the model of the diplomatic solution of the Geneva agreement of 1954, to which South Vietnam after all owes its very existence as an independent state. The United States is not the only country that has interests in Vietnam. So do the Soviet Union and Communist China, and so do our allies. The possibility of a negotiated settlement within the context of the overall interests of the major parties concerned is certainly worth exploring, and it is an open question whether the chances for such a settlement are greater now than they would be at the conclusion of a drawn-out, inconclusive war.

A purely military policy is popular with the officials in the field because it frees them from the burden of political manipulation to which they are unaccustomed and from which they almost instinctively shy away because of the political risks involved. It is also popular with large segments of the American people because it promises a clear-cut solution to an irksome problem in the form of victory. Yet in truth, this purely military policy is fraught with enormous risks and dangers for the United States. For it raises acutely the fundamental issue of our Asian policy: the peripheral containment of Communist China by military means. It conjures up the possibility, if not the likelihood, of a repetition of the Korean war, perhaps even more drawn out and less conclusive in its results than that war was. It should not be forgotten that, fought under much more favorable political conditions,

[1] See my report in the Washington Post, Feb. 26, 1956.

the guerrilla war in Greece lasted 5 years and the one in Malaya lasted 12.

It is an illusion to think that Communist China is being contained today by the military power which the United States can bring to bear locally in Laos, Thailand, South Vietnam, or Taiwan, or that it has thus been contained in the past. Communist China can, if it wishes, increase the challenges locally with little cost to itself and thereby force the United States to increase its military commitments far beyond its own. It will stop, as it has stopped in the past, at the point where the escalation of American conventional military commitments conjures up the possibility of an all-out war initiated by the United States. It is at that point that containment becomes effective. In other words, what contains Communist China is its overall weakness visa-a-vis the United States. Yet barring a catastrophe within Communist China, this weakness is likely to be replaced in the foreseeable future by a strength which will make Communist China the foremost military power in Asia. It is from the perspective of this actual source of the containment of Communist China and of the prospect of China's future military strength that the current military policy of the United States in South Vietnam must be viewed.

If the present primarily military approach is persisted in, we are likely to be drawn ever more deeply into a Korean-type war, fought under political and military conditions much more unfavorable than those that prevailed in Korea and in the world a decade ago. Such a war cannot be won quickly, if it can be won at all, and may well last, like its Greek and Malayan counterparts, 5 or 10 years, perhaps only to end again in a stalemate, as did the Korean war. Aside from the military risks to which it will give rise in view of the distribution of military power which exists today and is likely to exist 5 or 10 years hence, such a war would certainly have a profound impact upon the political health of the Nation. McCarthyism and the change in the political complexion of the Nation which the elections of 1952 brought about resulted directly from the frustrations of the Korean war. The American people are bound to be at least as deeply affected by the frustrations of a Vietnamese war.

The present primarily military approach has been undertaken without sufficient regard for its own military implications and its likely impact upon American politics at home and the American position in the world. The only viable alternative to that approach is the subordination of our military commitments to, and thus their limitation by, our political objectives in South Vietnam. These objectives must be defined as the restoration of a viable political order, which constitutes the only effective defense against Communist subversion. It is obvious that such a political order can be established only through American intervention. It would be infantile to argue against such a policy on the ground that it is intervention; for if we had not intervened consistently since 1954 in the affairs of South Vietnam, Mr. Diem would not be its President today and South Vietnam itself would not exist. The choices before us are not between intervention and nonintervention, but between an intervention which serves our political interests and thereby limits our military commitments, and an intervention which supports to the bitter end the powers that be, even if their policies, by being counterproductive, jeopardize the interests of the United States.

AGRICULTURAL PROBLEMS—ARTICLE BY WILLARD W. COCHRANE

Mr. MORSE. Mr. President, Mr. Willard W. Cochrane, Director of the Bureau of Agricultural Economics, in the February 28, 1962, issue of the Employee News Bulletin of the Department of Agriculture set forth, in an article entitled "As I See It," capsule form, the philosophy of the Kennedy farm program.

Because of the stature of the author of this article, the brevity and lucidity of the statement, and the timeliness of such a statement in view of the farm legislation which soon will be before the Senate, I ask unanimous consent that Director Cochrane's article be printed in the RECORD at this point in my remarks.

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

AS I SEE IT

(By Willard W. Cochrane)

You and I are members of a great Federal department working together to serve the best interests and highest purposes of the American farmer, the American consumer, and in fact, the American people. And never were the problems and the opportunities confronting agriculture greater than they are today. Agriculture is caught up in a great technological revolution, the end of which no man can see—with dramatic and far-reaching implications for resource use, the relation of land to people, rural communities, and trade and finance. Under the leadership of President Kennedy and Secretary Freeman, agriculture is seeking and finding new concepts and new ways for coping with this technological upheaval through which it is progressing. These are difficult years, but they are years of great progress and of promise, despite the wails of the pessimists.

We seek to give American farmers the assurance of good and stable prices and incomes so that they will continue to build a highly productive and flexible agricultural plant—one capable of responding to any foreseeable food and fiber production emergency. This is the kind of an agriculture we all want.

But the force and drive of an agriculture based on modern technology, where several million farmers make uncoordinated productive decisions, lead to excess production and surplus commodities. This in turn must either drive prices and incomes down, or, if prices are supported, move into Government stocks and becomes a burden on the Federal budget. Neither alternative is tolerable, and each stands rejected either by farmers or the public.

We seek first to expand outlets for farm products at home and abroad. This is the commonsense approach. But even after we have expanded outlets as much as it is possible, we still have the capacity to produce more than we can use effectively.

We need, therefore, a more modern and durable program of adjustment whereby farmers, in cooperation with each other and with their Government, can manage the supplies of farm products by suitable means—commodity by commodity. This is the program of abundance, of balanced production, of conservation of our human and natural resources, and of development to aid rural people.

SOLUTION NEEDED FOR INCREASING CARRYOVERS OF GRAIN—LETTER FROM PAUL W. JONES

Mr. MORSE. Mr. President, typical of the strong support which the administration farm program has been receiving among the grassroots farmers of my State is a recent letter I have received from Mr. Paul W. Jones, of Heppner, Oreg. Mr. Jones' letter speaks for itself and, in my judgment, represents the attitude of a great many Oregon farmers. I respectfully commend it to the attention of my colleagues.

Mr. President, I ask unanimous consent that the letter to which I have referred be printed at this point in my remarks.

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

HEPPNER, OREG.,
March 12, 1962.

Hon. WAYNE MORSE,
Member of the U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: I am taking this opportunity of writing you to urge your support of the administration farm legislation.

I am at present actively engaged in farming near Heppner, and I am at present president of the Morrow County Grain Growers, a director of the North Pacific Grain Growers, with which you are probably familiar, and a life member of the Oregon Wheat League.

I tell you this only to show my familiarity with the farming business.

I think as never before that our farmers feel that there must be a solution to the mounting surplus or carryover of grain in this country, as a whole. I think and believe that this legislation will do more to solved the problem and is the most effective method yet proposed for that purpose.

We realize that it probably will not raise income, for some years at least, but will ultimately produce what for years has been advocated by some of the best "brains" in the wheat business.

Sincerely,

PAUL W. JONES.

TRIBUTE TO DONALD A. WILLIAMS, ADMINISTRATOR OF THE SOIL CONSERVATION SERVICE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the National Association of Soil Conservation Districts, honoring Donald A. Williams, Administrator of the Soil Conservation Service. Mr. Williams is a dedicated public servant and is very deserving of the honor accorded him by the resolution.

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

RESOLUTION OF THE NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS IN NATIONAL CONVENTION AT PHILADELPHIA, PA., FEBRUARY 8, 1962

We commend Donald A. Williams, Administrator of the Soil Conservation Service, for his vigorous leadership in keeping the Soil Conservation Service program scientifically sound, technically up to date, and efficiently administered. Significant progress in advancing sound, enduring soil and water conservation has been made under his leadership. We have given him our full support in the past and we reiterate it at this time.

We are impressed with the competence and caliber of men appointed to key administrative positions in the Soil Conservation Service under his competent direction. These appointments have been made as a part of the career civil service system of multiple appraisal and promotion. Such appointments must be maintained under the civil service system if a sound technical program for assisting with the protection, improvement, and development of the Nation's soil and water resources is to be continued.

We will vigorously oppose any actions which would subject appointments in the Soil Conservation Service (local, State, or National) to partisan political pressures. Copies of this resolution will be forwarded to the President of the United States and the Secretary of Agriculture.

DIFFERENCES BETWEEN MARXISM AND DEMOCRACY—ADDRESS BY THE AMBASSADOR TO MEXICO

Mr. MORSE. Mr. President, on February 25, our Ambassador to Mexico, the Honorable Thomas Mann, spoke in Laredo, Tex. His remarks were directed to the differences between Marxism and democracy, and have special reference to all societies which are anxious to achieve industrialization and a higher living standard as quickly as possible.

I ask unanimous consent that Ambassador Mann's remarks be printed in the CONGRESSIONAL RECORD.

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

REMARKS MADE BY THE HONORABLE THOMAS C. MANN, U.S. AMBASSADOR TO MEXICO, AT LAREDO, TEX., ON FEBRUARY 25, 1962

Today I would like to say a few words about the theories and doctrines of communism and the historical developments which gave rise to them. More specifically, I will undertake to compare some of the principal tenets of the American Revolution with some of the principal Communist dogmas.

In the next few days, I hope to make some additional remarks about another aspect of communism: How Communists disguise their doctrines behind a curtain of words.

I

Communist doctrine has its roots in the industrial revolution which began nearly 200 years ago.

You will recall that in the darkness which descended on Europe after the fall of Rome, political and economic power was in the hands of kings and noblemen. Land, a principal source of wealth, was divided between them. The right to govern descended with the land from generation to generation.

Most of the people were serfs, bound to the land and bound to the service of its owner in peace and in war. They accepted an inferior status for themselves and for their children as an immutable law of nature.

Industry was limited and consisted of the small "cottage" kind managed by skilled craftsmen who organized themselves into guilds. Those who wished to learn a trade were required to apprentice themselves to a master.

This primitive pattern of society was changed suddenly by the discovery of machines to replace handlooms in the manufacture of textiles; of ways to harness steam power in industry and transportation; of the use of coal in the manufacture of iron and steel; and electricity and the means of its use. Other advances were made in industrial engineering and in transportation and communications.

The industrial age, the age of the machine, had arrived and with it mankind had, for the first time, an opportunity to produce consumer goods for all the people. For the first time, there were prospects of raising the masses of people out of their misery and into a new world of relative abundance.

For the nobility, the arrival of the machine age meant the beginning of the end of their power and wealth.

For the peasant on the land, it meant large-scale migration to new, mushrooming factory and mining towns unprepared to receive him. It meant working for whatever wages were offered, often at below subsistence levels. It meant chronic unemployment, child labor, long working hours in inhuman working conditions. It meant miserable housing, poverty, disease, and despair.

For governments, the age of the machine created an urgent need to reform systems and doctrines so as to be able to cope with new political, social, and economic problems in a society suddenly grown complex. Economics was in its infancy yet new fiscal and monetary policies had to be devised. The problem of the cycle of "boom and bust" which seemed to plague all economies had to be solved if steady economic growth and stability in levels of employment were to be achieved. There was an urgent need to devise means to prevent a growing disparity in the income of the few rich and the many poor—to achieve a more equitable distribution of the national income.

For the few who had the capital to build factories and expand them, to open mines and exploit them, it meant mushrooming fortunes. For them it also meant a new political power based not on social position or ownership of land but on industry and commerce.

All of these developments set the stage for revolution. Changes in political, economic, and social practices were both desirable and inevitable. The only real question was the direction they would take.

II

By 1776—before the industrial revolution had reached its full momentum—our own Revolution had already been launched. Its immediate aim was to safeguard and expand for our people the liberties which the common man had so slowly and painfully won from his masters. It therefore radically altered the old political order through the creation of constitutional and representative government all of whose powers were derived from the people.

Our political system was grounded on the simple premise that the people could not only be trusted to govern themselves but they could also be trusted to debate and decide what changes should be made so as to bring about the greatest good for the greatest number.

Thomas Jefferson, in a letter to one of his contemporaries, described this principle in these words:

"We both consider the people as our children and love them with parental affection. But you love them as infants whom you are afraid to trust without nurses; and I as adults whom I freely leave to self-government."

Another eminent revolutionary theorist, James Wilson, expanded on this principle. He maintained that the people rather than the State were the masters. It was the people who had the right to elect their representatives and to depose them when they were unfaithful to their trust. He conceived of the State as: "a complete body of free, natural persons, united together for their common benefit; as having an understanding and a will; as deliberating, resolving and acting; as possessing interests which it ought to manage; as enjoying rights which it ought to maintain; as lying under obligations which it ought to perform."

While our revolution was initially political in character, its doctrines of freedom and equality based on the dignity and inalienable rights of the individual opened the way for eliminating the economic and social injustices which came with the industrial revolution. It was based on the premise that if the people are given power they can be depended on to look after their interests. This premise has been proven sound by history. Reform did come, political reform, social reform, and economic reform. They continue unabated to this day.

But our revolution did not seek to destroy the existing social and economic system. On the contrary, it recognized the value of Christian ethics in man's relationship to man and in international relations. It sought to conserve what was good in these systems and to change what was bad.

Our revolution moreover did not seek to cast the mind and spirit of man into a mold of total and absolute conformity. Rather it sought to free the mind and spirit of man so that he could continue his age-old search for a more perfect truth, so that he could continue to learn from experience, to improve, to change, to progress. This cardinal principle of our revolution was expressed by Thomas Jefferson in these words:

"I have sworn, on the altar of God, eternal hostility against every form of tyranny over the mind of man."

III

Another kind of revolution was proposed by Karl Marx, a German philosopher who lived in western Europe between 1818 and 1883. Marx's ideas were later interpreted and expanded by Lenin. In the comparison of the principles of our revolution with Marxist-Leninist doctrine are to be found the principal issues which today divide the free world and the Sino-Soviet bloc.

First, Marx and Lenin thought that the only reality was material. This idea needs to be better understood by us. It means they ascribed no value to the spirit or the dignity of man, that they believed man does live by bread alone. It means that no value is given to ethics, to charity. Listen to the words of Lenin:

"When people talk to us about morality we say: For the Communist, morality consists entirely of compact united discipline and conscious mass struggle against the exploiters. We do not believe in eternal morality and we expose all fables about morality."

This thesis is in basic and fundamental conflict with our principle that human dignity is worthwhile and that the individual has certain inalienable rights. On this encompassing concept of the absolute importance of the material rest other concepts of Marx and Lenin to which I will now refer.

Second, Marx and Lenin differed from our principles in that they did not trust the people to govern themselves—to decide for themselves which reforms would achieve the greatest good for the greatest number.

Hence, instead of democracy they proposed dictatorship. They proposed not even a dictatorship by the majority of the people but a dictatorship of the proletariat defined in Marxist doctrine to mean the minority who work for wages, particularly in the mines and in the factories. The small farmer, the student, the white collar worker, the intellectual, the businessman, the professional man are, in Marxist-Leninist theory, excluded from the term "proletariat." When Communist doctrine condescends to refer to these social groups at all, it refers to them collectively as the "toiling masses"; no provision whatever is made for their participation in government.

Marxist-Leninist theory recognizes two kinds of democracies. One is "bourgeois," defined as all those whose economic systems permit employers of labor to own means of production. The other is "socialist," defined as all those patterned after the Soviet Union. In neither definition does the quality of freedom which individuals enjoy nor the degree of their participation in government decisions have any relevancy.

This is a fair summary of the theory. Now let us look for a moment at the practice.

The "proletariat"—the factory worker and the miner—are used, as theory says they should be, in the first violent and bloody stages of revolution. But once the party apparatus is firmly in power, there is no instance in all history where the proletariat has actually had any voice in government.

Also used to prepare the way for the overthrow of constitutional and parliamentary institutions and to participate in the violent stages of revolution are individuals from all social groups who, rightly aspiring to the correcting of social injustices, have been deluded into thinking that they are doing good for their people when they turn them over to the tender mercies of a Communist dictatorship.

It is difficult to believe that these people really understand that they themselves are, in Communist doctrine, marked for extinction. Communism devours its own children. But it first destroys not only the opposition but all those who are considered to be potential opposition because they might have an independent thought of their own. In Communist theory, refusal to submit to the "discipline" of the party. is to be guilty of "deviationism, the most serious of all Communist crimes. Gratitude for help given to Communists in difficult times is, in Communist doctrine, not a virtue. In Communist theory, the only virtue, the only end, is to gain power for the party and then to hold it permanently and exclusively. The means by which this is accomplished are unimportant.

It is the Communist Party which actually rules or, more precisely, a very small group at the top of the party hierarchy and sometimes, as in the case of Stalin, only one man.

Membership in the party is, of course, by invitation only. But although party members constitute only a small fraction of the population, a Communist government is always a party government, a Communist army is always a party army, a Communist state always a party state. Party members occupy all important government positions. They are the only ones who have and exercise overall power. They are the new lords and nobles. They are the new ruling class.

They exercise more power than any aristocracy of the Middle Ages because they control all property, tangible and intangible, real and personal, agricultural and industrial. Since individuals under their control have no property and no possibility of producing wealth of their own, they have no resources with which to oppose tyranny. This monopoly of the means of production is an effective means of crushing all opposition—of depriving the people of what Jefferson referred to as the right of revolution. This is the central reason why no country on which communism has fastened itself has ever even temporarily regained its freedom against the wishes of its rulers.

The Communist ruling class is more ruthless than the old aristocracy because it is without ethics and charity. Every Communist revolution has been written in the blood of its people. Every Communist regime has been built on the bones of its people.

The point which I wish to stress here is that the acceptance of Marxist-Leninist doctrine and practice inevitably and automatically means the loss of all of the rights of the individual so slowly and painfully acquired through the ages. It means a return to semifeudal tenets: All industry and all land belong to the Crown; the people are bound to a particular industry or farm selected for them by their rulers. It means a return to serfdom under a new set of masters. It signifies the betrayal of the basic principles written into the constitution of every republic.

Third, Marxist doctrine differs from our revolution in that it sets up a new kind of tyranny over the mind of man. Marx wrote, and Communists still claim, that his doctrine was the only scientific explanation of history, of events past and to come. The doctrine claims there is no possibility of error in it, that it is the alpha and the omega of all truth, that it brings all reality, past, present and future, into one complete frame.

I suppose one should not be too surprised that one man should claim to have a monopoly on truth, that he should believe mankind has nothing more to learn from experience and meditation, that the human mind should be cast into a 19th century mold of dogmatism. But it seems incredible that any intellectual of our day and time would accept this as either noble or true.

Djilas is one of the most eminent theorists in the Yugoslav Communist movement. I do not agree with everything he has written. But he knows communism in theory and in practice and his descriptions of Communist tyranny over the mind are accurate and graphic:

"A citizen in the Communist system lives oppressed by the constant pangs of his conscience, and the fear that he has transgressed. He is always fearful that he will have to demonstrate that he is not an enemy of socialism.

"The school system and all social and intellectual activity work toward this type of behavior. From birth to death a man is surrounded by the solicitude of the ruling party, a solicitude for his consciousness and his conscience. Journalists, ideologists, paid writers, special schools, approved ruling ideas and tremendous material means are all enlisted and engaged in this 'uplifting of socialism'. In the final analysis, all newspapers are official. So are the radio and other similar media.

"These oligarchs and soul savers, these vigilant protectors who see to it that human thought does not drift into 'criminal thought' or 'antisocialist lines'—these holders of obsolete, unchangeable and immutable ideas—have retarded and frozen the intellectual impulses of their people. They have thought up the most antihuman words—'pluck from the human consciousness'—and act according to these words, just as if they were dealing with roots and weeds instead of man's thoughts.

"On the one hand, the ideological discrimination in Communist systems aims at prohibiting other ideas; on the other, at imposing exclusively its own ideas. These are two most striking forms of unbelievable, total tyranny.

"History will pardon Communists for much. But the stifling of every divergent thought, the exclusive monopoly over thinking for the purpose of defending their personal interests, will nail the Communists to a cross of shame in history."

Fourth, our revolution held that a government "of the people, by the people and for the people" was desirable and necessary to guarantee the essential rights of the individual and to protect him from the tyrannies of classes and groups; to provide free education for the people; to pass laws and guarantee their administration with equal justice for all; to prevent man's exploitation by man; and to provide for the common good and for the national defense.

Marxist-Leninist doctrine, on the other hand, insists that since government is the tool of the "bourgeois" and that since the triumph of communism will signify the abolition of classes, government in a "classless" society will no longer be necessary and will wither away.

Few would dispute the triumph of the Communists in the Soviet Union more than 40 years ago. All of the classes that existed under the czars were ruthlessly liquidated and a new order was established, based on Marxist-Leninist doctrine, in which the Communists themselves were the sole masters. But the Soviet Government shows neither any sign of "withering away" or any intention of reducing the privileges and powers of its bureaucrats. Now more than ever the principal purpose of the party is to perpetuate itself in power.

Do Communist leaders today still believe in this utopian myth of the disappearance of the state? This would seem doubtful even allowing for man's capacity for self-deception. But they could never admit their disbelief not only because Marxist-Leninist doctrine is for them a secular religion but because to do so would remove the only doctrinal justification they have for their rise to power by blood and terror. So the myth remains as a hope for their people of a better life hereafter.

Fifth, American doctrine is that it is both feasible and inevitable that the social and economic injustices which existed within the society of the 18th and 19th centuries will be corrected by the people themselves operating through democratic institutions. We have nearly 200 years of history with which to judge this claim.

In the days of Marx a few families owned all of the great industries. Today literally millions of stockholders own our industry. Profits are divided so widely that our type of capitalism today has been accurately described as a "people's capitalism."

Workers for wages have organized themselves into powerful unions and confederations which have achieved what Marx could only have considered an unbelievable miracle. The voice of labor is one of the most powerful in our land. Old problems of child labor, inhuman hours of work, unfair wages, unhealthful and unsafe working environment, and chronic, widespread unemployment have all been corrected.

Our farmer, like the worker, enjoys the highest standard of living in history based on land and other reforms which took place many decades ago.

Monopolies have not been tolerated since passage of the Sherman and Clayton antitrust acts, many years ago.

Our taxation is based on ability to pay so that it is no longer possible to acquire very large fortunes or to pass them on to succeeding generations. We have achieved, in sum, a social justice that goes hand in hand with ownership by the people of our industries and farms. And we have achieved this without sacrificing freedom.

In Marxian theory of 1850 none of this could happen. Marx wrote that "class struggle" between the proletariat and the bourgeois was inevitable. More than a hundred years of history not only in our land but in many others proves that this was a bad guess. But the Communists are stuck with a doctrine they cannot abandon and so they must continue to talk, as if we still lived in the mid-19th century, of imperialism, exploitation, monopolies, and social injustice.

IV

Our principles and our faith are the product of the experience of hundreds of millions of people who through the ages have survived on many frontiers and by trial and error progressed to ever higher horizons of freedom and justice.

Our principles are the product of a long and rich cultural heritage based on the philosophy of the Greeks, the law of the Romans, the long struggle for freedom of the peoples of the West, on the revolutionary concepts of the enlightenment.

We will not abandon our principles. We will not surrender our freedom. We will instead renew our faith in our country, in its leadership, and in the inevitable triumph of freedom.

CURRENT PROBLEMS IN EDUCATIONAL RESEARCH—ADDRESS BY WILLIAM BENTON

Mr. MORSE. Mr. President, at the annual conference and luncheon of the United Parents Association, which was held in New York City last January 13, former Senator William Benton took occasion to speak to an audience of 2,400

delegates about current problems in educational research. I would particularly call to the attention of the Senate his statement that:

The 4 years of experience under the National Defense Education Act shows that, in qualifying for Federal aid, no community in the Nation was forced to change its curriculum or to expose its children to any kind of Government propaganda, or indeed to do any of those things which the alarmists would have us worry about.

Since I feel that this point needs to be made again and again as educational legislation is considered by the Senate.

I found Senator Benton's speech to be most challenging; and since it is one which I believe will be of value to the Senate, I ask unanimous consent that it be printed at this point in my remarks.

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

I would be happy if I could think that my ancestors had a hand in issuing your invitation to me to be with you today. For 125 years, they worked in the field of education as missionaries, clergymen, public school teachers, and university professors. As a boy I was often told how each in his own way shared a view voiced by Thomas Jefferson when he was trying to rally public support for his new university:

"What service," he asked, "can we ever render to our country equal to promoting education? What objects of our lives can be proposed so important? What interest of our own which ought not to be postponed to this? In the single life which nature has given us, on what can we better bestow our health, time, and labor, than on public education? The exertions and mortifications are temporary; the benefit eternal."

These views were shared by my father, a university professor, and by my mother, in her youth an elementary school teacher who became the first woman county superintendent of schools in the State of Minnesota. They were shared by my uncles and my aunts and my cousins—professors and teachers mostly. I constantly heard such views at the Thanksgiving and Christmas family reunions.

Yet I would be false to the truth if I told you that from early boyhood I agreed with what I heard. When I compared the time and devotion my parents brought to their teaching posts—when I compared these with the material rewards they had gained—it seemed to me that "the exertions and mortifications" in the cause of education were the things that were "eternal," while the "benefit" might be classified as merely "temporary."

In choosing my own career after graduating from Yale 40 years ago, I therefore resolved to stay away from the field of education. I even turned down a Rhodes scholarship because my mother insisted, if I took it, that I pursue a career in education or scholarship. I remember when she plaintively wailed, "Billie, if you won't do something respectable, won't you at least be a lawyer?" Infected as I was by the bacillus of the anti-intellectualism which suffused our eastern college campuses in the post-World War I years, I decided to try to be the first person in the history of my family who would not be underpaid. So I went into advertising. I went with the biggest advertising agency in the world. I was to work on the Palmolive account. When my widowed mother heard that I was embarked on work so alien, she expressed her dismay in a letter I still remember. "Dear son," it began, "I am sorry to hear that you are going into a business which says that Palmolive soap is a good soap."

It was not until the mid-1930's that I began to redeem myself—if I ever did. At that time, I sold my interest in the advertising firm I had founded. I became half-time vice president of the University of Chicago. From there I went on to many another education venture. I am today a trustee of four universities and one college.

So much by way of personal prolog.

Let me now seek to grasp the subject which brought me here today.

I have asked myself what I can say about public education that would not strike this audience as a monolog it already knows by heart. Your role as leaders in the United Parents Association says in itself that you already know most of the educational facts a speaker here can cite, and already agree with most of the ideas he might ask you to support. (I am assuming, for the moment, that your speaker is not Senator GOLDWATER.)

Do not the ideas and the facts form a kind of 1962 litany which we can all join in singing?

Can we not unanimously agree that the minds of our schoolchildren are America's greatest potential natural resource—that the future of American democracy is bound up with the quality and quantity of the education we provide for them—and that a happy future for them will depend on how effectively they can unite learning and liberty? As President Kennedy told the Congress in his message on the state of the Union, "a child uneducated is a child lost."

Surely we also agree that no democracy can permanently survive if knowledge is a monopoly of that privileged few who can afford to pay for the right of access to that knowledge—while the majority of the people, primarily for financial reasons, are kept in comparative ignorance. This condition unhappily prevails throughout most of Latin America today.

President Kennedy quoted H. G. Wells to the Congress, "Civilization is a race between education and catastrophe."

We can agree further in a democracy, where the people are indeed the makers and rulers of their own destiny, a society devoid of knowledge and intelligence will have the characteristics of the portrait drawn by Horace Mann in the 1830's. It will resemble said he, "an obscene giant who has waxed strong in his youth, and grown wanton in his strength; but whose brain has been developed only in the region of the appetites and passions. Boasting of his bulk alone—such a democracy, with all its noteworthy capacity for good, will rush with the speed of a whirlwind to a sorry end."

Finally, and today most importantly from the standpoint of public policy, may we not agree that the educational and financial problems faced by our country are such that we must unite to achieve an acceptable program of Federal support for education?

I now suggest that to the great Jeffersonian postulates which have formed the foundation of our American educational structure, our times have added four lines of argument—new though subordinate lines of argument which Jefferson could not have envisioned. All of them of course add further fuel to the fire building up for more funds from the Federal Government for the support of education.

The first of these four, and the most important of all, was detailed by President Kennedy in his special message to the Congress last February. It is the money problem. The story the Presidential message had to tell was a familiar one. It was the story of too many State and local governments which now lack the resources to assure an adequate education for every child—of too many classrooms that are overcrowded—of too many teachers who are underpaid—of too few teachers to provide instruction to an exploding school population—of too many talented students who cannot afford the benefits of higher education. Unhappily, as President Kennedy documented, without Federal support there is now no chance to live up to Jefferson's dream, the American dream. This dream is the inspiration of public education, the strength of democracy, the theme of your conference of today.

Second, we need Federal support for reasons stemming from the titanic struggle between freedom and communism. The Soviet Union is spending a far higher proportion of its national income on education than do we. Red China, on its part, poverty stricken as it is, has quintupled its college enrollment in the past decade, and in the same decade has quadrupled its primary and secondary school enrollment from 25 to 108 million. And such figures are exerting a powerful magnetic pull on the minds of the 1 billion people in the uncommitted countries who are searching for examples of political patterns to follow in shaping their own future.

Third, growing out of the foregoing and due to the perilous state of today's world, we need national support for education for reasons of national defense. A theme in my book, "This Is the Challenge," published in 1958, is that the struggle with the Soviet Union is likely to be won or lost in the classrooms. Which system will do the best job living up to Dr. Theobald's appeal for "equality of opportunity"?

Fourth, we need national support for education to prepare our people for the longer life expectancy and the increased leisure opening before us. Can't we have education that will prepare men and women to take advantage of the 30- or even 20-hour week which some of us here may live to see?

Yet after we sing this litany of familiar ideas in which we believe, I then hum to myself. I'm sure most of you have hummed yourselves the same song. Why did the President's program of Federal aid for education fail in the last Congress? I could take an hour giving you details on the conflicts that developed. But the underlying answer, I believe, is a simple one and a humbling one. The answer is that you and I failed.

Those of us who believe in education and who know its urgent needs—it is we who failed. We failed adequately and aggressively to present our open-and-shut case to those of our fellow citizens who do not share our knowledge. And thus our fellow citizens failed to exert that pressure of opinion which our Congressmen know so well how to detect and how to measure.

I shall not attempt today to spell out a program of countrywide grassroots political action. I shall only say that such a program, adequately financed and led, would be sure to work. But I shall repeat here one proposal—a proposal for a permanent program about education and for education—a proposal I first made in 1959 as chairman of the Education Subcommittee of the Democratic Advisory Council. I would be pleased if your committees would examine this proposal and gratified if you would endorse it.

It is based on the experience developed in the past 15 years under the Employment Act of 1946. This act gave no new powers to anyone. It provided the President with a Council of Economic Advisers to help him maintain a continuing review of basic economic trends and of the effect of Federal economic policies. It required him, on the basis of this review, to submit annually an economic report to Congress. Further, a so-called congressional "Joint Committee on the Economic Report" reviews the President's report and prepares its own recommendations.

The postwar contributions growing from this act have helped keep the President, the Federal agencies, Congress, business and

labor, and the Nation as a whole, better informed about the potential strengths and weaknesses of the economy, its trends and needs. Public debate about economic policy has been stimulated. The formulation of both public and private economic decisions and policies has improved.

Now I propose a similar set of procedures for education. They need not involve the grant of any new Federal powers. I propose a Council of Educational Advisers, and a Joint Congressional Committee to review its annual report. This procedure would keep the administration, the Congress, the State and local governments and the Nation, far better informed about educational policies, problems and progress. Here we would have an urgently needed annual audit. It might even inform and stimulate the United Parents Association of New York. Such an annual review at such a high level would inevitably help generate public understanding. It should help foment the political action required.

Today, relative to need, the United States has much more adequate information about Dutch elm disease, wheat crops, fish runs, bank balances, horseracing, baseball, and dogs, that it has about education.

The truth is that there is no valid justification today—except lack of public understanding—for the continued exposure of American children to inadequate and underdeveloped educational programs.

If we don't like to call the remedy Federal aid, let's call it Government rehabilitation aimed at undoing decades of neglect and obsolescence. Yes, we have a problem in semantics.

Is it not idle to worry about whether there is a road back from Federal aid? In a free society there is a road back from anything we do not like—even prohibition.

And in any case, there is no validity to the fear that Federal aid to education means Washington control over what our schoolchildren are taught. Indeed, there is recent and powerful evidence to the contrary. The 4 years of experience under the National Defense Education Act shows that, in qualifying for Federal aid, no community in the Nation was forced to change its curriculum or to expose its children to any kind of Government propaganda, or indeed to do any of those things which the alarmists would have us worry about.

I have been suggesting that you and I, as parents and citizens, can help the educators and those who want to be educators. We can marshal arguments and we can develop pressures. Let me now ask what can the educators do to help us in this mutual cause.

The general task faced in most communities is to renovate the whole of our school system from the first grade on up through higher education. The word is "renovate"—not "scrap." Renovate implies the conservation of what is good about the existing school system, while the dust, dullness, and decay are swept out. And please remember what President Kennedy said this week, "Excellence in education must begin at the primary level."

This first step in the process of renovation seems self-evident. Let us ask our educators to help us sweep out the mass of superstitions, obsolete attitudes and professional cliches that have cluttered up the teaching process. Some of these are so deeply entrenched that it almost seems a sacrilege to suggest that they might be invalid. Yet the time has come for meetings such as this to reexamine the whole lot of them and to give some thought to what could happen if we replaced most of them.

I am referring to such matters as "optimum class size." I refer to the way teachers are trained and licensed. I refer to the way we allegedly revise and update our curriculums—and our accreditation procedures—to our attitude toward college preparation—and to many other concepts and activities that are surrounded by such fixations that many feel that change now seems almost impossible.

Yes, we must strive to clean away the debris of dogmas and cliches—the stratification and ossification of which Mayor Wagner spoke—so that we can take the big next step—so that we can seize the big opportunity which is now within our grasp. This next step calls for applying readily available knowledge about education to the practices of education.

If General Motors had paid as much for its research as the American educational system has paid, and if it had as much research at its fingertips as education does, nobody would recognize the American automobile. It would be as near perfect as anything mechanical can be—with tires that would last a lifetime and an engine that operated off of two thimblefuls of water a year.

But the sad fact is that with incredible amounts of educational research now at their fingertips, if they would only stretch out their fingers, the American teachers colleges, school boards, and school administrators have not achieved a nodding acquaintance with the knowledge explosion in education.

How many of you know that so many scholars are doing so much research about education—and that so little is being done to use the product of this research? What other research projects have millions of captive subjects showing up every day to be exposed to tests, to new techniques and to new opportunities to explore better ways of doing the job?

If we are going to achieve success in the educational task ahead, we are going to have to find a way to do what other important areas in our society have done. We must process the findings of educational research into productive resources and put them to work. We should seek to do this promptly.

One of my associates in Encyclopaedia Britannica Films has gone so far as to recommend that we declare a moratorium on all research in education for the next 5 years. He suggests that this might shock some of our school boards and educational administrators into lifting their eyes from present practices and from the past in which they are enmeshed. They might then take a look at the unusual opportunities now at hand. His arm-twisting prompts me to a query of my own.

Do we perhaps need a major research project to find out why so few in education seek to apply the results of current research? Why indeed, as my friend, the distinguished educational scholar Ralph Tyler has said—why indeed should it take 50 years for 50 percent of the educators to take up a new idea that is manifestly good? Can't your association devote some of its time to this question?

As things stand, we know that our children can't even learn to read properly. We know there is room for improvement and updating in almost every aspect of the curriculum and at all levels in our school system. Yet the law of uniform motion that exists in education continues to resist new developments. And to any of you here today who question this, let me give you three quick examples drawn from my own personal experience as chairman of Encyclopaedia Britannica Films which for 32 years has been devoted to American education.

Example 1: More than 30 years ago, it was clearly demonstrated that the motion picture could improve learning, that it could increase retention and bring provocative and stimulating experiences to the classroom that had never been brought there before. This research is why Eastman Kodak and A.T. & T., the two predecessor companies of Encyclopaedia Britannica Films, decided to produce motion pictures for the classroom. Yet here in New York City, as in the majority of other school systems around the country, the film is used only to a tiny fraction of its real potential, and the rate of increased use is slow indeed. (Yet there are school systems where materials of this kind have been used with dramatic effect—cities in which the research has been used—and not merely noted.)

Example 2: We Americans have been viewing television in our homes for 10 years now and plenty of studies have demonstrated that educational TV has been a most alluring possibility. Yet the best one can say about educational TV at this moment is that its programs have been less than mediocre, and that its future looks as dim as its past has been ineffective.

If educational TV holds even a fraction of the promise that has been attributed to it, how do you explain that throughout the last 10 critical years we have not done more with it?

How can we now learn about the educational opportunities in TV except by using it, strengthening it, molding it to our needs—and is this not better than learning about it by reading research reports?

I congratulate the backers of channel 13.

Example 3: Several years ago the experimental psychologists delivered a potentially tremendous resource to American educators in the newly developed technique of programed learning—sometimes called teaching machines.

Research now clearly demonstrates that in many areas of subject matter programed learning can reduce the time it takes to learn, can increase the effectiveness of learning, and can enable our teachers effectively to deal with more students. Could anyone ask for more than that in a new technique in education? Yet it is probably safe to predict that a decade will go by before the children or grandchildren of more than one-tenth of the people in this audience will be exposed to the opportunity of learning in this helpful new way.

I suggest that no business could long survive if it were run as is our educational system. No business enterprise could long continue to exist which did not use contemporary research knowledge to deal with contemporary problems and which treated newly emerging techniques as though they never existed or as if they were designed to be playthings at the management level rather than implements in the field.

Why do our educators hold back because of the dangers in barging ahead too hastily when these are only a fraction of the danger of doing nothing at all? The dangers of experimentation, so often pointed to with owlish morbidity by our school officials and school boards, are really no dangers at all. The experimentation usually has been done elsewhere and the research reports tell all about it.

Once we have resolved to bring our teaching practices in line with the new discoveries and resources, one further step still awaits us. This step calls for an exercise in honesty about the cost entailed in making the new techniques available. Once again I make a comparison with business—and I do not apologize for it. Education is big business, indeed, and some of its practices can be judged by business standards.

Our schools are today paying a cruel price for the way they live their year-to-year financial lives; so much so, that they may founder on the sheer inadequacies of short term financial thinking in the face of goals that can only be achieved through a planned longer period.

In a world of changing technology and techniques, a year-to-year policy of financing our school operations—and I distinguish sharply here between operations and school construction—can lead to the perpetuation

of inadequacy. When a school system doesn't have enough books in its library, or enough films in its film library, or enough laboratory equipment in its science departments, it shortchanges generation after generation of students with a policy of budgeting based largely on replacement and on only minor additions to its resources.

It is time our education leaders—our school superintendents and budget officers—gave the school boards and the community an honest and complete look at the cost of properly equipping our schools—and in doing this right now, or at least over a reasonably short term.

What would it really cost to bring the library up to date, with enough books (and enough copies of the right books) so that important reading can be done by the students when it should be done? What would it cost to build the kinds of audiovisual resources now—not in an unlikely and distant decade from now—audiovisual resources that would make it easy, and not frustrating and nearly impossible for a teacher to use the priceless aids that are readily available? What is the cost of reequipping our science labs to teach today's science today—to all students and not just a lucky few?

With the real costs at hand, we should now seek to do the things we have to do. We may find the financial answers at the banks—or through the Federal Government, or in new approaches to taxes—or in different kinds of school operation. However, many of the modern teaching techniques will actually cut costs in the long run, and today's higher costs can indeed come back in the form of future reductions.

Not one school system in a thousand, in planning ahead, goes much beyond its conventional needs in brick and mortar and in teachers. Not 1 in 10,000 has a real profile of the comprehensive task ahead in financial terms—in budget terms that recognize how to adapt our school systems to modern developments in instructional techniques and materials. This means that almost every annual budget is a surrender to the inevitable continuation of mediocrity, a surrender to the status quo.

Of course this task of renovation also calls for educating State legislatures about the facts of educational life. In many States, because of laws framed to the wishes of normal schools and teacher lobbies, it would be impossible for a school board to engage the services of Herodotus to teach ancient history, of Euclid to teach his own subject of geometry, of Shakespeare to teach a class in his own plays, of James Madison, the father of the American Constitution, to teach a class in civics. In my own State, a valedictorian of his class at Yale who has majored in physics does not qualify for employment as a teacher of physics in the Hartford high schools.

The men who created the very subjects taught to our schoolchildren would be locked out of most classrooms because they do not hold a teacher's certificate from a normal school or teachers college. Conversely, all too often those who hold the teacher's certificates know pitifully little about what they teach.

Also needed is a review of the way our State laws often discriminate against innovations in teaching techniques. Many States, as some of you know, have specific and most unhappy standards for textbooks—even to the details as to their length, type of cover, size of the printing, and so forth.

Indeed, if it were possible to create a tranquilizing pill which bestowed "knowledge and skill"—a pill which would endow every student taking it with all the world's knowledge—it would not be allowed in many States. Yes—it could not be used in the schools with the blessing of many State departments of education.

May I now ask whether we can hope that our teachers, who are both the victims and the beneficiaries of our educational system, will join in persuading the legislators to do their part in recasting it? Such is my regard for teachers that I believe most of them will, even though many have invested many a dreary semester in learning how classroom tactics in the sixth grade should differ from those of the fourth or the eighth—rather than in seeking to master more thoroughly the subjects they teach.

I seem to have cast myself in this cursory and arbitrary commentary as the educator's critic. Let me conclude as the friend.

All of us agree, I am sure, that universal education is indispensable to the practice of democracy. Further, it is vital to the progress of our economy. It is a key to our national defense, and to the conduct of our worldwide competition with communism. It promises the highest values for an affluent and leisured society.

But I shall now confess that, to me, education is more than all these. Primarily, education is an end in itself. Many divergent systems of philosophy have agreed on a definition of human happiness: happiness is the process by which each man develops himself in his highest powers. And isn't that also the definition of education? What other field of human activity can say as much? And how can happiness for the greatest number be achieved except through education? President Kennedy told the Congress this week, "The policy of this administration is to give to the individual the opportunity to realize his own highest possibilities."

And so today I salute those of you who are teachers as the tribunes and the servants of the very greatest good. And I further salute those of us who are champions of education. We are warriors of happiness—and happy warriors.

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

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

OIL THEFT PROBE IN EAST TEXAS OILFIELD STARTED BY FEDERAL AGENT

Mr. YARBOROUGH. Mr. President, on April 1, 1961, the present administration appointed Mr. Dan Purvis, of San Antonio, Tex., as chairman of the Federal Petroleum Board at Kilgore, Tex.

Shortly thereafter, Mr. Purvis initiated an investigation of rigged oil production in the east Texas oilfield. To show that his investigation was well known almost a year ago, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Texas Rigged Well Testing Probed," from the Oil and Gas Journal of July 17, 1961.

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

TEXAS RIGGED WELL TESTING PROBED

The Federal Petroleum Board at Kilgore, Tex., is investigating complaints that some Texas operators are getting "marginal" status for their wells—with a big boost in oil allowable—by rigging well tests.

In some Texas fields, such a switch from prorated to marginal status will permit an operator to produce from three to four times as much oil per month.

Dan Purvis, chairman of the FPB, confirmed last week at Kilgore that his office is checking into the situation. He said many complaints were received from nearly all corners of the State.

Whether the practice is illegal under current Texas law is uncertain. Purvis declined to comment on this question or to disclose any other details about the investigation or possible FPB action.

MARGINAL LAW PROBLEM

First public disclosure that such manipulation of marginal-well tests was going on appeared more than a year ago in a Journal article on outdated Texas oil laws and regulations (OGJ, Jan. 25, 1960, p. 125).

The key to this particular problem is the Texas marginal-well law.

Under this law, a pumping well in Texas is not prorated after its production falls below a certain volume. This volume is determined according to a depth-bracket formula. An operator gets marginal status when he is able to show, under test, that his well cannot produce more than this set volume.

But there is nothing in the marginal-well statute to require that the well, during this test must produce at its most efficient pumping rate. Producing rates of a pumping well are easily alterable by changing the length of the pumping stroke, the number of strokes per minute, and other data.

The trouble with the marginal-well law stems from its passage at a time when all Texas wells were producing their allowables every day. This was before it was even conceived that the State someday might be on an 8-day producing schedule. And it has resulted in some "absurd" situations.

EAST TEXAS EXAMPLE

East Texas field offers a good illustration.

There the marginal well may produce 20 barrels a day every day of the month. But the top allowable for the better wells in the field is only slightly in excess of 20 barrels a day.

The upshot is that the marginal east Texas field well—the poorest in the field—gets to produce up to 620 barrels a month, while the best wells in the field (capable of producing thousands of barrels daily) are restricted to as low as 160 barrels per month. So there is a definite incentive to obtain marginal status in east Texas field.

One company's study in 1960 showed that east Texas field marginal wells represented only 15.45 percent of total field wells, but produced 23.3 percent of the field's total allowable.

IS THIS HOT OIL?

The function of the FPB is to squeeze off production of hot oil. It enforces the Connally Hot Oil Act which forbids interstate shipment of crude oil produced in violation of proration orders of the various State oil-regulatory agencies.

The question involved is whether the added oil that results from manipulation of well potentials so as to qualify for marginal status is hot oil.

Most operators feel it definitely illegal to take some physical action which would alter a well's true potentials. The FPB may well agree.

Mr. YARBOROUGH. In the midst of Mr. Purvis' investigation to determine whether or not there was stolen or illegally produced oil in the east Texas oil field, Mr. Lewis P. Blanton, the man whom Dan Purvis had succeeded as Chairman of the Federal Petroleum Board, was ordered reinstated to the Federal Petroleum Board chairmanship by the Civil Service Commission, which acted under a mandatory regulation requiring that persons not given proper notice of discharge be reinstated. It had been determined by the Civil Service Commission that Mr. Blanton had not been given the required notice. Mr. Purvis was removed and Mr. Blanton was reinstated in September of 1961.

Mr. Blanton continues to serve as chairman of the Federal Petroleum Board at Kilgore.

Now the hot oil scandal rocks the oil industry, with alleged illegal directional drilling and a probable theft of tens of millions of dollars worth of oil in the east Texas oilfield.

When this whole investigation is completed, Mr. President, and all the details are known, I think the lion's share of credit for moving to uncover this illegal situation should go to Mr. Dan Purvis, former Chairman of the Federal Petroleum Board of Kilgore. I am proud to have had the privilege of recommending Mr. Purvis for appointment at Kilgore.

In a brief 5 months in office, Mr. Purvis began to uncover and make public to the oil and gas industry and the rest of the world the situation that now exists.

This investigation is a matter of major import to the country, of grave importance to the oil and gas industry, and developments in it should be watched closely by the Congress, with a view toward taking any action necessary on a Federal level.

It comes under the jurisdiction of Federal agencies by virtue of the Connally Hot Oil Act of 1935. That act provides in part as follows:

SEC. 2. As used in this Act—

(1) The term "contraband oil" means petroleum which, or any constituent part of which, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of a State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State, or any of the products of such petroleum.

(3) The term "interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place outside thereof, or from any place in the United States to a foreign country, but only insofar as such commerce takes place within the United States.

SEC. 3. The shipment or transportation in interstate commerce from any State of contraband oil produced in such State is hereby prohibited. For the purposes of this section contraband oil shall not be deemed to have been produced in a State if none of the petroleum constituting such contraband oil, or from which it was produced or derived, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of such State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

I ask unanimous consent to have printed in the RECORD several articles including an article from the Houston Post of Monday, May 7, 1962, entitled "Oil Theft Probe Near"; two articles from the Dallas Morning News of Sunday, June 3, 1962, entitled "Rangers Called To Aid in Drilling Probe," and "Ten More Oil Field Operators from East Texas Enjoined"; and also an article from the Wall Street Journal of Monday, June 4, 1962, entitled "Oil Firms, State Sue Over Well-Slanting in East Texas Field; New Scandal Brews."

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

[From the Houston Post, May 7, 1962]

OIL THEFT PROBE NEAR—SLANTING OF WELLS REPORTED

(By Billy Thompson)

Suspicion-loaded signs that some east Texas operators are stealing their neighbor's oil by siphoning it through slant-down holes move nearer courtroom proof and well site showdown this week.

Already, Texas Rangers are tracking down reports, rumors and tips in the fabulous oil empire—reminiscent of the early 1930's when the chaos of theft and violence required martial law in the derrick-dotted field.

Next Friday morning a hearing will begin in a Longview courtroom on a temporary injunction issued last Thursday restraining the railroad commission from conducting an inclination survey of oil wells in and along the fairway of petroleum stretching from Upshur County southward through Gregg County to Cherokee County.

Four days later, on May 15, the regulatory agency will hold its own hearing in Austin for operators to show cause why their pipeline connections should not be severed. The order also requires the operators to show cause why they should not be required to comply with commission orders regarding the running of inclination surveys on their leases.

The Longview and Austin hearings—one or both—may bring into the open, oilmen believe, drilling and producing operations which smack of modern-day piracy.

Also, the hearing rooms may become the stages from which small operators vent their feelings that the commission is "picking on them" and is "being run" by big oil companies. The claims have been made already to members of the regulatory agency in private.

To these contentions, Chairman William J. Murray, Jr., counters:

"I won't be a party to a whitewash. This is a battle between right and wrong, not major and independent."

The commission—long recognized as the leading oil regulatory body in existence—wants to check scores, perhaps hundreds, of wells to see if they were drilled within prescribed limits for hole drift, or whether their shafts have been deflected so greatly that the wells produce oil from under other leases, some removed from the well location.

A commission rule prohibits the downward direction of a well being inclined more than 3°. The regulation was issued a year ago when rumors of oil stealing by siphoning became increasingly frequent.

Commission investigators as well as company probers have been checking out the rumors and tips for more than 2 years. In recent weeks the commission has beefed up its east Texas field staff in preparation for onsite checkouts.

The hearing at Longview Friday will be at 10 a.m. District Judge Sam B. Hall granted the temporary restraining order and will conduct this week's hearing.

Two Gregg County oilmen asked the injunction, contending that production of their oil wells would be damaged if they were forced to pull producing equipment from the wells for the surveys.

The commission had anticipated its well check might turn to the courthouse and, at the time of the Longview injunction, was working on an order for the show-cause hearing.

Murray said at week's end that the two hearings "will not alter our timetable."

"After the show-cause hearing and a look at the record, we'll be ready to do battle in court or in the field," he said.

He expects a courtroom fight "for I don't think many will comply" with the survey notices to some 60 operators by registered mail and the remainder by routine mail—and the commission's answer in Longview this week will be enough to sustain its position at that level, Murray believes.

Matthews was acquitted on February 14. He testified during the trial that he shot Dorsey when Dorsey came at him with a knife.

Matthews and his stepbrother, Walter Lee Snyder, testified during the trial that they were investigating directional drilling in Rusk, Gregg, and Upshur Counties.

Snyder testified that Dorsey and Matthews had been discussing drilling activities, including directional drilling and the transfer of production to "dummy" oil wells. Snyder said Dorsey wanted to be paid for his information and said he had a lot of information that he would give if he were paid for it.

Matthews, Snyder testified, told Dorsey that he would have to testify to the information in court.

These indications of irregularities involving directional drilling have come to light so far, the Post has learned.

1. Last January, an oil well operated by a major company suddenly started producing drilling mud instead of oil. That meant that the driller of a nearby well was drilling a "deviated" hole under the land leased by the major.

The driller of the nearby well was using what one oilman called "the best whipstock equipment in east Texas." Whipstocking is a technique that has been perfected in offshore drilling where slant drilling is common.

Quite by accident, the hole cut into the shaft sunk by the major. The deviation was more than 3°, more like 90°, sources acquainted with the case said.

2. Spot checks by commission investigators along the east and west fringes of the field have turned up new and revived producing wells in places where technical considerations made a resumption of production very unlikely.

3. Checks showed that wells reported to the commission as being in production were found not even to have transmission belts to drive the pumps.

4. Signs identifying wells and leases were found to have been switched. Commission regulations require that these signs be displayed.

5. One well, recorded as producing oil from the Woodbine sand at a depth of about 3,000 feet was found to have nearly 6,000 feet of sucker rods in the hole. "Sucker rods" are a part of the pumping system of the well and can give an indication of the depth.

Eight or nine rangers in the east Texas field area have been assigned to the case at the request of the commission.

Murray said the help of the rangers was asked "to protect and investigate." He said a member of the commission staff has been told that a "man has been hired to bump you off."

Last May, Chairman Murray, in answer to a Houston Post inquiry, revealed the railroad commission was concerned over reports that some wells, with their bores deviating excessively, where being drilled in the east Texas field.

Murray's comment was mild way of saying that the commission had indications that some wells that had been dug at one site were tapping an oil reservoir under another operator's lease.

An oil country source familiar with the commission's interest sized up such a situation thusly: "This is the same as stealing from a lease tank."

Then the commission supplemented a long-standing regulation prohibiting "unnecessary" well deviation with an order limiting such deivation to 3°. The new order carried instructions for operators to file a log of borehole surveys made in completing a well and for commission personnel also to log the well.

The order apparently drew only routine notice until Chairman Murray capped off a rising tide of rumors and tips with instructions to the east Texas field district office at Kilgore to undertake a wide-scale inclination survey throughout the field.

Roy D. Payne, district supervisor, began notifying a list of operators on April 20 that surveys would be run on their leases on dates the operator and commission could work out.

Two groups of notifications were placed in the mails, asking the operators to certify willingness on a copy of the notice to be returned to the Kilgore office.

Friday was the deadline for answers. Failure to comply made the operator subject to having his pipeline (market) connections severed, or to other penalties. Fines up to $1,000 a day can be assessed for violating Texas oil regulations.

The commission has declined to disclose the number of wells on the suspect list.

However, the Post was told by sources close to the situation, "there are 200 or 300 trouble spots," indicating that as many as 300 leases may be involved. The number of wells could total 1,000.

In the commission's files may be some of the strongest signs of violations.

Monthly proration schedules published by the commission show the quota or allocation for every well in Texas, including those exempt from shutdown days.

To get an allocation or an exemption an operator must file reports that his well was drilled and completed in conformance with *regulations*.

Many of the suspect wells in east Texas are among the 3,900 marginal producers and thus can produce all month long. The prorated or good producer is subject to shutdown.

Wells that cannot produce more than 20 barrels a day are not subject to shutdown days by Texas statutes.

Thus, an exempt well, with a producing capacity of 19 barrels a day, could produce 570 barrels a 30-day month. On the other hand, a good 30-barrel well could produce only 240 barrels in the same month if Texas were on an 8-day proration schedule.

Such a situation, observers think, has encouraged illegal drilling and production. For some it has emerged into a way of life, like bootlegging was during prohibition, commented one source.

[From the Dallas Morning News, June 3, 1962]

RANGERS CALLED TO AID IN DRILLING PROBE

(By Fred Pass)

KILGORE, TEX.—Texas Rangers began patrolling the large and rich east Texas oilfield in force Saturday.

A contingent of some 25 rangers, augmented by a like number of Texas highway patrolmen, assembled in Kilgore and began working with Texas Railroad Commission investigators who are making inclination tests of oil wells in the field.

Presence of the rangers created rumor waves which quickly spread throughout the large oilfield area that martial law had been declared. Many people here still remember the days of the early 1930's, when martial law went into effect to bring order to the field and to prevent the running of hot oil.

But Ranger Sgt. Lester Robertson, of Dallas, who is in charge of the 50-man force, said no such action has been taken.

"Martial law is not needed unless it gets to where we can't handle the situation," he said. "And the situation is a long way from that."

Sergeant Robertson said there has been no trouble "to speak of" so far. He said the rangers would be on duty in the field as long as they are needed to assist the railroad commission.

Ranger Capt. Bob Crowder, of Dallas, is expected to take command of the group next week. The officers are billeted in a Kilgore motel.

The rangers and railroad commission personnel are preventing the plugging or other alteration of wells before investigators can make tests to determine if any are drilled at illegal angles.

The question of illegal directional drilling in the east Texas field is scheduled to get its first district court airing in Rusk County Courthouse at Henderson Monday.

Hearings will begin at 9 a.m. in fourth district court. District Judge A. R. Stout, of Waxahachie, is scheduled to hear the first four civil suits which Humble Oil Co. has filed against six operator-defendants and numerous other defendants. Judge Stout will substitute for District Judge J. C. Gladney, the regular judge of the court.

The hearings follow a flurry of civil suits that were filed last week by large oil companies against east Texas field operators.

By the weekend, three companies had filed eight suits in State and Federal courts, seeking injunctions to prevent operators from altering their wells until they can be investigated, and asking damages if the wells are found to be tapping their oil pools.

These suits are in addition to action taken last week by the Texas Railroad Commission and attorney general's office in Austin.

Humble started the civil action a week ago Saturday by filing four suits in fourth district court here. They named as operator-defendants H. L. Long of Tyler, in two suits, Charles Stubblefield, of Tyler, in one suit with Long, A. E. McCubbin, J. S. McCubbin, and J. Rex Stegall, of Gregg County, in a third suit, and Judson Turner, of Overton, Rusk County, in the fourth suit.

In addition to these six operators, the suits also named 12 other defendants, including several financial institutions, due to their interests in the leases in question.

In these four suits, Humble asked court orders to prevent well alterations, and the right to make tests of the wells to determine location of the well bottoms. If the wells are found to be bottomed under their leases, the company also asks damages of nearly half a million dollars.

These are the four suits on which hearing will be held Monday.

Last Thursday, Humble followed with two more suits in fourth district court, naming W. O. Davis Jr., of Longview as operator-defendant. And on Friday, Continental Oil Co. petitioned the district court to restrain a Gregg County resident, Edwin G. Stanley, and others from altering wells.

Named defendants along with Stanley were Billy Bridwell, H. L. Long, R. H. Hedge, all of Tyler, Petroleum Pipeline & Storage Co. and the estate of W. H. McConnell, deceased.

Hearings on these cases have been set for next Wednesday.

Latest suit was filed on Friday in Federal district court in Tyler. Pan-American Petroleum was granted a temporary injunction against E. A. Major and O. M. Garvin, of Tyler, doing business as Major & Garvin Producing Co. The court order was to prevent plugging of wells.

A hearing on permanent injunction in this case has been set in Federal court for Monday, June 11.

[From the Dallas Morning News, June 3, 1962]

TEN MORE OILFIELD OPERATORS FROM EAST TEXAS ENJOINED

(By Richard M. Morehead)

AUSTIN, TEX.—Ten east Texas oilfield operators were placed under court orders here Saturday against interfering with deviation tests being made by the railroad commission.

District Judge Herman Jones granted the commission a temporary injunction, which the regulatory agency said is needed to assist in its investigations.

The same judge previously had granted court orders restraining three east Texas field operators from interfering with the inclination tests, designed to determine whether wells were illegally slanted underground to draw oil from adjoining property. Surveys of these were underway this weekend.

The commission meanwhile entered an emergency 15-day order against plugging of the big field's wells. An indefinite no-plugging order is in effect on 1,022 wells located on 162 leases, where the commission plans to make inclination surveys.

Judge Jones' latest order applies to the following operators and leases:

H. L. Long, of Tyler: Willie Star lease, Daniel-Clark survey, Rusk County.

E. W. Scates, of Longview: 0.53 acre, J. H. Watkins lease, Thomas Anderson survey, Rusk County; 23.5 acres, N. Ephriam lease, Daniel-Clark survey, Rusk County.

Robert Cargill, of Longview: 191.25 acres, G. J. Turner lease, Thomas H. Smith and Hugh Henderson survey, Rusk County.

Tom Cook, Jr., of Longview: 25.68 acres, Major Kennedy lease, Daniel-Clark survey, Rusk County.

Owen H. Thomas, of Kilgore: 25.86 acres, Arthur Kennedy lease, Daniel-Clark survey, Rusk County.

J. D. Laird, of Kilgore: 56 acres, G. Ephriam lease, Daniel-Clark survey, Rusk County.

Elba Oil Co.: 100.08 acres, Monroe Holt lease, Daniel-Clark survey; 43 acres, Z. H. Dorsey lease, R. Miller survey; and 96.78 acres, L. R. Jacobs lease, R. Miller survey, all Rusk County.

T. C. Morrow, of Corsicana: 58 acres, Herring-Thornhill lease, R. W. Smith survey, Rusk County.

J. K. Maxwell, of Kilgore: 35 acres, W. M. Sexton lease, Daniel-Clark survey, Rusk County.

Amtex Oil Co.: 30 acres, Bob Woods lease, Isaac Skillern survey, Gregg County.

"The commission has reason to anticipate and does anticipate that the owners of the above-described leases will refuse to allow the commission to conduct its investigation into their leases," said Attorney General Will Wilson's petition.

It said that operators, their employees, and agents needed to be restrained by court from interfering with the inclination surveys.

The petition named as defendants along with Elba Oil Co., Mrs. Virginia Gibson and W. O. Davis, Jr., of Longview; T. C. Morrow, of Corsicana; and J. K. Maxwell, of Kilgore. As codefendants with Amtex Oil Co., it named J. L. Gulley, Raymond H. Hedge, and J. L. Patton, of Tyler; A. E. McCubbin, J. S. McCubbin, Rex Stegall, G. V. Yoachum, and Carter-Jones Drilling Co., Inc. (J. K. Maxwell, vice president), all of Kilgore.

[From the Wall Street Journal, June 4, 1962]

OIL FIRMS, STATE SUE OVER WELL-SLANTING IN EAST TEXAS FIELD; NEW SCANDAL BREWS

DALLAS.—While the eyes of Texas have been riveted in recent weeks on the activities of Billie Sol Estes, a new State scandal has been brewing in the Nation's largest oil pool—the east Texas field.

Preliminary investigations by Texas officials indicate that scores, and perhaps hundreds, of wells in the 32-year-old field have been intentionally slanted underground by some producers to enable them to tap oil reserves lying beneath neighboring leases. These wells, investigators believe, have drained millions of dollars of oil that did not legally belong to those producing it.

Rumors that the east Texas field was riddled with slanted wells cropped up several weeks ago when the Texas Railroad Commission, the State's oil regulatory agency, sought permission from 60 producers to check their wells in the field. Most of the producers at first refused to submit to the State study but later relented in the face of threats that pipeline connections to the wells would be severed.

Friday, the matter broke into the courts when the State of Texas and two major oil companies filed suits against several producers in connection with the slanting charges. The companies filing suit were Humble Oil & Refining Co., subsidiary of Standard Oil Co. (New Jersey), and Continental Oil Co. The Texas suit charged four oilmen and one company with illegal production of oil in the east Texas field and sought penalties totaling $3,442,000. The company suits sought a court order to run surveys on several leases to determine if suspect wells were slanted and bottomed out on the companies' properties.

FEDERAL AID TO INVESTIGATE

The Federal Government also announced it was entering the case. John Kelly, Assistant Secretary of the Interior Department, said he is sending a representative of his office to east Texas to investigate reports that slant-well operators are violating the so-called Connally Hot Oil Act, a Federal law prohibiting interstate transportation of oil produced in violation of State regulations.

Most oil wells slant somewhat from the vertical as a drilling bit cuts its way down through hard rock formations. Some wells are even intentionally slanted to obtain better surface drilling locations. But the east Texas case involves the intentional slanting of wells long distances to tap oil reserves under other people's leases. One investigator said there are indications wells have been slanted as much as three-quarters of a mile horizontally in the east Texas field.

"We've been a bit taken by surprise by the technological advances in directional drilling we are discovering," said William I. Murray, chairman of the railroad commission.

Mr. Murray said the State went to court because at 2 a.m. one morning last week, commission employees spotted one operator dumping cement in two suspect wells. The cement effectively blocks efforts to test a well for deviation.

Shortly after the suits were filed Friday morning, the Commission issued an order prohibiting all operators in the east Texas field from plugging any well for the next 15 days. "We're not making any broad-scale accusations as yet," said Mr. Murray, "but we have strong indications that our regulations have been violated. We will probably run tests on at least 200 wells at the start and if the tests show violations, the investigation will be greatly broadened." The field has some 19,000 wells.

The Continental Oil suit was directed against the same defendants named in the well-plugging suit filed by the State. They are Edwin G. Stanley of Kilgore, a former commission employee, H. L. Long, Billy Bridewell, R. H. Hedge, and Petroleum Pipeline & Storage Co., all of Tyler. If tests show the defendants' six wells are draining oil from beneath Conoco leases, as the company said in the suit it suspects, Conoco asks that it be awarded in excess of $255,000 in damages for an estimated loss of 80,000 barrels of crude oil. None of the defendants could be reached immediately for comment.

When Mr. Stanley worked for the railroad commission, he had the job of trapping oil operators who illegally deviated oil wells in the State.

HUMBLE ASKS TESTS ON 45 WELLS

Humble filed six suits in Rusk County court asking for directional tests on 45 wells it said it suspects are illegally taking oil from under Humble leases. If the tests show this to be the case, Humble seeks in excess of $1,438,082 in damages and asks the court to permanently enjoin further production from the 45 wells.

One of the 45 wells, Humble charges, actually penetrated a Humble well 330 feet inside Humble's lease line, causing estimated $28,000 damage.

Mr. Long is chief defendant in two of the Humble suits. The principal defendants in the others are Nortex Oil & Gas Co. of Dallas, Judson Turner and Carter-Jones Drilling Co. of Kilgore, W. O. Davis & Elba Co. of Longview, and A. E. McCubbin, J. S. McCubbin and J. Rex Stegall, all of Kilgore.

On the east Texas field in general investigators hint that disclosures so far only touch the surface of a potentially major scandal. One said he would not be surprised if as much as half of the field's production comes from illegally slanted wells. The east Texas field is permitted to produce at the rate of 129,182 barrels daily this month, with regulated wells limited to the equivalent of just 8 full days' output.

WILD EARLY DAYS RECALLED

The east Texas field investigation stirs memories of the wild early days of the giant pool. Within 2 years after its discovery in 1930, production from the field soared to such heights it broke the crude oil price. Oil sold then for as little as 10 cents a barrel. National Guard troops were ordered out to close the field by force. After a long legal battle, the State was permitted to impose regulation of oil production in Texas in relation to market demand. East Texas crude currently sells for $3.10 a barrel.

After State production regulations were imposed, however, many producers continued to produce oil illegally. Some even tapped into pipelines owned by others. They then took this illegal oil across State lines to sell it. These activities led to passage of the Connally Act by Congress in 1934.

U.S. INFORMATION AGENCY UNDER LEADERSHIP OF EDWARD R. MURROW

Mr. YOUNG of Ohio. Mr. President, my purpose is to manifest my approval—in fact, my admiration—of the real and needful service for our Nation rendered throughout the world by the U.S. Information Agency since very shortly following the appointment by President Kennedy of Edward R. Murrow to head this important Agency.

The U.S. Information Agency has become one of the tremendously important governmental agencies in our cold war effort. He has inspired it with a new sense of purpose and direction in its task of convincing the peoples of the world that our policies are in harmony with their legitimate aspirations for freedom, progress, and peace.

To carry out these objectives, this Agency operates 214 posts in 99 countries throughout the world. On occassions, I have criticized the manner in which many of our oversea Federal employees—I prefer to call them relaxed Americans—conduct themselves and perform their duties. Among them are a few of the 1,275 Americans working for the U.S. Information Agency abroad. I am happy to report that under the efficient direction of Ed Murrow, these relaxed few are being weeded out as quickly as possible and most of them have already been forcibly removed from the payroll by Director Murrow.

Few men in public life bring to their offices the fine experience, background, understanding, and imagination that Ed Murrow has brought to the post of Director of the U.S. Information Agency. Under his leadership, the USIA has adopted two outstanding characteristics.

First, there has been an increased emphasis on honest reporting. Gone are the futile and foolish attempts to picture us as a nation without faults or shortcomings. The world today is too small to try to distort events for propaganda purposes. The mass media of communications are rapidly becoming available to people everywhere. As Ed Murrow once put it:

> I think our credibility is our great asset and we cannot suppress information if we wanted to. There are too many other sources.

The truth is our most important weapon, and people the world over will respond to it in the long run.

Second, there has been every effort to focus the news on important events rather than cover all news across the board. For example, developments in Berlin were covered extensively so that people throughout the world would be aware of our determination to defend freedom and of our refusal to retreat an inch in the face of threats and ultimatums from Communist aggressors. In southeast Asia—one of the hotspots of the cold war—USLA material has been circulated even in Communist-held territory. In Latin America, the Alliance for Progress has been well publicized and is constantly being stressed by USIA officials. Our space program has also been singled out for intensive coverage.

One measure of the success of this Agency is the amount of money spent by the Soviet bloc in jamming its broadcasts. It is estimated that $112 million was spent last year by Communist nations simply to jam Voice of America broadcasts. That amount, and probably more, is being spent this year in attempting to jam our USIA broadcasts. This is almost as much money as the total USIA budget. Under Director Murrow our citizens are receiving full value for our expenditures.

Mr. President, this Agency gives significant support to our policy abroad. Through the Voice of America, magazines, books, pamphlets, libraries, and educational movies, the USIA is gradually succeeding in setting forth a true picture of our Nation and its goals. Without this effort, the Soviet Union would have an immeasurable propaganda advantage. We are fortunate in

having the capable leadership of Edward R. Murrow, and can expect that the agency will continue its present high level of accomplishment. Mr. Murrow is indeed a truly great and patriotic American.

THE FARM PROGRAM

Mr. LAUSCHE. Mr. President, a few days ago I received a letter from an Ohioan which I believe is quite interesting. In the first sentence he thanks me for having voted against the new farm program. Later in his letter he states:

> Last year we raised a bumper corn crop on 165 acres. In fact we averaged 137 bushels to the acre. This year half of our bins are still full because we have not fed it up so instead of putting out 167 acres we figured on putting out probably 80 or 90 acres. Along comes good old Uncle Sam and he offered me $54 an acre not to plant a little over 50 acres. Now Senator, this land was purchased, most of it, for not to exceed $50 an acre and the Government now wants to pay me $54 an acre not to raise corn. Now, ordinarily I would have said no, I don't want a Government handout, but last year they came around and reappraised my farm double the appraised value and then raised the rate so that my real estate taxes have gone up a little over $3,000 for the year. So I just figured if the Federal Government wants to help me pay my taxes I would take it and now believe me, the funny thing about it was, the minute you sign the contract you get half of the money right then and there and the other half, once they have checked and decided you are complying and staying within the crop allotment. How silly can we get?

This citizen manifests a great fairness, but, like all others, when the giving hand is stretched out he takes what the Federal Government has to offer. He paid less than $50 an acre for his land, yet he is now getting $54 an acre not to use it at all. We can well understand why we are getting into trouble on the Federal level.

(At this point Mrs. NEUBERGER assumed the chair as Presiding Officer.)

THE NORTH PACIFIC FISHERY

Mr. BARTLETT. Madam President, yesterday the senior Senator from Washington [Mr. MAGNUSON] and my colleague from Alaska [Mr. GRUENING] brought to the attention of the Senate and of the country the fact that the fisheries problems of this Nation do not have the rating or ranking in the Federal Government to which they are entitled. These Senators pointed out that unless the fisheries are elevated, in terms of national policy, disaster may well fall upon this industry, which has been so important in many ways for so long insofar as the United States is concerned, but which, on account of the lack of attention, is rapidly going to the bottom of the ocean in every way.

Madam President, I had the privilege of reading last night an informed article on this subject, insofar as it relates to the fishery in the North Pacific Ocean. The article was written by Mr. Edward W. Allen of Seattle, Wash., who this year is chairman of the International North Pacific Fisheries Commission, and who is known everywhere throughout the world as one of the greatest international lawyers on maritime matters.

The article is entitled "Fighting for Fish," and appeared in the May issue of the International Oceanographic Foundation magazine known as "Sea Frontier." I ask unanimous consent that the article—so informative, so descriptive, so meaningful in terms of the discussion had yesterday between the senior Senator from Washington [Mr. MAGNUSON] and my colleague [Mr. GRUENING]—may be printed in the RECORD following these remarks.

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

FIGHTING FOR FISH

(By Edward W. Allen)

"Fish disdain to recognize political boundaries," and fishermen are often just as obdurate if not restrained. With modern power, refrigeration, and other facilities, they now can roam the world, and those of some nations already do. This may not only affect the future supply of much needed food resources, but also the longed for peace of the world.

Nowhere are both of these perils better illustrated than in the North Pacific where four great nations abut from different angles waters which contain some of the richest fisheries anywhere to be found. Will these nations add to the current world confusion, or will they lead the way toward solving the problem of peaceful and rational utilization of these riches of the sea?

When Secretary Stettinius' reorganizers revamped the Department of State, they eliminated the division on fisheries which Cordell Hull had established, and turned its functions over to a mere clerkship. "What," said an Assistant Secretary, "has this Department to do with a can of fish on a grocer's shelf?" When asked whether a Russian, a Japanese, and an American fishing boat contending for the same fish out in the middle of the North Pacific might not create an international problem, he shrugged his shoulders and said they hadn't thought of that.

A VERY REAL PROBLEM

Now, however, the division of the Department (eventually reinstated by Robert Lovett, when he was Under Secretary) is giving this very problem some live and lusty thoughts. For today in the open North Pacific, Japanese are catching millions of American-spawned salmon. Japanese and Soviet trawlers are taking billions of pounds of groundfish on the Alaska side of the Bering Sea, and both are threatening to enter the expansive Continental Shelf, of the Gulf of Alaska, with commercial trawling gear.

There is an historical as well as a geographical difference between the fisheries of the North Pacific and North Atlantic.

Whether or not Portuguese and Breton fishermen reached the Grand Banks prior to the voyage of Columbus, there is no doubt that these banks have been fished for centuries by fishermen from so many countries that no nation can legitimately claim superior rights. Their practices blend with the original Hugo Grotius concept of "freedom of the seas," although by recent agreement the countries concerned are now seeking to promote conservation in the area.

If we forget the days of whaling when New England barks penetrated almost every nook of the whole Pacific, it is almost correct to say that prior to World War II, Asiatic fishermen stayed on their side and American fishermen on theirs. A temporary exception occurred when in the 1930's the Japanese, seemingly with acquiescence of Washington officials, entered the king crab fishery of eastern Bering Sea, then secretly expanded into salmon fishing. But when this was discovered, and Secretary Hull protested, Japan withdrew its salmon vessels.

Although Japan early developed floating salmon canneries, salmon fishing nevertheless continued to be a coastal rather than a deep sea pursuit by all four of the North Pacific countries—Japan, Russia, the United States, and Canada. And halibut, the next most important fishery in the northeastern Pacific, was by nature confined to the Continental Shelf.

Pacific Coast halibut having become severely depleted, in 1923 the United States and Canada created a commission to investigate the situation. Although halibut had been fished in the Atlantic for centuries, and incidentally overfished in recent times, little was known about the species biologically. This commission revolutionized ocean fishery research. Instead of individual scientists each going his own way, the director organized a team to carry out a systematic program which exposed the home life of halibut from the egg to the "whale," as an extra large halibut is called. Creation of a new commission with regulatory power was recommended. Instead, the Governments of Canada and the United States gave the old commission power to make regulations which, when approved by the Executives of the two Governments, became law in both countries. This Commission has had remarkable success. It has restored the fishery to practically maximum sustainable production and has demonstrated what can be done by intelligent and friendly international cooperation.

Similarly, in 1937 the same nations created a commission to deal with the once enormous but almost vanished Fraser River sockeye salmon runs. Its research disclosed that as a result of rock slides into Hell's Gate Canyon, which were erroneously thought to have been removed, there were certain stages of the water at which the salmon were unable to ascend the terrific cataracts and reach their spawning grounds. Because the fluctuation in the height of the water at the Canyon sometimes reaches the astounding figure of 100 feet, old-fashioned fish ladders could not meet the situation and a new type of fishway was successfully devised. Intensive research and intelligent management have enabled this commission, also, to boast a splendid success story.

TO HELP, NOT HINDER

So these important northeast Pacific fisheries were developed, investigated, regulated, and exclusively pursued under joint United States and Canadian management. It is but natural that these two nations should feel that they had established superior rights to them and that international law should be construed so as to foster rather than to obstruct the conservation of the valuable food resources of the sea. At first these claims were termed "historic rights," and might well have been sustainable under analogous concepts of international law, but under pressure of theoretical government economists these rights were developed into what became known as the principle of abstention. Briefly, this means that where a nation has exclusively developed a coastal fishery, has subjected it to conservation research and regulation, and is making substantially full use of it on a sustainable yield basis, other nations should abstain from permitting their fishermen to enter the fishery, regardless of the distance the fishery extends offshore.

In 1951 the so-called "Tripartite" fisheries treaty was negotiated between the United States, Canada and Japan, wherein all three nations committed themselves to the conservation of ocean fisheries generally, and Japan agreed that abstention by it applied to American salmon and halibut. An expansive research program encompassing the huge area of the northern Pacific Ocean, including Bering Sea, has been carried on, inspired by two features of the treaty. One

was to prove whether the United States and Canada were themselves complying with the conservation requirements for continued abstention by Japan. The other was to show whether the provisional line specified in the treaty protocol (175° W.), east of which the Japanese would abstain from fishing salmon, should be shifted.

THE ROVING SALMON

The line was originally assumed to divide American from Asiatic salmon. Research disclosed that the Bristol Bay red salmon did not have the sagacity to stay home on their own side of the ocean, but were enticed by apparently green pastures to the westward so that at certain stages of their life practically all of them could be intercepted by the Japanese west of the provisional line. In fact, there were found to be some areas west of the line where practically all the red salmon were of Alaskan origin at certain times, and under United States interpretation of the treaty, were entitled to protection. On the other hand, in alternate years Siberian pink salmon seemed to hanker for the flavor of American waters east of the line; but these are not caught by American fishermen, who, unlike the Japanese, are not operative far offshore.

Affirmative action by the commission requires unanimity, but on the one hand the United States has not succeeded in having the line shifted westward, and on the other hand the Japanese are still obligated to abstain from American salmon and halibut. The Tripartite Treaty may continue indefinitely, but it may be terminated in June, 1963, or thereafter, by any party giving a year's notice.

The North Pacific picture has changed radically in the last few years. The intensive trawling in Bering Sea not only threatens the halibut stock there, but may even be excessive as to other ground fish, and if extended into the Gulf of Alaska it may imperil the work of both the halibut and salmon commissions despite the inspiring example of successful international cooperation they have set before the world.

So far the Russians have not sought American salmon, but they now have a salmon treaty with Japan which not only results in reducing the Japanese catch of Siberian salmon, but naturally increases their longing for American salmon. Whether the Japanese will consider it desirable to terminate the Tripartite Treaty is an open question. There are arguments both ways.

The Geneva conferences of 1958 and 1960 on the "Law of the Sea" by no means solved the problems of the North Pacific. The members of the International North Pacific Fisheries Commission from all three nations are striving diligently to find answers, but the future is guesswork. There is at least one assertion which can be made with confidence—the present North Pacific fishery situation is one of increasingly precarious perplexities.

Mr. MAGNUSON. Madam President, I wish to associate myself with the remarks of the Senator from Alaska.

I wish to repeat what we stated yesterday. When my colleague from Alaska [Mr. BARTLETT] was a Delegate in the House of Representatives from Alaska, before Alaska became a State, he and I and the late distinguished Richard Neuberger, husband of the present occupant of the chair, along with the senior Senator from Oregon [Mr. MORSE] and other Senators, tried for many years to convince the State Department of the fact that fisheries are an important economic segment of the United States and therefore ought to be considered on a policy level in the State Department. We never could get that result, though Mr. Lovett at one time elevated the consideration of the problem.

I have known of international conferences on trade, some of the GATT agreements, and some of the other agreements the United States enters into, which spend 3 or 4 weeks talking about machine tools, automobiles, grain—and perhaps rightly so—and, when the conference members are at the point of preparing to go home, finishing negotiations, somebody will present for consideration the problem of international fisheries. This is the way we have been negotiating our fisheries agreements. It happens because, at the policy level in the State Department, there is no one who can stand up and talk about the problem.

What happens? When one goes to an international fisheries conference one sees someone from the Fish and Wildlife Service, or perhaps someone under a subhead of a subdepartment of the State Department, who sits across the table from Cabinet ministers, to do the negotiating. He has two strikes against him before he starts. This is what the Senator from Alaska and I are talking about this morning.

I hope the State Department will read the colloquy. We have talked about this problem for many years, yet we seem unable to make any progress in respect to it.

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

Mr. MAGNUSON. I yield.

Mr. BARTLETT. I could not agree more absolutely with the Senator.

Mr. MAGNUSON. I wish the Vice President could be doing the negotiating on our side.

Mr. BARTLETT. I am glad the Vice President is still in the Chamber, to listen to this discussion, which I know is of great interest to him.

Men like Donald L. McKernan, the Director of the Bureau of Commercial Fisheries, and William C. Herrington, special assistant to the Under Secretary for Fisheries and Wildlife of the Department of State, are knowledgeable and well informed.

Mr. MAGNUSON. But they have no authority.

Mr. BARTLETT. They have no authority. They have no policymaking authority whatsoever.

I know the Senator will agree with me when I say that if Governor Egan, of Alaska, had not acted promptly, affirmatively, and decisively the other day when the Japanese fishing fleet started to fish in the coastal waters of Alaska, probably many more Japanese fishing vessels would be there today, fishing the resources which are Alaskan in origin and upon which the fishermen from the State of Oregon, and from the State of Washington, as well as Alaskans, have customarily depended for a considerable amount of their livelihood. We must protect the fishery or a great industry will be lost and a hardship will be brought to many people.

KEEPING THE ECONOMY MOVING

Mr. SYMINGTON. Madam President, previously I presented the Senate the fact that some businessmen blame the recent stock market break on high taxes, an unbalanced budget, Government intervention in the steel industry, and the influence of large unions.

But in 1929 the budget was balanced, taxes were low, there was no Government intervention, and there were no large unions. Nevertheless the stock market break was far more severe and far more serious.

Rather than allocate responsibility, it seems to me we should now be considering positive and constructive action. In that connection I refer to a thought-provoking article by Mr. Walter Lippmann, one of the wiser men of this Nation, entitled, "To Get the Economy Moving."

In the article Mr. Lippmann said:

> It is no explanation of the situation to say that businessmen do not like Kennedy and the Democrats and are therefore afraid to invest. They did not like Truman in 1950 but they did invest. They liked and trusted Eisenhower in 1960 but they did not do anything to save the 1960 Eisenhower recovery from being aborted. The truth is that the great movements of the business cycle are not caused by incidents, personalities, or political parties, but by continental and global tides of supply and demand.

Recently the Secretary of the Treasury delivered an address in which he suggested a tax reduction next year.

Mr. Lippmann's article reminds one of a famous American slogan: "Eventually—Why Not Now?"

Madam President, I ask unanimous consent that the article entitled "To Get the Economy Moving," published in the Herald Tribune this morning, be inserted at this point in the RECORD.

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

TO GET THE ECONOMY MOVING

(By Walter Lippmann)

While there is wide agreement that a tax cut is needed, there is an important difference of opinion on when it should be put into effect. The administration's position is that a tax cut should be voted in the next session of Congress, if possible early in 1963. If this is done, the effects of the cut will not at best be felt until some 10 months from now.

There are others who think that it is imprudent to wait so long, that what the economy needs is the stimulation of additional demand in the near future. This could be had by action in this session of Congress to cut by a few percentage points the withholding from payrolls for taxes, as well as the installment payments in September and January for incomes and corporations. Eighty percent of personal income tax is paid in the form of withheld wages and salaries. The economic effect of an income tax cut on income and spending would be felt by the beginning of the month after it was enacted.

The argument for waiting until next year rests on the idea that if taxes are cut before the tax structure is reformed (as proposed by the administration), Congress is likely to lose interest in tax reform. The administration's current view is that for the long run tax reform is very important and that it should not be sidetracked by the popularity of a tax cut. On the contrary, the unpopular features of tax reform should be made more palatable by the tax cut.

This may be a correct estimate of congressional psychology. The question is whether the prospects of the economy today

do not require a decision to stimulate and prolong the recovery and avert a recession. Tax reform may be more difficult if the recovery is promoted and sustained by a tax cut. But everything will be more difficult if the recovery is aborted before it has been achieved.

There is ground for thinking that the underlying trend is not toward a full recovery. I myself believe that this is the determining cause of the bear market in stocks which has been in existence since December. It is true that consumer buying is good, including automobiles and houses, but against this we find that inventories are being kept extremely low, that while hours of work have been steady, unemployment remains high.

Most disturbing and most significant is the fact that plans to purchase plant and equipment—which is the backbone of full employment and a high rate of growth—are disappointingly small. Early in January the administration was hoping for a rise of 14 percent above the 1961 capital investment level. Today, the figures for May show that current business plans indicate a rise of only about 8 percent, which is no more than it was back in February. If this continues, the chances are that the Kennedy recovery, like the Eisenhower recovery of 1960, will grind to a halt.

It is no explanation of the situation to say that businessmen do not like Kennedy and the Democrats, and are therefore afraid to invest. They did not like Truman in 1950 but they did invest. They liked and trusted Eisenhower in 1960, but they did not do anything to save the 1960 Eisenhower recovery from being aborted. The truth is that the great movements of the business cycle are not caused by incidents, personalities, or political parties, but by continental and global tides of supply and demand.

It is no accident that the Kennedy recovery of 1962 has become throttled down as the true budget of income and product accounts has been coming into balance. The truth is that the American economy, far from being inflationary, is in fact being pressed down by strong deflationary pressure. Many do not see this because they are confused by the administrative budget which does not tell the true story. In that budget there is a deficit. But in the really significant budget—the income accounts—there is a premature balance achieved before recovery has been completed. In an economy with large unemployment and low utilization of plant capacity this balance of the income accounts is deflationary.

The reason why a tax cut is desirable is that it will relieve the deflationary pressure.

It is to the problem of our throttled recovery that the administration ought, I think, to address itself primarily. I do not say that tax reform is not important and desirable. But recovery is more important and recovery should not be jeopardized by the legislative prospects for tax reform.

As for the reforms themselves, I must confess at once that I do not understand the proposals well enough yet to write about them at all. I feel reasonably certain, however, that the controversial items which are holding up the 1962 tax reform bill are not big enough to be of such crucial importance that they must have first priority.

The President's first priority is to get the economy moving.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

There being no objection, the Senate resumed the consideration of the 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 amendment of the senior Senator from Washington [Mr. MAGNUSON] to strike out, on page 31, line 12, the figure "$2,000,000" and insert in lieu thereof the figure "$6,000,000".

Mr. MAGNUSON. Madam President, I wish to address myself to a problem which involves the amendment now pending with relation to access roads. I wish also to invite the attention of Senators to a subject which is directly involved in the problem of stumpage and forest timber sales.

When the committee was considering the bill, I, along with my colleague from Washington [Mr. JACKSON], asked that the Forest Service supply certain information for the committee. The distinguished Senator from Arizona [Mr. HAYDEN] joined in the request. The material is available in the hearing record starting at page 1102. It shows that there is room for substantial improvement.

At a hearing held in Portland, Oreg., last week by the Committee on Commerce there was discussion of the Forest Service timber sales program. The senior Senator from Oregon was present. The junior Senator from Oregon [Mrs. NEUBERGER], the present occupant of the chair, was vitally interested, and sent certain information to the committee. In the hearing it was suggested that the problem be discussed on the floor during the consideration of the appropriation of funds for the Forest Service. I agreed, because there is no doubt that the lumber industry is experiencing great difficulties in competition with the Canadians. We in the Pacific Northwest area know of that competition. One of the factors is the national forest timber availability.

Our first point of interest was whether the timber sale performance matched the basis on which funds were appropriated. It definitely does not.

In fiscal year 1961 there was a terrible fall down in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In the region represented by the Senators from California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois, and so forth—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record. It must be improved starting right now.

Over the years we have been very considerate of the needs of the Forest Service. We have continually granted budget requests and we have added funds on occasion. I do not regret that we have done this. There may be some extenuating circumstances but I am interested in results not excuses. I think the Forest Service can improve and my remarks today are intended to see that they do so.

The point I want to make perfectly clear on the record is that the Forest Service has an obligation to offer for sale the full amount of timber that the budget plans will be sold. If circumstances come up where this is not practical or possible we should be advised.

From here on out it should be crystal clear that the timber sale business involves a direct obligation on the part of the Forest Service. Timber sales plans should be made early and available for local mills to plan on. The industry should be able to count on the fact that 99 times out of 100 a timber sale that is planned will be made when it was planned and in the approximate volume planned. If some hitch develops, a substitute sale should be ready.

The Forest Service must arrange its affairs so that these sales are made with clocklike regularity.

This is a $100 million business. It must be operated like a business and a business run on humane standards. Efficiency must become a watchword but I do not want to suggest that I am urging that the Forest Service develop a cold, impersonal, business machine operated like a coffee vending machine. What is needed is performance according to plans and plans that are based on doing the utmost to sell all of the timber permissible under sustained yield rules. We have communities and payrolls dependent upon this timber. Their legitimate needs must be met.

The second thing that must be done is to modernize the allowable cuts. If more timber can be properly added to allowable cuts this must be done and done promptly. If there are reasons why the allowable cut cannot be increased, then we and the local people should know those reasons. In some cases allowable cuts are held back because lands burned in the past decades have still not been reforested. If this is the case—the funds should be sought. In other cases the full allowable cut cannot be reached because of a lack of roads or road use. I shall offer an amendment to take care of some of these road problems. I should not have to do this—the budget requests should clearly set forth these fund needs.

If rotation ages can be reduced—or there is a change in log utilization standards—the allowable cuts should reflect these factors.

I want to make it perfectly clear that I do not propose that the Forest Service figure out how to log the wilderness areas. On the presently commercial forest land outside of wilderness, there is plenty of ability to grow timber without trespassing on the little timber that is today in wilderness and limited areas.

To accomplish these two basic suggestions there are several things that must be done. First, the Chief of the Forest Service must take a good hard look at procedures presently being followed and institute the necessary reforms.

Second, the people concerned with developing the budget in the Department and the Budget Bureau as well as in

the Congress need to have better working tools.

This can be accomplished by making annual reports more than historical documents—by converting them to working tools. Efficient management requires that executive levels be on top of developments. They need to know early what is happening and at the same time, the operating levels need to know the level of performance expected.

The forest industry suggested to Secretary Freeman some information that they think is important. Their suggestions may be good but they do not cover the salient points on performance. When the Forest Service appears before our committee next year they should have in our hands—as of January 15—a report on business for both the first and the second half of calendar year 1962. We should know by Forest Service regions—or States such as Washington and Oregon—where the sale business is large, the relation between what the agency was financed to do, and thus planned to do, and what they accomplished. Even more important, we should know what the problems of management are and how they are to be overcome.

In short, we should have a meaningful annual report placed before the Congress each January 15 that can be used as an adjunct to the budget process. I suggest that this first year the effort be concentrated on the timber sale and allowable cut business. We can then see how this goes and extend the application to grazing, to recreation and other programs.

Therefore, I want the record to show that this is what we expect and this constitutes a condition upon which funds are appropriated.

Finally, the agency has the power to transfer funds. In order to bring all possible relief to the timber industry from short timber supplies, the Forest Service should be prepared to transfer funds from programs with less immediate economic importance to timber activities.

I intended to propose an amendment which would add to the research work of the Forest Service, and add a small laboratory for timber management and animal damage prevention research. The subject was discussed in committee. I think the foundation is laid for sympathetic consideration of the entire subject of animal damage to young forests. I need not suggest to anyone from our area how serious the problem is.

The laboratory is needed to permit progress of research on the management of young-growth Douglas-fir stands and on the prevention and control of animal damage to these young forests. As more and more of the old-growth timber is removed, more of the cut must come from the young-growth stands. In 1960 about one-third of all the private timber cutting in western Washington was in young growth. Research is needed to develop an intensive culture for these young-growth forests. This research has been started at Olympia, Wash., but is hampered by the lack of adequate facilities.

One of the problems in the western timber industry is the terrific loss suffered from animal damage to young forests. This loss is now estimated to be about $15 million a year in the Pacific Northwest alone. It is most serious in areas where a high investment has been made in seeding and planting a new forest, only to have it destroyed by rodents, deer, elk, and other animals. Even older trees are damaged by bears and porcupines. Chemical repellents and other controls now in use are only partially effective. Animal damage research at Olympia will seek to develop more effective controls, but this will require improved facilities for the laboratory phases of the research.

This new facility would materially assist research on two of the many critical problems facing the western timber industry at this time.

I ask unanimous consent to have printed in the RECORD a letter from the Department of Agriculture, Forest Service, under date of June 7, and a letter from the Department of Natural Resources of the State of Washington, dated May 25, in reply to my letter of June 4.

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

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., June 7, 1962.

HON. WARREN G. MAGNUSON,
U.S. Senate.

DEAR SENATOR MAGNUSON: I am glad to supply the information you requested in your letter of June 4 about our program and plans for forestry research at Olympia, Wash.

We have two projects underway there now: (1) Studies of how to improve the production of second-growth Douglas-fir and related species through better cultural practices; and (2) investigations of ways to prevent and control animal damage to forests. Both projects are directed toward the most critical problems of present management in the western Cascades region now and in the years ahead. As you are aware, there is an increasing area of young growth forest being created as the older stands are harvested. Maintaining future timber production will depend on having a strong scientific basis for solving the many technical cultural problems that arise. Animal damage is unfortunately a serious problem in these same areas. Ways must be found to prevent the losses caused by animals to many forms of tree growth.

Future plans call for strengthening the present work on the two projects as fast as overall budgetary situations permit. Such increases are included in the national forestry research program estimates which are a part of the fiscal year 1963 Senate appropriations hearings record and will be as follows:

Project	Expenditures for research	
	Fiscal year 1962	Future need
Improving cultural practices	$37,000	$180,000
Prevention and control of animal damage	32,000	120,000
Total	69,000	300,000

In fiscal year 1963 we hope to increase the animal damage project by about $15,000. Even so, there is still quite a way to go to get the two projects implemented to the proposed level.

Our laboratory facilities at Olympia, now very limited, would have to be developed. We estimate this will require a total of $350,000—a laboratory building at $300,000, and special scientific equipment and auxiliary facilities, $50,000. A site for this building has already been made available by the State of Washington.

I hope that this information adequately answers your questions.

Sincerely yours,

EDWARD P. CLIFF,
Chief

By V. L. HARPER.

JUNE 4, 1962.

MR. EDWARD P. CLIFF,
Chief, Forest Service, Department of Agriculture, Washington, D.C.

DEAR MR. CLIFF: I have just returned from a trip to the State of Washington and while there I encountered a great deal of interest in the future plans of the Forest Service in regard to the research center at Olympia, Wash. Will you give me the answers to the following questions?

What plans do you have for expansion of the research center at Olympia?

What type of research will be done at this center?

What funds for capital outlay would be necessary to accomplish an effective research program at the Olympic center?

Any other information which you have in regard to the center will be most appreciated.

Thank you and kind regards.

Sincerely,

WARREN G. MAGNUSON.

STATE OF WASHINGTON,
DEPARTMENT OF NATURAL RESOURCES,
Olympia, Wash., May 25, 1962.

HON. WARREN G. MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR MAGGIE: I certainly appreciated the efforts put forth by you and your staff in making me feel at home on my recent visit to Washington, D.C.

MAGGIE, I wish you would consider the possibility of asking the Forest Service if they have plans for the expansion of the research center at Olympia; what type of research would be done at this center; and what funds they feel would be necessary for capital outlay to accomplish an effective research program for the forest problems that they plan to study. It seems strange that Oregon and some of the other States are able to receive approval for their Forest Service capital outlay funds, and the request for our State is ignored. I know that the people in research in the Fish and Wildlife Service and our State Department of Natural Resources, as well as those in research working out of region 6, feel there is an urgent need for an expansion of the Olympia Research Center. I do hope there is still an opportunity to have the funds approved for this expansion program at this session of Congress.

Relative to the lumber import problem, I am enclosing some data from a financial newsletter that I receive which should be helpful to your staff in giving them a broader appreciation of the problem.

I do hope you are successful in increasing the Forest Service appropriation for the road development program.

I certainly enjoyed the opportunity to visit with you at lunch the other day and am looking forward to being of some effective use during your coming campaign.

Sincerely,

BERT L. COLE,
Commissioner of Public Lands.

Mr. MAGNUSON. Madam President, the pending order of business is an

amendment to increase access roads in the Forest Service from $2 million to $6 million. Last night, before the Senate adjourned, I placed in the RECORD a statement which I offered on behalf of myself, my colleague from Washington [Mr. JACKSON], the Senators from Oregon [Mr. MORSE and Mrs. NEUBERGER], the Senators from Montana [Mr. MANSFIELD and Mr. METCALF], the Senator from Idaho [Mr. CHURCH], and the Senators from California [Mr. ENGLE and Mr. KUCHEL], which very well states the whole situation, and which, I believe, is ample proof of why this amount should be increased from $2 million to $6 million.

Mr. BARTLETT. Madam President, this problem is of great interest and concern to me, because as a member of the Commerce Committee I participated in the hearings in Washington and in Olympia, Wash., and more recently in Lewiston, Idaho. I was not able to be present at a meeting held not long since at Portland, Oreg. The problem of Canadian competition with American lumber is of great gravity. It concerns Alaska to a very slight extent, as compared with the Pacific Northwest States, but apparently the competition even there is becoming greater all the time.

First I wish to say that the attention which has been paid to this problem by the senior Senator from Washington, the distinguished chairman of the Commerce Committee [Mr. MAGNUSON] is praiseworthy in every way. He has devoted his time and efforts to it, and has held many hearings in many sections of the country, because this very urgent problem does exist.

As we have gone from point to point in the holding of these hearings, many different reasons have been advanced by the lumber people as to why they are losing steadily much of the American market, and why Canadian lumber is moving in to take the place of American lumber.

Some people have told us that the railroad freehold provision is an instrumental factor. Others have said—and this is particularly so on the west coast—that the transportation differential in favor of the Canadians poses a serious threat and, in fact, is an overwhelming handicap so far as American producers are concerned. Of course, everyone now speaks about the depreciation of the Canadian dollar. Forest Service policies have come in for much criticism by those who are engaged in the lumber industry.

Whatever the cause or causes, the fact is that mills are closing constantly in the great Pacific Northwest States, and too often the communities where they are located are one-industry towns. When a mill closes there is no employment in that area.

Something, indeed, must be done about the problem. Curative measures must be found, and found quickly.

Personally, I wish to say that the Senators and Representatives from these States, including the junior Senator from Washington, who is in the Chamber, and the Presiding Officer, the junior Senator from Oregon [Mrs. NEUBERGER], have done much in trying to reach solutions. Of course, the senior Senator from Oregon [Mr. MORSE] participated in the hearing at Portland which was held only the other day. That hearing was conducted by the Senator from Indiana [Mr. HARTKE]. And the junior Senator from Idaho [Mr. CHURCH] and the Congresswoman from that district [Mrs. PFOST] were with me at Lewiston.

Madam President, I ask unanimous consent to have incorporated with my remarks a letter from Charles M. Hines, president of the Edward Hines Lumber Co., of Chicago; also an editorial which appeared the other day in the Portland Oregonian of June 7, entitled "Buyers Versus Forests," in which considerable reference is made to statements made by Joseph W. McCracken, executive vice president of the Western Forest Industries Association, a most knowledgeable person in the field of the lumber industry.

Of course, I am for the amendment proposed by the senior Senator from Washington [Mr. MAGNUSON] to increase access road funds. More such roads need to be built. I intend to vote for more money so more timber will be accessible. If the amendment is adopted and the extra money remains in the bill, a forward step will have been taken, one of many which will be necessary before American industry again becomes truly competitive.

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

EDWARD HINES LUMBER CO.,
Chicago, Ill., May 10, 1962.

Hon. E. L. (BOB) BARTLETT,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR BARTLETT: I was present, with Mr. Joseph J. Fitzgerald of our company, at the recent hearings on timber problems before the Magnuson committee, and know of your great interest in finding a solution to those problems that confront so many converters of public timber, and the communities that are dependent upon them.

During the past 2 weeks we have received and reviewed copies of Chief Forester Cliff's memorandum to Secretary Freeman and the Secretary's letter to the Northwest Senators. While I thought that the March 5 letter that the Senators sent Secretary Freeman was excellent, reflecting a realistic understanding of the basic problems we face, I am greatly disappointed with the Secretary's reply and the Cliff memorandum it encloses.

The Forest Service bluntly reiterates all of its policies of the past, with the possible exception of conceding that some of its forests are not operating on a realistic allowable cut.

Mr. Cliff urges restoration of the $800,000 cut in timber sale appropriations made by the House. If the Forest Service adopts the Graves report, and likewise agrees to a maximum timber sale program consistent with sustained yield, it is quite proper that they be granted sufficient money for timber sales procedures. However, Mr. Cliff infers in his letter that Forest Service public relations need improving and recommends that a large sum of money be appropriated for that entirely different purpose. It is quite true that their public relations are deplorable, due solely to the fact that sawmill operators, plywood mills, loggers, cattle ranchers, and sheep grazers, are deeply disturbed because representatives of the Forest Service have been arbitrary, brusk, and impractical in dealing with them. We recommend that the Senate committee restore this $800,000 providing it is clearly agreed that all the money appropriated for timber management be devoted to that purpose.

I remember when the Forest Service in the days of Mr. Watts, Mr. Granger, Mr. Carter, and others enjoyed the best possible relationship with Congressmen and Senators in the timber States. They received the greatest cooperation from our legislators. I am afraid there is a tendency now for the Forest Service to consider itself an autonomous bureau, entrusted with our national timber resources which shall be used and managed in the manner it determines.

It is also quite apparent that the Chief Forester, after reviewing the serious charges made by the industry and Senators and Congressmen, at the February 21 meeting with Secretary Freeman, has now found these charges to be unsubstantial and has rejected them in their entirety.

While the Service promises further study in respect to certain recommendations of the industry, I fear that it is only paying lipservice to the suggestions that have been made and that no results can be expected, excepting as you and other Senators urge them into action.

Interwoven in Mr. Cliff's statement are many indications of deep resentment against the lumber industry and all those that have dared to take their cause before the public and to their elected representatives. Our company has tried to inform our employees and townspeople of the dangers to their welfare inherent in the present practices of the Forest Service. This is resented by the Portland office, even though it is quite clear that our employees, the communities dependent on our operations, and our material suppliers have the same vital interest in this matter as do the operators.

After a long experience of some 30 years with various administrators of the Forest Service at all levels, I am simply astounded that that agency has retrogressed so far and has now assumed such a resentment against petitions of our industry that were supported so unanimously by you.

In fact, the Cliff memorandum now takes the incredible attitude that any publicly expressed difference with the Forest Service is controversial, and that the Service alone settles all controversies. It even states that—

"Part of the cause for recurrence of the same issues is refusal of industry representatives to accept decisions which the Forest Service considers to be the resolution of an issue."

While I deplore such arbitrary action, as I am sure that you do, I am gratified that the Service has exposed its true feelings. The issues are now sharply drawn. They have now put our industry, the communities dependent on our operations, our timbered States, and congressional representatives on notice that the relationship of the Forest Service with its monopoly control over timber raw materials in the lumber-oriented States must be clarified once and for all if the lumber industry and all that are dependent on it are to survive.

For many years, our company, as one of the largest buyers of national forest timber, had excellent relations with the Forest Service. While we did not always agree and we did find it necessary to frequently bring our practical problems of logging and manufacturing to the attention of their top officials, we did get fair treatment, and everyone, including the timbering communities, benefited to the great satisfaction of the Forest Service and ourselves. With the help of our congressional representatives, this relationship can be restored, provided the Forest Service does not consider itself an independent bureau, responsible to no one.

As you may know, I consider it important that Federal timber be made available on a free competitive basis to all who convert timber, both large and small. We larger

operators, that are wholly dependent upon Government timber, have the same problems and responsibilities in operating Federal timber as do the other converters. In our case, some large sales must be made available for our large production so that we can employ a large number of people. When we have problems with the Forest Service, we have able logging engineers and general managers to represent aggressively our interests before the Forest Service. Even with this help we have been unable to secure the quality of timber as advertised by the Forest Service or build our roads within the limits provided in their appraisals. On the other hand, the smaller operator is penalized even more as his resources do not permit such losses. An appeals procedure must be provided in each region for all operators. It must particularly meet the needs of the small people who cannot employ lawyers and engineers to represent them. A road cost that exceeds estimates by $5,000 might very well ruin a small operator. Many of them have been driven to seek Government loans for this reason.

I am enclosing in this letter a draft of our proposal for an improved, impartial appeals procedure. If practical, experienced men are appointed to these local appeal boards that are familiar with timber, logging and manufacturing, at least in a general way, every small operator as well as ourselves will have available in each region an impartial board that can at least act as a brake on any arbitrary and unyielding, unilateral actions upon the part of the Forest Service in the future. These procedures must be informal, and the board must be prepared often to go into the field to review important questions of roads and timber quality, with representatives of the operator and Forest Service present to give their respective sides of the story. It is to be hoped that the establishment of such a procedure would relieve all of you in Congress from this multitude of complaints and disputes as there is no other impartial body to whom the operators can take their grievances.

I do not know of anything that you can accomplish that will have a greater significance to timbered States, and the welfare of their fine people and communities than to restore proper Forest Service concern for stability of timber supply and maintenance of employment in the communities dependent on the national forests. The Service and Agriculture must have the restraining hand of those in your position who know and understand that solutions to the timber problem are absolutely necessary to stabilize communities, make for better jobs, and a healthy forest industry.

Sincerely,

CHARLES M. HINES,
President.

BUYERS VERSUS FORESTS

Both the U.S. Forest Service and provincial timber authorities in British Columbia base stumpage prices on the price of the finished product—lumber or plywood. From the product selling price are deducted costs for falling, bucking, yarding, transportation to the mill, manufacturing, administration and selling. Allowances are made also for building access roads and for profit and risk.

But the British Columbia lumber manufacturer pays much more lower stumpage prices for Government timber, in most instances giving him a substantial advantage over his Pacific Northwest competitor. This advantage, along with others in shipping costs, currency manipulation, etc., has made it possible for British Columbia lumbermen to cut deeply and dangerously into the U.S. domestic market.

At the hearing conducted in Portland Monday by the Senate Committee on Interstate and Foreign Commerce, timber and lumber operators got down to specifics in their campaign to soften the policies and attitudes of the Forest Service. Comparing the methods by which Forest Service and British Columbia authorities arrive at stumpage prices, Joseph W. McCracken, executive vice president of the Western Forest Industries Assn., made the following points:

Canadian grading systems and practices are different.

The U.S. buyer of Government timber must build roads along the routes and to the specifications imposed by the Forest Service; in British Columbia, the operator may build his roads on routes and to whatever specifications are satisfactory to him.

Unlike the Forest Service, British Columbia bases its timber appraisals on current, not predicted, lumber prices.

The allowance in British Columbia for profit and risk runs up to 50 percent higher than the allowance made by the Forest Service.

Many witnesses at the hearing leveled charges at the Forest Service, involving alleged bureaucratic disregard for the welfare of timber purchasers and the communities dependent on Federal timber for their livelihoods, and even of the Forest Service's own policies. Mr. McCracken declared that if the Forest Service applied its own announced policy on rotation ages, the annual allowable cut in western Oregon would be increased by 294.5 million feet and in Washington by 205.5 million feet.

He asserted that a new, scientifically produced inventory for the Siuslaw National Forest was ignored. The allowable cut used is 23 percent below the one the new inventory would have justified. If the rotation age approved by the Forest Service were applied to the new inventory figures, the annual allowable cut in the Siuslaw Forest would jump from 327 million feet to more than 500 million.

The witnesses stressed the elaborate roads they are required to build, scaling practices which sometimes compel them to pay for timber that independent scalers cannot find, failure to sell the full allowable cut on a predictable basis, or to increase allowable cuts when new inventories show they should be. Figures were produced to show that hundreds of mills have been forced to close and that more will have to shut down.

It was a one-sided hearing. The Forest Service will have its innings later in Washington, D.C. But the figures were so alarming and the complaints so unanimous that a listener was convinced there is considerable fire as well as smoke in the woods. The old fight between timber buyers and the Forest Service has broadened to include the whole economy of the Pacific Northwest.

Mr. McCracken pointed out that, unlike the National Aeronautics and Space Administration, the Forest Service has no basic policymaking organization above it. In the Department of Agriculture, of which it is a part, there is no higher group expert in forest resource management. As a consequence, technicians make as well as administer the policy, and from their decisions there is no appeal to an independent agency.

It would be better for the Forest Service and its many fine people, as well as for the timber industry, if basic policy were set on a higher level. Maybe the Senate hearings held in several parts of the Northwest will lead to some such solution.

Mr. JACKSON. Madam President, my senior colleague has discussed in detail the major problems which now beset the timber industry in this country. I should like to associate myself with his remarks and those of the senior Senator from Alaska, and emphasize certain matters which I think are of special concern.

For many months it has been apparent that the American timber industry has been suffering economic difficulties because of the effects of Canadian competition. The ability of our timber industry to meet this competition and to survive as a healthy segment of the economy is tied directly to the policies and activities of the National Forest Service.

Of major importance is the need for adequate financing of the Forest Service access road program. Senator MAGNUSON has offered an amendment to provide funds which are needed immediately to obtain access on existing private roads in the national forests. As he has pointed out, the proposed increase of funds from $2 to $6 million is nothing more than a sound investment. It is not a subsidy. The availability of access roads will be reflected in the price for stumpage, and any increase in the funds for the access road program will be returned to the Federal Treasury. It is extremely important that this increase be voted in order to permit a substantial increase in the marketing of national forest timber.

Secondly, as Senator MAGNUSON pointed out, the Forest Service must improve its performance in the handling of timber sales. The timber industry has a right to depend on greater reliability and stability in marketing national forest timber. The timber industry is almost totally dependent on sales of national forest timber. Too often the scheduling and extent of these sales has been so erratic that the price of stumpage has been artificially increased, with severe consequences to the industry and to the many communities that are dependent upon it. I am satisfied that with adequate road financing the allowable cut can be increased. In any case, there is no reason to doubt that greater regularity and efficiency in timber sales can be realized. The responsibility for providing necessary access road funds lies with the Congress. The responsibility for efficient management of timber sales lies with the National Forest Service. It is vitally necessary to the health of our timber industry that both of these responsibilities be met.

Mr. MAGNUSON. Madam President, I merely wish to add one statement for the RECORD, which I believe is now quite complete. What is sought is not an expenditure of money. This money will come back to the Treasury. Whenever a stand of timber is sold, if access roads are involved, the cost is added to the sale. It is estimated by the Forest Service that the amount we are suggesting would come back to the Treasury in the next 16 months. I know that the Senator from Wyoming is interested in this matter.

Mr. McGEE. Madam President, what I should like to know is whether this money would be available for use for multiple access, that is for access for other purposes, other than merely for timber.

Mr. MAGNUSON. This matter was discussed in some detail with the Forest Service. Naturally, an access road into a timber area should be available and would be available to people for recreational purposes. I must say for the private timber people that they have

been very cooperative. Whenever they have built an access road or whenever they have bid on a stand of timber and then built the road, they have always added the cost of the road to the price.

The average citizen may enter the forest to hunt, fish, or view the scenery. Such areas are used for recreational purposes. The Forest Service is most insistent that when an access road is agreed to, or whenever there is an exchange of roads between Forest Service timber and private timber, the recreational facilities of the area shall not be diminished.

I think this proposal would add to the recreational facilities of the United States. Not only is this a western problem; it is a problem which confronts the entire country.

Mr. McGEE. Madam President, we who come from the Western States appreciate the initiative of the Senator from Washington. I am delighted to have his special explanation that the access roads will be made available for other uses, as well. That will be of particular interest to the people in my area.

Our timber producers will follow this proposal with keen interest, but there are many other users and uses, so the people of my area will be comforted to know that they will receive consideration. I commend the Senator from Washington for his leadership.

Mr. MAGNUSON. Sometimes various factions argue about the cost of access roads and how much is to be written off for recreational purposes. But that is an administrative problem. I suggest that there has not been too much trouble. In general, those who are in disagreement finally agree on a satisfactory solution.

Mr. McGEE. Did I correctly understand the Senator from Washington to say that he expects these roads to be built ultimately at no cost to the taxpayer?

Mr. MAGNUSON. That is correct. This would be one of the finest investments that could be made. Not only would the money come back directly from the roads, but the roads would open up some available allowable cut which otherwise, for lack of access, might rot.

Mr. McGEE. It would result in new economic development which, in turn, would produce additional taxes.

Mr. MAGNUSON. There is another factor which enters into the situation.

About a year ago, the Attorney General ruled, concerning the right of access to timber, that a person who owned timber was not a settler in the literal sense; therefore, he did not have an absolute right to ingress and egress for his timber.

That posed a problem for the Forest Service concerning the making of exchanges with private persons for access roads. The Forest Service is now drafting rules and regulations which will be satisfactory to all concerned. Several meetings have been held on this subject. The whole area will open up to provide not only recovery, but allowable cuts, which will do much for the benefit of our forests.

I believe that to skimp on this item would be pennywise and pound foolish. The Government would not only get back all the money it might spend on the project, but would also open up allowable cuts of timber for the Forest Service. Conservative as the Forest Service is, it would benefit from the additional cuts which might be made. Also, the Forest Service would be able to make exchanges of timber and be of assistance in opening up additional recreation areas throughout the country.

Mr. McGEE. Not only is this not a spending program, it is an investment program. It will be good business and will provide a measurable economic return which will enrich both the Treasury and the area served.

Mr. MAGNUSON. I think almost everyone will agree to that.

Another thing which will happen, which we who come from the West can understand, will be that the smaller operator will have an opportunity to compete by cutting certain timber which a large timber operator might, perhaps, allow to stand.

Mr. McGEE. A larger timber operator might be able to afford to let the timber stand.

Mr. MAGNUSON. Yes. But the timber operators are not opposed to this proposal. They want to open up and use the forests, because this country is rapidly reaching the point where we have a sustained yield. It is long overdue, but that point is being reached. So when we speak about allowable cuts, we are not proposing to waste the resources of the timberlands of the United States. The access roads which will be built will open up those lands and make it easier for everybody to do the job which was long ago begun in the conservation of our natural resources.

The Senator from California understands the situation very well. There is no place in the United States where access roads are more urgently needed and where recreational facilities are so readily available than in northern California.

Mr. McGEE. The Senator from Washington will have my complete support. My State of Wyoming will welcome this appeal, because our timber producers, who are very active, are generally small operators; and second, because of our appeal to tourists. This project would provide a welcome outlet for the development and expansion of touring opportunities in Wyoming.

With all due respect to California, which has a large recreational demand, Wyoming has one attraction that this proposal would make available as a magnet to draw tourists; namely, the absence of large numbers of people. Ours is an appeal to visit the wide-open spaces, to "get away from it all." This is a strong appeal and will afford increased opportunities for that type of recreation.

Mr. MAGNUSON. Some of the large timber producers have been more than cooperative concerning the recreational feature; in fact, they have encouraged it. I think that is laudable.

Furthermore, this proposal will represent a wise investment for another reason. I do not know what the actual loss from forest fires is in any given year. That information can be supplied later for the RECORD. But I know that whenever access roads are built into an area of timber, the possibility of loss by fire is minimized. The access roads would serve as a premium for the whole United States, and would serve as the best investment in the nature of insurance against forest fires.

Mr. McGEE. It would really be an extra dividend, because it has not been calculated as a part of the return.

Mr. MAGNUSON. No; that factor has not been included in the cost.

Mr. KUCHEL. Madam President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KUCHEL. First, I congratulate the distinguished senior Senator from Washington. He has performed a service in offering his amendment today. He has performed a service not alone to the conservation of American natural resources in the great West, from which he and I and you, Madam President, come; but also he has performed a specific service to the lumber industry of the United States.

The lumber industry in America is sick. A few weeks ago I participated in a hearing conducted by the Senator from Washington, in which a number of Senators from both sides of the aisle were present and participated. There it was indicated to what extent the American lumber industry is declining, and how unemployment in that industry is mounting. We learned that lumber imported into the United States from abroad is being sold both on the eastern seaboard and even in the West at prices well below our own. American lumber producers are finding it increasingly difficult to compete in their own country with this influx of foreign lumber.

In the Senate yesterday the able Senator from Washington provided us with an accurate description of this problem. He said, in part:

> In fiscal year 1961 there was a terrible falldown in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In * * * California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska, a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record.

Mr. President, I agree with the observations of the Senator from Washington. The Forest Service must improve its timber sale performance in California and they must modify those allowable cuts to meet modern sustained yield requirements.

I am delighted that my good friend from Washington recognizes that we do not need to invade the wilderness for timber. I would make the point that careful management on the commercial forest land in the national forests increases the timber supply and thus protects our wilderness areas.

At the hearing which the Senator from Washington held sufficient evidence was

adduced to demonstrate that we are dealing with a multiplicity of legislative programs in attempting to alleviate the plight which confronts some of our domestic industries. Trade legislation will soon be before the Senate. The passage of a comprehensive and realistic reciprocal trade bill is of crucial importance to the economic future of the United States and the people of my own State. In 1960, California was America's leading exporter with over $1.8 billion. Problems with respect to the balance of payments continue to plague us. But here is one opportunity for the Senate, by adopting the amendment which the Senator from Washington has offered, to do a constructive chore for conservation and for the timber industry of the United States. If this amendment is adopted, the Forest Service can accelerate its authority to acquire needed access roads, so as to open up new areas in the forest regions. Under the theory of allowable cuts, new timber could begin to move in a properly competitive situation. Our producers will have some relief from heavy, almost unbearable, stumpage competition at the raw material stage and Canadian competition at the lumber selling end.

In my judgment, the Bureau of the Budget has made a request for inadequate funds in this area; let the RECORD clearly indicate that. I regret that the House of Representatives did nothing in regard to this problem. I stand for economy but here we would not be economizing, we would be aiding unemployment by holding timber unavailable. But to the credit of the Senator from Washington [Mr. MAGNUSON], this amendment would provide the Forest Service, in the Department of Agriculture, with sufficient funds to do the job, realistically and vigorously. Congress, and particularly the Senate, has before it a specific opportunity to reduce the sickness of the lumber industry in America and to do something constructive for it.

I salute the Senator from Washington; and I hope the amendment will be overwhelmingly adopted.

Mr. MAGNUSON. I thank the Senator from California. He is one of America's great conservation leaders, broad in perspective, always constructive, and constantly effective.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. METCALF in the chair). Without objection——

Mr. YOUNG of Ohio. Mr. President, reserving the right to object, it is my understanding——

The PRESIDING OFFICER. Debate is not now in order.

Mr. YOUNG of Ohio. Then, Mr. President, I object.

The PRESIDING OFFICER. Objection is heard; and the clerk will resume the call of the roll.

The legislative clerk resumed the call of the roll.

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

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

Mr. MAGNUSON. Mr. President, I wish to add a little to the RECORD in regard to the matter of access roads.

The Senator from California and I have long been concerned with this problem; and I think the best compliment I could pay him is that when one Senator asked me, "Are you ready for the rollcall on this amendment?" I replied to that Senator, "Wait until the Senator from California speaks on this matter, because he will be of immeasurable help to us in connection with this problem."

The Senator from California has been dedicated to this matter, because he and I have long since discovered that our forests form a great field for conservation. We have practically come to a permanent sustained yield, but we are actually losing our forests because of inaccessibility to the places where the cuts can be allowed.

The Senator from California talks about an allowable cut. I do not think anyone would ever accuse the Forest Service of being loose in its estimates on what should or should not be cut. The Forest Service leans the other way.

When we talk about a 44-percent, a 50-percent, or a 60-percent allowable cut, we are talking about, and the Senator from California is talking about, a great deal of forest timber that is lying there, decaying.

Mr. KUCHEL. Wasting.

Mr. MAGNUSON. Yes, wasting, because it cannot be gotten to. When we ask for this money, we are not only suggesting that we be able to get to the allowable cut, but also that when people get there, they pay back what it cost to build the road; and we have recreation facilities, in addition.

I compliment the Senator from California for his help.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CASE of New Jersey. Mr. President, I asked for recognition in order to speak briefly on a matter of great urgency to our State, and I think to other States along the Atlantic and other coastlines of the country. As a result of the storm in the spring, as I think everyone knows, a great deal of the beach protection in the form of dunes was destroyed; and the Army Engineers have developed a plan for erecting temporary, low dune barriers in order to prevent the next storm from completing the devastation, which would be awful in its consequences.

This program has been underway in New Jersey and other areas along the Atlantic coast, but we have run into the situation in New Jersey—and I am sure the situation may exist elsewhere also—that a considerable amount of the shore front is not accessible to the Engineers for the building of these temporary dune protections.

Our State conservation commissioner, H. Mat Adams, reported recently that the State needs to acquire 17 miles of beachfront in order to make it possible for the Army Engineers to complete the necessary temporary emergency barriers. Commissioner Adams urges that the Federal Government should have a part in this proposal, and, to that end, that the bill which the Senate passed last year, S. 543, which is now pending in the House, be passed by the House and implemented as quickly as possible.

There appeared in the Newark Star Ledger for June 3, 1962, an article on this subject, which I ask unanimous consent to have printed in the RECORD at this point.

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

STATE SEEKS MORE LAND TO AVERT NEW SHORE CRISIS

The Jersey coast faces a crisis this hurricane season unless Congress immediately passes legislation that would enable the State to buy $6 million in private land for beach protection, State Conservation Commissioner H. Mat Adams reported yesterday.

Adams said about 17 miles of real estate along the coast must still be bought to carry out the new beach and sand dune protection program and there is no money for it.

The old protection was washed away in the March 6 storm and will have to be rebuilt further back on private land.

The State and towns, however, do not have the necessary funds to buy the land at present and not a penny of the emergency Federal aid available may be spent for land purchases, under present law.

WANT PERMISSION

The U.S. Corps of Army Engineers will not build the protection on private land without permission of the municipal governments.

"They could pull out and leave the protection down unless they get approval," said Adams, who made the $6 million land acquisition estimate.

The State legislature has a statute allowing $400,000 in matching funds for purchase of real estate. But the Federal legislation has not come through.

The commissioner said the solution to the financial woe would be passage of a Senate-approved bill by the House.

The Federal bill would grant funds up to $25 million to the 12 States along the Atlantic coastline for land purchase for recreational facilities.

"If this bill is passed speedily, the Federal Government could alleviate the land crisis and we could build protection by summer's end," explained Adams.

Adams cited Sea Isle City as an example of a community in need of help from the Federal Government.

"That town lost 35 percent of its ratables and there are not any beaches left," he said. "It's in tough financial shape." But if the Government bill passes, the town would qualify for more aid and it could buy the land for beach fortification.

Another measure of help could be supplied by President Kennedy's public works bill that was approved by the Senate last week.

This measure provides for projects—including seawalls and bulkheads to be completed in a year with 100 percent Federal funds.

In addition to the financial troubles, the commissioner said, there also is a sand shortage.

"It will take us at least 2 years to get the sand back on the beaches as it was before the March storm," he explained.

Adams estimated that at least 50 million cubic yards of sand was washed away or ended up in the ocean and bay, elsewhere on the shore, though the overall picture is not so bleak.

EMERGENCY HELP

Emergency protection for the coastline is being built on an around-the-clock, 7-day-a-week basis in order to meet the August 15 deadline, the start of the hurricane season.

The State has about $9 million in matching funds for repair work to shore communities. It has requests for $21 million.

Some towns, however, are financing their own rebuilding through bond issues.

Adams compiled a town-by-town list of repairs made thus far:

At Sea Bright and the north end of Monmouth Beach there are two dredges pumping sand for beach protection. They are a quarter way done, and should be finished before the deadline.

BEACH BUILDUP

Beaches are being built up in Deal, Block Harbor, Belmar, Bradley Beach, Spring Lake, and Ocean Grove. Some jetty repairs will be made in these communities.

The three beaches in Long Beach Island at Holgate have been filled but on the beachfront work still goes on.

Shores dunes here are halfway completed. The dunes will be higher than the last.

Harvey Cedars is 95 percent finished on its 2-mile protection program.

In Atlantic County, Brigantine has a dune alinement program and dredges are working to fill in the beaches.

Ocean City is proceeding with plans to build two bulkheads—one 1,600 and the other 13,000 feet—to repair its beach front.

Mr. CASE of New Jersey. Insofar as it bears upon this problem, that bill would authorize Federal participation with the States, to the extent of 50 percent, for the acquisition of shoreline recreational areas. A total of $25 million would be authorized to be appropriated for this purpose by the bill as passed by the Senate.

I believe the Secretary has some assurance that the House plans to act with reasonable promptness. I believe there should be some assurance from the Department of the Interior that when the bill is passed the Department will act promptly with regard to the New Jersey problem. I should like to ask the chairman of the Appropriations Committee a question in this regard.

Assuming action is taken by the House, and that the area along the New Jersey shore and other areas along other shores are recommended by the Secretary of the Interior for participation in the Federal aid program—which would include, of course, a request for supplemental appropriations for that purpose—can the chairman of our committee give assurance that immediate action would be taken by our committee to consider and to act upon the request for any such supplemental appropriations? I feel sure the chairman will so assure us. The point, of course, is that unless the emergency works are completed by the 15th of August, which is the beginning of the hurricane season, there is grave danger there will be serious damage, such as the shoreline suffered last spring, perhaps in even greater and more severe and disastrous form.

If I may, I should like to ask the chairman of the committee, with whom, of course, I have already discussed the problem, if he can give us any assurance in that regard.

Mr. HAYDEN. The Senator has made it perfectly evident that there is an emergency situation, which brooks no delay. So far as I am concerned—and I am sure I speak for the committee—I believe the committee will be glad to do anything it can to expedite the program as soon as the House passes the bill.

Of course, the program must be authorized by law. If an authorization bill is passed and there is an appropriation bill from the House, there would be no delay on this side.

Mr. CASE of New Jersey. I appreciate the chairman's statement very much. I thank the acting majority leader for his courtesy in giving me this time.

BUREAU OF OUTDOOR RECREATION

Mr. HUMPHREY. Mr. President, while the distinguished chairman of the committee is in the Chamber, I should like to invite to his attention the fact that there is a substantial item in the bill under what we call the National Park Service. As the chairman knows, the Department of the Interior is considering the creation of a Bureau of Outdoor Recreation, to take care of recreational and outdoor facilities classified under the appropriate heading.

There is nothing in the bill to prevent the Secretary from doing that, and from allocating whatever funds are necessary for the administration of those activities, is there?

Mr. HAYDEN. There is no prohibition, no.

Mr. HUMPHREY. As I recall, the other body in its report made some recommendations on that matter.

Mr. HAYDEN. The reorganization plan of 1950 authorized that proposal.

Mr. HUMPHREY. I thank the chairman of the committee.

Mr. President, in connection with the pending measure I wish to mention the newly created Bureau of Outdoor Recreation.

At the time the House acted on H.R. 10802, the Bureau of Outdoor Recreation had not been created. The House noted in its report that the President in his February 28, 1962, message on conservation had expressed his intention of creating such a Bureau in the Department of the Interior. The House report concludes as follows:

At that time the committee will expect that the amounts provided in the bill for nationwide recreation planning, $504,337, and for cooperation with States and other agencies, $596,759, will be transferred to the new Bureau.

The Bureau of Outdoor Recreation was created by the Secretary of the Interior on April 2, 1962, which was subsequent to the House action. In addition, by Executive Order 11017 dated April 27, 1962, the President established a Recreation Advisory Council and provided generally for coordination with respect to outdoor recreation resources.

I believe this Bureau of Outdoor Recreation will perform a most vital function in an area of ever-growing importance. Should the Department of Interior need additional funds to carry out this program, I am confident that the Congress will be receptive to its request. It is quite clear now that the Secretary can utilize funds provided under the terms of the pending bill for this particular Bureau. I am confident that the funds invested will reap a rich dividend in extending to the American people wider opportunity to enjoy the great outdoors.

ADDRESS BY PRESIDENT KENNEDY AT YALE UNIVERSITY COMMENCEMENT EXERCISES

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the address delivered yesterday by President Kennedy at Yale University commencement exercises be printed in the RECORD.

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

TEXT OF PRESIDENT KENNEDY'S COMMENCEMENT ADDRESS AT YALE UNIVERSITY

President [A. Whitney] Griswold, members of the faculty and fellows, graduates and their families, ladies and gentlemen, let me begin by expressing my appreciation for the very deep honor that you have conferred upon me.

As General de Gaulle occasionally acknowledges America to be the daughter of Europe, so I am pleased to come to Yale, the daughter of Harvard.

It might be said now that I have the best of both worlds. A Harvard education and a Yale degree.

I am particularly glad to become a Yale man because, as I think about my troubles, I find that a lot of them have come from other Yale men. Among businessmen I have had a minor disagreement with Roger Blough of the law school class of 1931, and I have had some complaints, too, from my friend Henry Ford, of the class of 1940. In journalism I seem to have some differences with John Hay Whitney of the class of 1926—and sometimes I also displease Henry Luce of the class of 1920—not to mention always—William F. Buckley, Jr., of the class of 1950.

I even have some trouble with my Yale advisers. I get along with them, but I'm not always sure how they get along with each other.

I have the warmest feelings for Chester Bowles of the class of 1924, and for Dean Acheson of the class of 1915, and my assistant McGeorge Bundy of the class of 1940. But I am not 100 percent sure that these three wise and experienced Yale men wholly agree with each other on every issue.

APPEALS FOR AMITY

So this administration, which aims at peaceful cooperation among all Americans, has been the victim of a certain natural pugnacity developed in this city among Yale men. Now, that I, too, am a Yale man it is time for peace.

Last week at West Point, in the historic tradition of that Academy, I availed myself of the powers of Commander in Chief to remit all sentences of offending cadets. In that same spirit, and in the historic tradition of Yale, let me now offer to smoke the clay pipe of friendship with all of my brother Elis. And I hope that they may be friends not only with me but even with each other.

In any event I am very glad to be here, and as a new member of the club I have been checking to see what earlier links existed

between the institution of the Presidency and Yale. I found that a member of the class of 1878, William Howard Taft, served one term in the White House as preparation for becoming a member of this faculty. And a graduate of 1804, John C. Calhoun, regarded the Vice Presidency, quite naturally, as too lowly a status for a Yale alumnus and became the only man in history to ever resign that office.

ISSUES OF YESTERYEAR

Calhoun in 1804 and Taft in 1878 graduated into a world very different from ours today. They and their contemporaries spent entire careers, stretching over 40 years, in grappling with a few dramatic issues on which the Nation was sharply and emotionally divided—issues that occupied the attention of a generation at a time: the national bank, the disposal of the public lands, nullification or union, freedom or slavery, gold or silver.

Today these old sweeping issues have largely disappeared. The central domestic problems of our time are more subtle and less simple. They relate not to basic clashes of philosophy or ideology, but to ways and means of reaching common goals—to research for sophisticated solutions to complex and obstinate issues.

The world of Calhoun, the world of Taft, had its own hard problems and notable challenges. But its problems are not our problems. Their age is not our age. As every past generation has had to disenthrall itself from an inheritance of truisms and stereotypes, so in our time we must move on from the reassuring repetition of stale phrases to a new, difficult but essential confrontation with reality.

For the great enemy of the truth is very often not the lie—deliberate, contrived and dishonest—but the myth—persistent, persuasive and unrealistic.

Too often, we hold fast to cliches of our forebears. We enjoy the comfort of opinion without the discomfort of thought.

PROBLEMS OF MYTHOLOGY

Mythology distracts us everywhere—in government as in business, in politics as in economics, in foreign affairs as in domestic affairs.

But today I want to particularly consider the myth and reality in our national economy.

In recent months many have come to feel as I do that the dialogue between the parties—between business and government—between the Government and the public—is clogged by illusion and platitude and fails to reflect the true realities of contemporary American society.

I speak of these matters here at Yale because of the self-evident truth that a great university is always enlisted against the spread of illusion and on the side of reality.

No one has said it more clearly than your President Griswold:

"Liberal learning is both a safeguard against false ideas of freedom and a source of true ones."

Your role as university men, whatever your calling, will be to increase each new generation's grasp of its duties.

THREE ILLUSIONS SET FORTH

There are three great ideas of our domestic affairs in which, today, there is a danger that illusion may prevent effective action.

They are:

First, the question of the size and shape of Government's responsibilities; second, the question of public fiscal policy; and third, the matter of confidence—business confidence, or public confidence—or simply confidence in America.

I want to talk about all three and I want to talk about them carefully and dispassionately—and I emphasize that I am concerned here not with political debate but with ways to separate false problems from real ones.

If a contest in angry argument were forced upon it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one sector of society.

PARTISANSHIP IS DECRIED

But in the wider national interest we need not partisan wrangling but common concentration on common problems. I came here to this distinguished university to ask you to join in this great task.

Let us take first the question of the size and the shape of Government. The myth is that Government is big, and bad—and steadily getting bigger and worse.

Obviously this myth has some excuse for existence. It is true that in recent history each new administration has spent much more money than its predecessors.

Thus President Roosevelt outspent President Hoover and, with allowances for the special case of the Second World War, President Truman outspent President Roosevelt.

Just to prove that this was not a partisan matter, President Eisenhower then outspent President Truman by the handsome figure of $182 billion. It is even possible, some think, that this trend may continue.

But does it follow from this that big Government is growing relatively bigger? It does not. For the fact is for the last 15 years the Federal Government, and also the Federal debt, and also the Federal bureaucracy, have grown less rapidly than the economy as a whole.

If we leave defense and space expenditures aside, the Federal Government since the Second World War has expanded less than any other major section of our national life; less than industry; less than commerce; less than agriculture; less than higher education; and very much less than the noise about big Government.

The truth about big Government is the truth about any great activity: it is complex. Certainly it is true that size brings dangers, but it is also true that size can bring benefits.

Here at Yale, which has contributed so much to our national progress in science and medicine, it may be proper for me to mention one great and little noticed expansion of Government which has brought strength to our whole society: the new role of our Federal Government as the major patron of research in science and in medicine.

FEDERAL CONTROLS CITED

Few people realize that in 1961, in support of all university research in science and medicine, $3 out of every $4 came from the Federal Government. I need hardly point out that this has taken place without undue enlargement of Government control; that American scientists remain second to none in their independence and in their individualism.

I am not suggesting that Federal expenditure cannot bring on some measure of control. The whole thrust of Federal expenditures in agriculture has been related by purpose and design to control, as a means of dealing with the problems created by our farmers and our growing productivity. Each sector, my point is, of activity must be approached on its own merits and in terms of specific national needs.

Generalities in regard to Federal expenditures, therefore, can be misleading. Each case—science, urban renewal, agriculture, natural resources—each case must be determined on its merits if we are to profit from our unrivaled ability to combine the strength of public and private purposes.

Next, let us turn to the problem about fiscal myths. Here the myths are legion and the truth hard to find. But let me take as a prime example the problem of the Federal budget.

We persist in measuring our Federal fiscal integrity today by the conventional, or administrative, budget with results which would be regarded as absurd in any business firm, in any country of Europe, or in any careful assessment of the reality of our national finances.

The administrative budget has sound administrative uses. But for wider purposes it is less helpful. It omits our special trust funds and the effect they have on our economy. It neglects changes in assets or inventories. It cannot tell a loan from a straight expenditure. And worst of all it cannot distinguish between operating expenditures and long-term investments.

This budget in relation to the great problems of Federal fiscal policy, which are basic to our country in 1962, is not simply irrelevant; it can be actively misleading. And yet there is a mythology that measures all our national soundness or unsoundness on the single simple basis of this same annual administrative budget.

If our Federal budget is to serve not the debate but the country, we must find ways of clarifying this area of discourse.

Still in the area of fiscal policy, let me say a word about deficits. The myth persists that Federal deficits create inflation, and budget surpluses prevent it.

Yet sizable budget surpluses after the war did not prevent inflation, and persistent deficits for the last several years have not upset our basic price stability.

Obviously, deficits are sometimes dangerous—and so are surpluses. But honest assessment plainly requires a more sophisticated view than the old and automatic cliche that deficits automatically bring inflation.

MYTHS ABOUT PUBLIC DEBT

There are myths also about our public debt. It is widely supposed that this debt is growing at a dangerously rapid rate. In fact, both the debt per person and the debt as a proportion of our gross national product have declined sharply since the end of the Second World War.

In absolute terms, the national debt since the end of World War II has increased only 8 percent while private debt was increasing 305 percent and the debt of State and local governments on whom people frequently suggest we should place additional burden—the debt of State and local government has increased 378 percent.

Moreover, debts public and private are neither good nor bad in and of themselves. Borrowing can lead to overextension and collapse—but it can also lead to expansion and strength. There is no single simple slogan in this field that we can trust.

Finally, I come to the problem of confidence. Confidence is a matter of myth and also a matter of truth—and this time let me take the truth of the matter first.

It is true and of high importance that the prosperity of this country depends on the assurances that all major elements within it will live up to their responsibilities.

If business were to neglect its obligations to the public; if labor were blind to all public responsibility; above all, if Government were to abandon its obvious—and statutory—duty of watchful concern for our economic health—and any of these things should happen—then confidence might well be weakened and the danger of stagnation would increase.

DEFINES CONFIDENCE ISSUE

This is the true issue of confidence.

But there is also the false issue—and in its simplest form it is the assertion that any and all unfavorable turns of the speculative wheel—however temporary and however plainly speculative in character—are the result of—and I quote—a lack of confidence in the national administration.

This, I must tell you, while comforting, is not wholly true. Worse, it obscures the reality which is also simple. The solid ground of mutual confidence is the necessary partnership of Government with all of the sectors of our society in the steady quest for economic progress.

Corporate plans are not based on a political confidence in party leaders but on an economic confidence in the Nation's ability to invest and produce and consume.

HISTORY IS MENTIONED

Business had full confidence in the administration in power in 1929, 1954, 1958, and 1960. But this was not enough to prevent recession when business lacked full confidence in the economy. What matters is the capacity of the Nation as a whole to deal with its economic problems and its opportunities.

The stereotypes I have been discussing distract our attention and divide our efforts. These stereotypes do our Nation a disservice not just because they are exhausted and irrelevant, but above all because they are misleading—because they stand in the way of the solution of hard and complicated facts.

It is not new that past debates should obscure present realities. But the damage of such a false dialog is greater today than ever before simply because today the safety of all the world—the very future of freedom—depends as never before upon the sensible and clearheaded management of the domestic affairs of the United States.

The real issues of our time are rarely as dramatic as the issues of Calhoun's. The differences today are usually matters of degree. And we cannot understand and attack our contemporary problems in 1962 if we are bound by traditional labels and worn-out slogans of an earlier era.

But the unfortunate fact of the matter is that our rhetoric has not kept pace with the speed of social and economic change. Our political debate, our public discourse on current domestic and economic issues, too often bears little or no relation to the actual problems the United States faces.

TODAY'S ISSUES OUTLINED

What is at stake in our economic decisions today is not some grand warfare of rival ideologies which will sweep the country with passion but the practical management of a modern economy. What we need are not labels and cliches but more basic discussion of the sophisticated and technical questions involved in keeping a great economic machinery moving ahead.

The national interest lies in high employment and steady expansion of output and stable prices and a strong dollar. The declaration of such an objective is easy. The attainment in an intricate and interdependent economy and world is a little more difficult. To attain them we require not some automatic response but hard thought.

Let me end by suggesting a few of the real questions on our national agenda.

First, how can our budget and tax policies supply adequate revenues and preserve our balance-of-payments position without slowing up our economic growth?

Two, how are we to set our interest rates and regulate the flow of money in ways which will stimulate the economy at home without weakening the dollar abroad? Given the spectrum of our domestic and international responsibilities, what should be the mix between fiscal and monetary policies?

Let me give several examples from my experience with the complexity of these matters, and how political labels and ideological approaches are irrelevant to the solutions.

Last week a distinguished graduate of this school, Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, of the class of 1938, who is ordinarily regarded as a liberal Democrat, suggested that we should follow in meeting our economic problems a stiff fiscal policy with emphasis on budget balance and an easy monetary policy with low interest rates in order to keep our economy going.

In the same week the Bank for International Settlements in Basle, Switzerland, a conservative organization representing the central bankers of Europe, suggested that the appropriate economic policy in the United States should be the very opposite—that we should follow a flexible budget policy as in Europe, with deficits when the economy is down, and a high monetary policy on interest rates, as in Europe, in order to control inflation and protect gold.

Both may be right or wrong. It will depend on many different factors. The point is that this is basically an administrative or executive problem in which political labels or cliches do not give us a solution.

DISCUSSES BUDGET DEFICIT

A well-known business journal this morning, as I journeyed to New Haven, raised the prospects that a further budget deficit would bring inflation and encourage the flow of gold. We have had several budget deficits beginning with $12,500 million deficit in 1958. And it is true that in the fall of 1960 we had a gold dollar loss running at $5 billion annually.

This would seem to prove the case that a deficit produces inflation and that we lose gold. Yet there was no inflation following the deficit of 1958 nor has there been inflation since then. Our wholesale price and index since 1958 has remained completely level in spite of several deficits, because the loss of gold has been due to other reasons—price instability, relative interest rates, relative export-import balances, national security expenditures—all the rest.

Let me give you a third and final example. At the World Bank meeting in September, a number of American bankers attending predicted to their European colleagues that because of the fiscal 1962 budget deficit there would be a strong inflationary pressure on the dollar and a loss of gold.

Their predictions of inflation were shared by many in business and helped push the market up. The recent reality of noninflation helped bring it down.

We have had no inflation because we have had other factors in our economy that have contributed to price stability. I do not suggest that the Government is right and they are wrong. The fact of the matter is, in the Federal Reserve Board and in the administration this fall, a similar view was held by many well-informed and disinterested men—that inflation was the major problem that we would face in the winter of 1962. But it was not.

COMPLEXITIES UNDERSCORED

What I do suggest is that these problems are endlessly complicated. And yet they go to the future of this country and its ability to prove to the world what we believe it must prove. I am suggesting that the problems of fiscal and monetary policy in the sixties as opposed to the kinds of problems we faced in the thirties demand subtle challenges for which technical answers—not political answers—must be provided.

These are matters upon which government and business may, and in many cases will, disagree. They are certainly matters that government and business should be discussing in the most sober, dispassionate and careful way if we are to maintain the kind of vigorous economy upon which our country depends.

How can we develop and sustain strong and stable world markets for basic commodities without unfairness to the consumer and without undue stimulus to the producer?

How can we generate the buying power which can consume what we produce on our farms and in our factories?

How can we take advantage of the miracles of automation with the great demand that it will put upon high-skilled labor and yet offer employment to the half a million of unskilled school dropouts every year who enter the labor market—8 million of them in the 1960's?

How do we eradicate the barriers which separate substantial minorities of our citizens from access to education and employment on equal terms with the rest?

How, in sum, can we make our free economy work at full capacity, that is, provide adequate profits for enterprise and adequate wages for labor and adequate utilization of plant and opportunity for all?

DIALOGS FOR POLITICS

These are the problems that we should be talking about, that the political parties and the various groups in our country should be discussing. They cannot be solved by incantations from the forgotten past.

But the example of Western Europe shows that they are capable of solution. That government, and many of them are conservative governments, prepared to face technical problems without ideological preconceptions, can coordinate the element of a national economy and bring about growth and prosperity—a decade of them—a decade of them.

Some conversations I have heard in our country sound like old records, long-playing, left over from the middle thirties. The debate of the thirties had its great significance and produced great results. But it took place in a different world with different needs and tasks. It is our responsibility today to live in our own world, and to identify the needs and discharge the tasks of the 1960's.

If there is any current trend toward meeting present problems with old cliches, this is the moment to stop it—before it lands us all in the bog of sterile acrimony.

Discussion is essential, and I am hopeful that the debate of recent weeks, though up to now somewhat barren, may represent the start of a serious dialog of the kind which has led Europe to such fruitful collaboration among all the elements of economic society and to a decade of unrivaled economic progress.

JEFFERSON IS QUOTED

But let us not engage in the wrong argument at the wrong time, between the wrong people in the wrong country, while the real problems of our time grow and multiply, fertilized by our neglect.

Nearly 150 years ago Thomas Jefferson wrote:

"The new circumstances under which we are placed call for new words, new phrases, and the transfer of old words to new objects."

That is truer today than it was in the time of Jefferson, because the role of this country is so vastly more significant.

There is a show in England called "Stop the World, I Want To Get Off." You have not chosen to exercise that option. You are part of the world, and you must participate in these days of our years in the solution of the problems that pour upon us, requiring the most sophisticated and technical judgment.

And, as we work in concert to meet the authentic problems of our time, we will generate a vision and an energy which will demonstrate anew to the world the superior vitality and the strength of the free society.

Mr. HUMPHREY. The President's call for the start of a serious dialog on how to "make our free economy work at full capacity" could not come at a more propitious time. And it is my hope that all interested groups will take to heart the President's advice that this is the moment to stop attempting to meet "present problems with old cliches before it lands us all in the bog of sterile acrimony."

Mr. President, I am convinced that the overwhelming majority of the American people share President Kennedy's views that this is no time for name calling, petty partisan squabbling, or reliving

controversies of past decades, but rather it is a time to work together as fellow Americans to see that our economic system is developed to its fullest potential.

It would be tragic indeed if our goal of full development of the economy was not to be realized because we permitted illusions rather than reality to govern our conduct. If we but use our good sense and not blind ourselves to reality through preconceived notions, I am confident that we will make great progress and that our economy will develop at a rate never before known to mankind.

Mr. President, when speaking to a group of business people yesterday it was my privilege to suggest that the President's Labor-Management Advisory Committee take under consideration an objective analysis and survey of America's competitive position with Western European neighbors and friends in the field of export trade. It is my view that one of the great opportunities for developing our economy and for our economic growth rests on the improvement of our export trade and on the development of new markets.

I believe there are some old cliches which need to be reexamined and discarded in this respect. One of those cliches is that we have priced ourselves out of the market. It would be more true to say that we have not entered the market in many areas of the world, nor have we put together the policies and machinery for export business which would permit us to develop new markets.

I am pleased to note that the Export-Import Bank is now providing much more generous export credit guarantees to stimulate export of America's goods. Of course, I actively support the President's expanded foreign trade program. I believe this is an absolute essential for the development of our economy.

I am hopeful that the Labor Management Advisory Committee of the President and of the Secretary of Labor will concentrate its attention, in the months ahead, upon ways and means for American industry and American labor to cooperate to improve our competitive position in foreign markets. I also hope that we in the Congress will do our task of providing the proper incentive for the American system of enterprise, so that America can modernize its plant and its industrial machinery, and so that we may stimulate the production which is necessary for an expanded foreign trade operation.

For these reasons in the past I have recommended prompt tax reductions, both in corporate and in individual rates, and I have supported the President's tax program, because I believe these things are necessary.

Mr. President, I ask unanimous consent that an editorial from this morning's New York Times be printed at this point in the RECORD.

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

IS DEBATE ENOUGH?

Few Americans will find fault with the moderate tone of the President's speech at New Haven on the economic problems confronting the country. If he did not offer any tangible olive branch to disaffected businessmen, whether or not they are from Yale, he did at least attempt to restore communications. By calling for discussion, by inviting a "common concentration on common problems," he is plainly seeking cooperation on the major issues.

It is in the interest of business men, and of the Nation, that they contribute to the solutions of these problems. Though Mr. Kennedy spoke of a dialogue and debate between business and Government, neither debate nor dialog has been going on; rather the air has been filled with the discordance that results from voices speaking at cross purposes.

The President opened the debate by providing his own appraisal of some of the major areas of dispute. It is doubtful that his defense of Federal spending or his criticisms of the shortcomings of the present Federal budget will be acceptable to fiscal conservatives. But this is all the more reason that the debate should take place, because these are key issues that must be clarified if an effective partnership is to be formed.

This kind of debate takes time. The problems are so complex that it is unrealistic to expect any quick or simple answers. But the economy may not be able to await the debate outcome.

The President must demonstrate leadership by action as well as talk. He should be prepared, for example, to reconsider whether a tax cut is necessary this year, as we believe it is. There can be no refuge in the excuse that the issue must await debate. The Nation, including the business community, will feel that a debate is meaningful only if convinced that the administration has the current situation under control.

ADDRESS BY JAMES B. CAREY BEFORE JAPANESE TRADE UNIONISTS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD an address delivered on May 28 at the 10th anniversary convention of the All Japan Federation of Electric Machine Workers' Union in Kofu, Japan, by James B. Carey, president of the International Union of Electrical, Radio and Machine Workers of the AFL–CIO and vice president of the AFL–CIO.

I commend Mr. Carey for this excellent speech in which he presents so forcefully and eloquently the case for democratic trade unionism and exposes the hypocrisy of the Communist-controlled unions.

As my colleagues know, no one in this country has done more to fight the evil menace of communism than has James B. Carey. As the leader of the IUE, he has worked untiringly to build a strong and democratic union. His efforts have reduced the once powerful Communist-controlled United Electrical Workers—UE—to an insignificant and discredited organization completely divorced from the mainstream of American trade unionism.

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

ADDRESS BY JAMES B. CAREY, VICE PRESIDENT, AFL-CIO, AND PRESIDENT, INTERNATIONAL UNION OF ELECTRICAL, RADIO AND MACHINE WORKERS, AFL–CIO, AT THE 10TH ANNIVERSARY CONVENTION OF DENKI ROREN (ALL-JAPAN FEDERATION OF ELECTRIC MACHINE WORKERS' UNION), KOFU, JAPAN, MAY 28, 1962.

President Takehana and delegates to this 10th anniversary convention of Denki Roren, I am greatly honored to present a message to the 10th anniversary convention of Denki Roren from the President of the United States. This is President John F. Kennedy's greeting to you and your members:

"I have asked my friend, James B. Carey, president of the International Union of Electrical, Radio and Machine Workers, AFL–CIO, and a vice president of the AFL-CIO, to carry my greetings and congratulations to the 10th anniversary convention of Denki Roren.

"Your union and President Carey's union have much in common in addition to being the largest unions of electrical manufacturing workers in Japan and the United States respectively. The two unions are approximately the same age, and both have successfully opposed the efforts of totalitarian forces to capture control of the workers in their industries.

"To Denki Roren, its officers and members, on its 10th anniversary convention, I send my warm congratulations and my best wishes for many more decades of service to the workers it represents and to democratic unionism.

"I am happy that President Carey has invited a delegation of Denki Roren to visit the United States and attend the IUE's 10th Constitutional Convention in September. I am sure it will be a fruitful and enjoyable experience.

"In recent years Japan and the United States have had invaluable exchanges of business groups, religious bodies, cultural missions, and athletic teams. I believe that regular exchange of trade union delegates can be equally valuable in cementing the ties of friendship and brotherhood between the two nations.

"For that reason I greatly hope that it will prove possible for Denki Roren to accept President Carey's invitation and attend the IUE's convention. I hope also that it may prove possible for me to greet the delegation personally when it comes to the United States.

"I will, of course, look forward to hearing President Carey's report of his visit. I appreciate your hospitality to him which I am sure will be reciprocated when the Denki Roren representatives come to the United States in September."

I am honored to be the bearer of this message to you from President Kennedy who, as you know, had in his election and still has the overwhelming support of American working men and women and their trade unions.

I am also honored to bring you greetings from the union I serve as president, the International Union of Electrical, Radio and Machine Workers, AFL–CIO, the world's largest union of electrical manufacturing workers, representing more than 425,000 men and women in the United States and Canada.

And as a vice president of the American Federation of Labor-Congress of Industrial Organizations, I bring you congratulations and best wishes from that organization and the 13 million workers its represents.

It is extremely significant, I feel, that Denki Roren's 10th anniversary follows so closely after the 10th anniversary of Japan's resumption of complete sovereignty. In the 10 years since the signing of the San Francisco Peace Treaty, Japan has fully reemerged as a leading member of the family of nations. I am advised, in fact, that there is an excellent chance of a Japanese leader being elected President of the United Nations General Assembly later this year.

In Europe and in the United States Japan's economic progress has evoked enthusiastic admiration. We know that your country's gross national product has increased at an average rate of 9 percent a year during the past decade, the fastest rate of growth in the world.

We are aware that Japan is now the world's fourth largest producer of steel, and ranks first in such fields as shipbuilding

and textile exports. In Denki Roren's own field, your electrical products ranging from transistor radios to electron microscopes and heavy equipment are known throughout the world for their superb quality.

What Japan has achieved in 10 years is a demonstration of what can be accomplished only in a democratic nation and by a free people. Such progress as you have made is not attainable, as modern history has repeatedly proved, by a people oppressed by totalitarianism either of the left or right.

If I may return for a moment to President Kennedy's message to this convention, I am happy that he pointed out that Denki Roren and the IUE have much in common. The parallels are quite marked.

Our international union, while also holding its 10th convention this year, was born 3 years earlier in 1949. Both the IUE and Denki Roren are industrial unions believing in complete organization of the industry. Denki Roren's leaders, like the IUE's, emerged from a successful struggle against political authoritarianism. Denki Roren and the IUE share, to a very considerable extent, the same democratic ideals and goals, the same aspirations toward political and industrial democracy. Both Denki Roren and the IUE fervently hope for and work for world peace and the brotherhood of laboring men everywhere.

Because our two organizations share these ideals and goals we both have an overwhelming stake in the survival of self-government and self-determination.

Unless political and economic democracy survive and flourish, democratic unionism cannot survive or flourish. The last quarter-century has proved over and over again that democratic unions are always the first victims of totalitarianism either of the right or the left.

That is true because democratic unionism by its very nature seeks to abolish social and economic discrimination and to eliminate special privilege. Believing deeply in brotherhood, democratic unionism aspires to the creation of a more equalitarian world in which poverty and oppression are totally eradicated.

Neither autocrats nor autocratic systems of government can tolerate democratic unionism because, above all else, democratic unionism proclaims the essential dignity of man, the importance of the individual, and the sanctity of human life.

Because democratic unionism holds vehemently to these values in all free nations, the International Confederation of Free Trade Unions is today one of the most powerful influences in the world for democratic progress and peace. We see in the ICFTU an instrument for improving the economic welfare of millions of under-privileged men and women and for the social and political advancement of new and emerging countries. We see the ICFTU as a means of encouraging those peoples and those countries to follow paths of democracy and civil rights rather than the twisting courses of dictatorship and exploitation.

Let me emphasize here that the longer and closer becomes our association with other unions around the world—through the ICFTU and the International Metalworkers Federation—the clearer it becomes that labor movements in all the industrialized countries of the free world face the same problems today, or will in the future.

We do not pretend in the United States or anywhere else that we have found the complete solution to all these problems—to say that would be to imply that we have created the perfect society—but we are making steady progress toward their solution. And most important, in the democracies, we are free to find our own solutions, by trial and error if necessary; and not by a decree or edict imposed autocratically from above.

The United States today probably has more serious economic problems than does Japan. In this country you have little or no unemployment and even a shortage of skilled labor. In our country, although we have more men and women employed than ever before in our history, we are striving to find a solution for an unemployment problem that persists at the level of 4 to 5 percent of the Nation's work force. We have experienced four recessions since 1945, while Japan's economic growth has not been similarly victimized. In the United States, automation, many economists now predict, will henceforth abolish approximately 200,000 jobs a year; while Japan does not yet face that hazard.

Large-scale joblessness is thus a pressing problem today in such countries as the United States, England, and France, and the effects of automation in these countries can create additional difficulties until we find the solution we are seeking.

But no one seriously believes that countries like Japan, West Germany, and Sweden can remain forever immune to the virus of unemployment and automation. Extensive unemployment has been experienced in these nations before, and it will be again.

Today, however, there is a difference. We know that the problems are essentially indivisible, that they are or will be common to all industrialized nations in the free world and that a common remedy must be found. It is this belief that has brought eight nations of Western Europe into the Common Market, an unprecedented, unified economic unit.

Because there can be no such thing in this age as a one-nation major depression, there cannot be extensive unemployment in one major nation without it spreading to other nations. Consequently the problem is not the problem simply of one labor movement or of individual labor movements. Unemployment, automation, exploitation, trades, these today are problems of international labor.

That is why we are joined together in organizations like the ICFTU. That is why we seek solutions such as international fair labor standards by working through the ICFTU and particularly the International Labor Organization; and through the same agencies and our own governments we promote reciprocal trade programs designed to benefit not the workers of one or two countries but the workers of all countries.

With the international free labor movement sharing experiences and problems, and cooperating in the solution of those problems, we strengthen free unionism everywhere. If we in the United States can provide organizational know-how and specific assistance that will help labor movements in Latin America realize their full potentials and raise living standards, then the economy and unions of the entire Western Hemisphere benefit. If the Japanese labor movement can do the same in Asia, not only the economic security of the various Asian countries is strengthened but their national defenses as well.

The labor movements of the free nations, therefore, need not only to intensify their ties and fraternal relations with one another in defense of democracy and self-determination; they need also to intensify their internal militancy. Effective representation of union members in collective bargaining, in grievance handling, in legislative and political action, all require aggressive democratic programs and aggressive democratic leadership. The largest membership in the world cannot help a union if it does not have a militant program and determined, resourceful, courageous leaders.

It is necessary here to make the vastly important distinction between true militancy and fake militancy.

When the Attorney General of the United States, Robert Kennedy, was your guest here in Japan 4 months ago he mentioned that the United Automobile Workers, the largest industrial union in the United States with well over 1 million members, and my own union, the International Union of Electrical, Radio & Machine Workers, had both defeated Communist attempts to control the organization of workers in their respective industries. But most important, said the Attorney General, was the fact that they did it by democratic methods.

The United Auto Workers eradicated the Communist threat in that industry simply by outperforming the Communists in every area and function of trade union life. The UAW and the IUE both proved that there was nothing that the Communist-controlled unions could do that our democratic unions couldn't do much better, while preserving the dignity of the individual and the highest moral and ethical standards.

It is important to understand that in this critical struggle the U.S. Government maintained a strict hands-off attitude. Democratic unionism and totalitarian unionism were permitted to fight it out in the public arena, so to speak, in a protracted contest for the loyalties, devotion, and support of hundreds of thousands of working men and women.

The Communist unions had the full benefit of exactly the same Federal laws that benefited the anti-Communist unions. At no time was there any legal discrimination against the Communist groups, no harassment, no persecution.

Actually the history of our fight against Communist unionism in the United States involves much more than just our two unions.

At the end of the war there were 11 American unions with a membership of around 1,500,000 that had fallen under the domination of Kremlin stooges in the United States. They were pitiful organizations, actually. They were forced to follow every twist and reversal and somersault of the American Communist Party line. They were forced to zig and zag absurdly every time Moscow foreign policy zigzagged. Like puppets, which they were almost literally, they jerked to whatever strings were pulled first by the Profintern, later by the Comintern, and finally by the Cominform.

It was impossible for them, therefore, to function as true trade unions. They were primarily Communist political instruments. By their very nature they had to be less concerned with the economic welfare of their members, with the wages, hours, and working conditions of the workers, than with the torturous political turns of the Kremlin line.

In 1948, to cite one example, Moscow decided on a weird political adventure: support of a third party candidate for the Presidency of the United States. Now political action by labor is one of the oldest and most respected traditions of American unionism—going back to the years immediately following the American Revolution, the 1780's and 1790's. But always organized labor in the United States has regarded itself primarily as an economic instrument with its political function secondary.

But in 1948 American Communists and especially Communist unions were ordered to forget everything else and to devote all attention and all energy to this ridiculous political fiasco.

The result was that the Communist-dominated unions completely abdicated the responsibilities of collective bargaining. They could find no time for negotiating contracts, for pursuing wage increases, for handling grievances.

The result in every one of the Communist unions was an infuriated and rebellious rank and file. The more that wage scales in the Red-dominated unions fell behind the pace of other unions, the more grievances piled up and were left unresolved, the more workers became disgusted with Communist political chicanery.

In 1949 and during the following year the Communist-controlled unions were brought up on trial by the Congress of Industrial Organizations. The trials were conducted with the most scrupulous concern for democratic procedures and American judicial methods. The Communists were tried by juries of their peers; they had the right of counsel, and were given full and fair opportunity to call witnesses and in every way defend themselves.

In the end, however, 11 unions were expelled from the family of labor. It was only then that the real struggle began.

By far the most dramatic struggle came in the electrical, radio, and machine manufacturing industry. This industry had witnessed the mushrooming of the largest and strongest Communist-controlled union in the entire history of the American labor movement. A few years before its expulsion from the house of labor, this Communist union had more than 500,000 members and a stranglehold on what was due to become the Nation's most vitally important defense industry.

In the years since this Communist union was thrown out of the American labor movement its membership of 500,000 has skidded to less than 50,000 today; it is a pitiful skeleton with fewer than one-tenth of its former members left, and still declining.

What happened? In dozens, then in scores of local unions, Government sponsored, secret-ballot elections resulted in wholesale defections from the Communist-dominated group. Similarly, in scores of disaffiliation elections, not conducted by the Government, local union membership voted overwhelmingly to abandon the Red-controlled union.

Almost without exception these local unions voted to join our new union, the International Union of Electrical, Radio, and Machine Workers which was chartered the day the Communist-controlled union was expelled.

As I stated, the Communist-dominated union still exists—in fragments. What shattered it, and what continues to shatter it, is its subservience to the Communist Party and the totalitarian line of the Kremlin. The destruction of this enormously strong and numerically powerful Red union was the straight-forward result of democracy in action. The U.S. Government played no favorite between my union and the Communist union. The workers in our industry themselves made the decision and made it by secret ballot. The result is that the Communist union, as with the American Communist Party itself, is presently on the brink of oblivion. In addition, most of the other unions that were expelled from the labor movement in 1949–50 for serving the Kremlin have now disappeared completely from the American scene.

A former President of the United States has declared that the IUE performed an invaluable public service by annihilating the Communist-controlled union. He meant that it could be a disaster for the free world today if that union were still in a dominant position in the most sensitive of all our defense industries—an industry that produces atomic energy apparatus, guided missiles, rockets, electronic brains and computers and a huge variety of instrumentation essential for defense of the free world and for scientific peacetime purposes.

There would be few if any military secrets in our electrical and electronics industry in the United States today if this Communist union and others were allowed to run rampant through our plants and laboratories as they once tried to. Democracy's defenses would be incalculably weaker; Communist aggression—which we saw in all its brutality and savagery in Hungary, Poland and East Berlin—would be more ruthlessly and frequently turned loose for new blood baths.

I say, therefore, that there is no trade union militancy in communism or Communist unionism; there is only response to the political commands and decrees of the Kremlin. When the Kremlin says, as it did in the example I cited, forget about bread-and-butter issues, forget about bargaining, forget about contract protections and benefits, forget about grievances—then all these trade union principles and functions are abjectly forgotten.

Opportunism is not militancy; we must learn that distinction. Throwing stones, inciting street mobs, provoking riots, those things are not militancy; they are the demagoguery of violence which as often as not seeks not militant union demonstrations but martyrs, corpses, dead workers for propaganda exploitation.

A final word needs to be said on this score of militancy. When totalitarians have neither facts nor logic to use against an opponent they resort to smears. One of those smears is the slander that American unions lack militancy because they are "lackeys of Wall Street capitalism" or some such nonsense.

If militancy were to be measured by the frequency and size of strikes—and I most definitely do not think it can be—then the American labor movement would rank at the top or very near the top of the world's labor movements in militancy.

As a matter of fact, Japanese union leaders know first hand how ridiculous this "lackey" charge really is. The longest major strike in modern American history occurred in 1955 and 1956 when 55,000 IUE members closed down 30 plants of the Nation's second largest electrical manufacturer, the Westinghouse Electric Corp., for more than 5 months, 156 days to be exact. And during that coast-to-coast strike, I recall our picket lines were visited and joined by Japanese union officials touring the United States at that time. Before it ended in victory for our union the Westinghouse strike had cost the company $360 million in sales and $60 million in profits.

At one time or another we have been forced to strike General Electric, the world's largest and richest electrical manufacturer; Radio Corp. of America, and other giants of the industry.

Our union, moreover, supports strikes in other countries against American companies. Not long ago we contributed funds to the strike of General Electric workers in Mexico; and last month we sent money to assist a strike in Chile against Standard Electric.

And to explode that "Wall Street lackey" charge once and for all, it was our international union that originally exposed an industry-wide conspiracy to rig bids and fix prices on heavy electrical equipment in the United States. This bid-rigging and price-fixing, a violation of the Federal antitrust laws, had as one of its purposes the freezing out of overseas competitors in England, Japan and other countries. That conspiracy was ended a year ago with the fining of 29 corporations and 44 company officials, and jail terms for 7 top executives, including 3 from General Electric and 2 from Westinghouse.

We might, to conclude with this point, inquire of those who babble the "lackey" charge when the last strikes occurred in the electrical manufacturing industries of Rumania, Eastern Germany, Poland and China; and what happened to the workers or union officials who last criticized top management of the electrical manufacturing industries in Russia, Bulgaria, Hungary, and Red China.

We would like to hear from them; they might have some interesting things to say about "lackey unions."

Nothing anywhere else in the world has compared with the amazing economic growth of Japan and West Germany during the last decade. History, I believe, will show that this unparalleled economic progress in Japan and West Germany was to very great extent due to the insistence in both countries on the preservation of political democracy.

While there are numerous parallels between Japan and West Germany, there is one towering dissimilarity. Through the center of Tokyo there is no 12-foot wall of stone and mortar and cruel barbed wire separating the people of East Tokyo from the people of West Tokyo.

The enemies of freedom have not erected in your capital city a wall of fear, a wall of ignorance, a wall of desperation. Here in Tokyo the Communists have not been able to erect a primitive barrier to keep hundreds of thousands of citizens, living in substandard conditions, from knowing of the prosperity and higher living standards of their neighbors on the other side of the wall. Here in Tokyo there is no partition bristling with rifles and machineguns, to separate millions of Tokyo citizens from other millions of Tokyo citizens, because of a fear that all, given the chance, will choose freedom and democracy and prosperity.

The walls that communism finds it necessary to erect—the Iron Curtain and the Berlin Wall—are the ultimate proof that communism knows that it cannot, anywhere, stand a comparison between the values and accomplishments of democracy and the tyrannies and exploitations of communism.

Seven months ago I was privileged to be the bearer of another message from President Kennedy to a large democratic labor organization, a group of trade unions in Western Berlin. In sight of the Russian wall—constructed, as I say, more of hate and fear than of stone and barbed wire—I delivered this message from the President of the United States to the beleaguered Berliners:

"Free union movements are focal points for the aspirations of countless millions who hope for a better life and freer voice. In an age of mass poverty and mass illiteracy over wide reaches of the world, and of concentrated wealth and skill in other parts, man is faced by the moral imperative of justice. Those who would deny or pervert this moral charge are the corrupters, not the makers, of history. The necessity for freedom and the realization of human dignity in freedom, is a greater force for change in human affairs than any sword, any wall, any tyrant's club. One cannot shut the desire for freedom out from a man's heart; the attempt in itself is an admission of failure.

"Free union movements, while they differ broadly from nation to nation, are founded upon right—the right of the individual to a fair return for his labor, the right of the people to benefit from their toil, the right to enjoy in economic life freedom from want. Man should not have to depend upon the largess of an aloof state for the satisfaction of what is his by right.

"For this reason, unions in the free world are the very bulwark of individual right, the voice of conscience, the living examples that free men can control their own destinies."

It could not be stated more truly or universally for free labor movements everywhere. Yes, "unions in the free world are the very bulwark of individual right, the voice of conscience, the living examples that free men can control their destinies."

I said there was no wall of separation, hate and fear running through the center of Tokyo; but there is such a wall running through the center of the island of Sakhalin. Since the end of World War II Russia has occupied the southern half of Sakhalin which had been administered by Japan for 57 years since the Treaty of Portsmouth, signed in 1905 in Portsmouth, N.H.

There is, in fact, a Russian wall of silence and exclusion surrounding the entire island of Sakhalin.

There can be no analogy drawn—as some Communists try desperately to draw—between the Russian occupation of southern Sakhalin and the American administration

of the island of Okinawa. The differences, in fact, are enormous.

We remember, first off, that under article III of the peace treaty with Japan the United States recognizes Japan's "residual sovereignty" in Okinawa. The clear-cut implication of this is that Okinawa will—by logic and historic inevitability—revert to Japan when the threat to world peace has diminished.

Is there any such treaty or agreement between Japan and Russia that recognizes Japan's "residual sovereignty" in southern Sakhalin? Is there any understanding of any kind that implies that southern Sakhalin will and should revert to the Japanese nation and people?

To the contrary. There is every evidence that the Kremlin hasn't the slightest intention of ever relinquishing its control and occupation of the Japanese territory on Sakhalin.

But the contrasts between Sakhalin and Okinawa run even deeper than that. Gradually on Okinawa more and more self-government, more and more self-determination, has been returned to the Okinawans themselves. Civil rights and democratic liberties have been enlarged and extended. I know something of this almost from a firsthand standpoint.

A representative of my union, the IUE, on leave to the International Confederation of Free Trade Unions, spent more than a year on Okinawa assisting the workers to set up their own trade unions and their own democratic labor movement. Today we know that trade unionism on Okinawa is numerically stronger and more influential than ever before in history.

How about southern Sakhalin on these two scores? Has there been in recent years any increase in self-government and self-determination on southern Sakhalin? Has there been any growth of civil rights and democratic liberties on southern Sakhalin?

You in the Japanese labor movement know the answers far better than I do.

Attorney General Kennedy, when he was here, was impressed with the deep concern that the Japanese Government and the Japanese people have in the future of Okinawa. I have been similarly impressed through the delegations of Japanese unionists who have visited me in our union's headquarters in Washington.

One thing I feel very certain of—and I speak only for myself in making this prediction: I am clearly and completely sure that just as the Philippine people were given the opportunity of determining their own destinies, so eventually will the Okinawan people.

If isolationism is impossible for free nations in the modern world, isolationism for free labor movements is equally impossible. We have already noted that there cannot be an extensive depression or unemployment in one major country without it affecting other countries. We have noted that such problems as poverty, inadequate medical care, illiteracy are no longer the problems of single nations but of all free nations.

But those problems are also, in this modern world, the problems of the international labor movement. Labor's freedom everywhere is jeopardized wherever communism is given an opportunity to exploit the deprivation and suffering of any single group of people or nation.

We of the free labor movement around the world know that we are fighting on two fronts. We are fighting against the assaults of totalitarianism and we are fighting against poverty and disease that literally invite in totalitarianism. We know, therefore, that the first and most crucial part of the worldwide struggle is to wipe out poverty and disease. Where this is accomplished communism will obtain no foothold.

Following the restoration of peace in 1945, the industrial unions of the United States and the unions of many other free nations made a wholehearted effort to work for the worldwide eradication of poverty and disease in conjunction with Communist-controlled unions.

With these objectives we established in 1945 the World Federation of Trade Unions. That collaboration lasted only 3 years. The Russian unions and the unions of the Russian-occupied countries weren't interested in alleviating poverty and disease except where they could make political capital of such humanitarian efforts.

I know of this intimately because I participated in the founding of the WFTU in 1945 and I participated in the dismemberment of the WFTU in January 1949.

When we withdrew from the WFTU our American industrial unions declared:

"Through the WFTU we hoped to participate in and influence the course of economic reconstruction not only in war-devastated Europe but also in those areas of the world still suffering from feudalism, poverty, illiteracy, and exploitation.

"Through the WFTU we hoped to assist all workers everywhere to achieve those elementary and fundamental human rights for which labor has always fought: freedom of assembly, freedom of organization, freedom of speech, freedom of religion, freedom from arbitrary arrest, the right to work, social security, the abolition of slave or forced labor, and freedom from tyranny in any and every form."

Eventually, of course, the Kremlin made it clear that it could not accept those goals or any serious moves in the direction of democratic rights and civil liberties. The Kremlin could not tolerate anything that did not serve one single fanatical purpose—the advancement of its own despotic political power.

We hardly needed to bury it. It buried itself—in the Kremlin. Since the withdrawal of the free labor movements of Asia, Africa, Europe and the Americas, the WFTU has abandoned all pretense of being anything but a political instrument of the Kremlin, an agent of Communist imperialism.

I've told you that Communist unionism is, to all extents and purposes, dead in the United States; and it is dying in England and other democratic countries. In England, incidentally, the experience of the country's electrical workers has an amazing parallel to the experience of American electrical workers.

For 10 years the Electrical Trades Union of England was misled, misused and exploited by a Communist minority that had seized and entrenched itself in the union's leadership. Just 2 months ago, this union of 250,000 members finally, after a decade of Communist control, recaptured its democratic independence. The Communists, who had maintained themselves in power by rigging elections and stuffing ballot boxes, were kicked out of the British labor movement just as they were kicked out of the American labor movement.

One of the most repulsive aspects of Communist unionism anywhere is its opportunism; its willingness to pervert truth and decency for an immediate political gain. In the United States, for example, the leaders of the Communist union that we have nearly eliminated from our industry are today propagandizing against Japanese imports, especially electrical imports. In large banner headlines their newspaper recently proclaimed that your lamps and presumably your radios and other products are made by sweatshop labor, by what amounts almost to slave labor. That is the Communist claim.

Thus on the one hand the Communists in the United States shout noisily their advocacy of "internationalism"; and on the other hand they join, in effect, with our worst reactionary elements in rabble-rousing against reciprocal trade and Japanese electrical imports.

America's free labor unions engage in no such duplicity or hypocrisy. We are in favor of reciprocal trade and for the improvement of commercial relations with Japan and other nations.

Just a few weeks ago I appeared before a committee of the U.S. Congress and testified against higher tariffs and restrictive quotas. I told the congressional committee:

"American labor is acutely aware—and I might say, admiring—of what Japan has accomplished and what American-Japanese relations have accomplished in the fields of economic, political and social cooperation.

"We of the American labor movement have been neither stampeded or panicked by the bugaboo of Japanese imports.

"We know that over the past 5 years Japan has bought more products from the United States than from any country in the world except Canada. We know that U.S. exports to Japan were worth $1.3 billion in 1960 while U.S. imports from Japan totaled $1.1 billion, giving us an export surplus to Japan of nearly $200 million.

"We know that at least 191,000 American jobs are wholly dependent on our exports to Japan.

"The Japanese economy, as the world knows, has boomed almost miraculously. It now receives no economic aid, as such, from the United States. On the contrary, Japan has been transformed from a country receiving aid to a country that not only stands on its own feet but actually today ranks seventh among the free world nations as a supplier of economic aid. And Japan, only 17 years ago, we remember, was a nation devastated both militarily and economically."

Our reciprocal trade relations with Japan constitute one of the compelling reasons for constantly closer ties between Denki Roren and the IUE. I say this because in the electrical and electronic manufacturing industry—far more than in any other industry—Japanese and American unionists share the same employers, or share employing companies that are financially interlocked.

The IUE's biggest employer, for example, is General Electric which is the largest single stockholder in Toshiba, one of Japan's top electrical manufacturers. GE, I am advised, owns 12 percent of Toshiba, and Toshiba currently turns out transistors and radios under GE brand names.

Westinghouse, our second largest manufacturer, has complex financial arrangements with Mitsubishi Electric Co., of Tokyo; and another of our employers, General Precision Instrument, also has an agreement with Mitsubishi whereby General Precision will own 40 percent of a new Mitsubishi company to produce General Precision products in Japan.

Another of the giants of American industry, Radio Corp. of America, markets sets both in the United States and elsewhere manufactured by your Sanyo Electric Co., of Osaka.

And so it goes; the list is long and the corporate and financial interrelations are often extremely complex.

But one thing is obvious. These interlocking relations between American and Japanese producers is an overwhelmingly powerful argument for collaboration between Denki Roren and the IUE to seek "international fair labor standards."

Exchange of information, exchange of delegations, cooperation in periods of negotiations and even in times of strike—these can be immensely valuable to both Denki Roren and the IUE.

Democratic unionism, joined together across the continents and across the seas, is one of the last great hopes of peace and freedom in the world.

It is my hope and our international union's hope that our relations with Denki Roren will be brought much closer and much more effective—as President Kennedy has suggested in his message to you—by a visit

to the United States and to our union's 10th constitutional convention of your esteemed President Takehana. We will look forward to being his host and host to those of his colleagues who can accompany him to the United States. We will, I am sure, profit greatly by his address to our convention and by our discussions of mutual problems and goals.

A very few days ago, in Washington, Japanese Ambassador Asakai declared:

"In the 102 years since the arrival of the first Japanese Ambassador to Washington, relations between Japan and the United States have never been better than they are today."

I believe we can say exactly the same about relations between the labor movements of Japan and the United States—and we pledge ourselves in the months and years to come to make our fraternity—of Denki Roren and the IUE, of the Japanese labor movement and the American labor movement—always more mutually beneficial and fruitful.

PROMINENT REPUBLICAN FAVORS MEDICAL CARE UNDER SOCIAL SECURITY

Mr. HUMPHREY. Mr. President, I have some good news for the Senate today. I notice that a prominent Republican favors medical care under social security.

Last week the first convention of the National Council of Senior Citizens for Health Care Through Social Security met here in Washington and was addressed by Dr. Arthur Larson, a onetime special assistant to President Eisenhower. Dr. Larson, a prominent Republican, having served as Under Secretary of Labor and as Director of the U.S. Information Agency, endorsed social security health benefits as the right way to provide medical care for the aged.

I think Dr. Larson's support for this program is especially significant in light of his acknowledged standing as an authority on social security law, and workman's compensation law. His best-known work in this field is a layman's guide to social security, entitled "Know Your Social Security." It is heartening to know that a scholar of Dr. Larson's stature is a proponent of this administration's program for health care under social security.

In closing, I would like to quote from his address to the Senior Citizens Council and to commend him for his stand on one of the most far-reaching welfare proposals in our history. Dr. Larson said:

Social security health benefits are not an entering wedge for socialized medicine, and they definitely are the American way of handling the financial problems of hospital and medical care for the aged.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE of New Jersey. I join the Senator from Minnesota in expressing appreciation and satisfaction at Dr. Larson's speech to that group, and also his confirmation of a position which I myself have long held in regard to the question of medical care for the aged, and provision for it under the social security system, which I think is entirely sound.

I also express the hope that following the suggestions made by the administration spokesmen—I believe the Secretary of Health, Education, and Welfare recently was one of those, and there have been others recently—a serious effort will be made within the basic principles of the social security system to enact appropriate legislation at this session of Congress.

To that end I ask unanimous consent to include in the RECORD at this point an editorial which appeared yesterday in the New York Times.

Mr. HUMPHREY. I saw that editorial. I hoped that it might be included in the RECORD. Mr. President, I ask unanimous consent that the editorial to which reference has been made be printed at this point in the RECORD.

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

DECISION DAYS ON MEDICAL CARE

The next 2 weeks will determine whether anything is to come this year of all the sound and fury over medical care for the aged. The House Ways and Means Committee will meet in closed session to discuss the administration's plan for a program based on social security, as well as the welter of substitute proposals put forward by Republicans and conservative Democrats. Intense horse trading is probable, but most observers already predict that it will wind up without any bill.

This may be a welcome outcome to politicians on both sides, who usually like a lively campaign issue better than a law. But it will do nothing to relieve the health needs of elderly persons or the financial aches their ailments often create for their families. We hope the administration and the critics of its plan will use this period for a genuine attempt to agree on a program all can back in good conscience.

There are many areas of potential compromise that would not impair reliance on the sound insurance principles of social security. Chief among these would be a formula for protecting those uncovered by the social security system—a total of 3 million persons, or one-sixth of the country's aged population. Nearly half of these would be eligible for benefits on the basis of financial need under the Kerr-Mills Act and other existing public assistance programs. The President indicated in his news conference last week his readiness to support measures to provide comparable help to others outside social security. Such universality of protection would offset a principal objection to the White House-backed King-Anderson bill.

Another line of concern could be eased by changes in the certification procedure for hospitals and nursing facilities. Instead of having eligibility determined by the Secretary of Health, Education, and Welfare, that responsibility might well be left to the Joint Committee on Accreditation of the American Medical Association and the American Hospital Association. This would further deflate the charge that the program represents a wedge for Federal rule of medicine.

Additional opportunity for give and take exists on such items as the amount and duration of benefits or the provision of a cash option for persons who prefer coverage under private health insurance. The problem here would be to guard against an excessive concentration of the poorest health risks in the Government pool, with an attendant distortion of its cost estimates. The need for a general program to help the aged pay their hospital and nursing home bills is now acknowledged by almost every faction in Congress; it will be a miscarriage of democracy if the session ends with nothing done.

Mr. HUMPHREY. Mr. President, I wish to say to the Senator from New Jersey that it is my view that there are ways and means to devise a health care program under the terms of social security. The task of the legislature and the duty of the legislative body on such a serious issue as the one to which we refer is to find ways of making necessary accommodations and adjustments. The so-called King-Anderson bill, which I support in terms of its fundamental principles and provisions, is not sacrosanct. By that I mean it is not beyond some adjustment or some possible change that may improve its text and application. I understand that the Senator from New Jersey feels much in that same spirit. I am hopeful that before the Congress concludes its work at this session it will be able to pass a bill that will meet the test of social security financing and at the same time represent an improvement over the present bill.

Mr. CASE of New Jersey. I join wholeheartedly with the acting majority leader in that hope.

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the 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.

Mr. MORSE. Mr. President, I rise to make a statement concerning the Magnuson amendment which is pending before the Senate, to increase the amount of an appropriation in the pending bill from $2 million to $6 million.

I am unhappy with a good many sections of the Department of the Interior appropriation bill that has come from the Committee on Appropriations. I am unhappy about it because, in my judgment, a good many parts of the bill are unsound from the standpoint of sound public policy. The bill is unsound because parts of the bill represent a false economy at this time, and a pennywise and pound-foolish policy.

I point out that the economy of our country is our most important defense weapon. The segment of our economy known as our natural resource areas is pretty vital to the destiny of this Republic.

The interests of our country can never be protected by economizing at the cost of its natural resources of our country. In too many sections, the bill would do exactly that. Yesterday there was a struggle on the floor of the Senate over an effort to strengthen the bill from the standpoint of returning, by way of rehabilitation of the range, the verdure of the western plains, by providing for improvements necessary to protect the water table of the great arid areas of the West. I say most respectfully that when it comes to consider appropriations such as the kind we are discussing, we should keep in mind the fact that a civilization does not climb on falling water tables.

The undeniable fact is that the water table is falling in some of the great arid sections of the West. There is need for reforestation. There is need for rangeland seeding. There is need for the development of water resources in those areas if we are to leave the heritage which we, as trustees, ought to leave to future generations of American boys and girls—God's gift of natural resources to us.

Senators have heard me say before in my years in the Senate that we have a moral obligation to see to it that our natural resources are left in a better condition than that in which we found them. But in my judgment, the bill pending before the Senate falls short of fulfilling that trust in several particulars. One particular relates to the rangeland issue which was discussed on the floor of the Senate yesterday. Another issue—and it is only one of several—is the issue with respect to which the Senator from Washington [Mr. MAGNUSON] is taking the lead. I am proud to join him as a cosponsor. The proposal would do something about providing the necessary access roads so that there may be an intelligent, scientific, and economic harvesting of the timber resources of our country. We are helping America move ahead again with these amendments. We are meeting the challenge of the New Frontier.

There are two or three points in regard to the need for the proposed increase of $2 million to $6 million which the Senator from Washington [Mr. MAGNUSON] is recommending in regard to that particular item. I would have Senators keep in mind that for the past several weeks the Senate, through its Committee on Commerce, presided over by the Senator from Washington [Mr. MAGNUSON], has been conducting public hearings in the field in regard to the depression that has hit the lumber industry of the United States. I am satisfied that I can say without fear of successful contradiction on the part of anyone in the Senate that there is no basic industry in the United States today that is as depressed as is the lumber industry. In the past 24 months several hundred lumber mills have closed their doors. Many of them have dismantled. The lumber market has gone awry. One of the reasons why the lumber market has gone awry is the Canadian competition with which the lumber producers in this country have been faced.

What has been presented to the lumber industry of this country is a competition, not against the lumber mills of Canada, but against the Government of Canada. We must face the fact that various forms of direct and indirect subsidy which the Canadian Government is supplying to the lumber industry of Canada is placing the lumber industry of this country in the doldrums, in a very serious depression. Canadian competition is adversely affecting the lumber producers of the United States.

At another time, as we will be discussing proposals that are bound to come out of these hearings, the facts will be presented to the Senate in regard to what the Canadian competition is doing to the lumber economy of this country.

Mr. President, come with me and sit with me for a moment as I describe to you what has happened in some of these public hearings in regard to the depressed economic condition of our lumber industry. Listen with me for a moment as I allude to the testimony of mayor after mayor, Governor after Governor, Republican and Democratic leaders in State after State; listen with me to the testimony of presidents of chamber of commerce after chamber of commerce; listen with me to the testimony of labor leaders, of bankers, of merchants, of the lumber operators themselves. Listen with me as they all tell the same sad, depressing story, to the effect that the lumber industry of our own country is being gutted by the competition from Canada, aided and abetted by the various forms of governmental subsidy in Canada.

I am well aware of the importance of trade with Canada. No one need remind me that Canada is one of our best customers. I do want to raise my voice this afternoon, however, in defense of fair competition. I want to raise my voice this afternoon in defense of the proposition that our Government, through the allied agencies involved in the problem I am about to discuss in the pending bill, has a clear duty to see to it that we give the lumber industry of our country an equal break with Canadian mills, an equal opportunity to compete with Canadian mills. If we are to do that, as it is shown by witness after witness, who have testified by the reams in these public hearings, that something must be done, we will have to do something about the forestry programs and policies of the U.S. Government.

I now direct the attention of the Senate to some of the policies of the Forest Service particularly, although to some extent some of this applies also to the Bureau of Land Management. The Senator from Washington [Mr. MAGNUSON] has proposed an increase in the appropriations allowed in the bill for access roads from $2 million to $6 million. One might very well ask, What does the proposed increase have to do with the Canadian competition problem? I say it is of major importance in connection with the Canadian problem of competition. Why? Because, as the Senator from Washington has pointed out with undeniable proof, the Forest Service of the United States is not approaching the allowable cut in the sales which it offers to American lumber producers.

The allowable cut is a technical term. Although I need not do so for the information of the Senate, let me point out that by the allowable cut we refer to that figure of the amount of board feet of timber that can be cut out of a national forest in the interest of sound conservation, in the interest of a sound sustained yield program that will guarantee to future generations of Americans a continuity of timber supply, so that the time will never come when we will be a deforested country, as China has become. It represents the harvest of the annual growth of timber.

I digress to say that we must not forget that China was once a great country of forests. However, China forgot its obligations as a trustee to the Almighty that granted China great natural resources.

For some years, starting with that great crusader and conservationist, Gifford Pinchot, we have been working in this country for the protection of our forests, allowing only that cut that would assure a permanency to our forests, and a continuity of forest growth. We call it a sustained yield. There shall be sustained in our forests sufficient yield by way of fostering new growth and cutting only to that point where we can maintain that sustained yield. That is the allowable cut.

The Forest Service has not conducted its sales program so as to reach the allowable cut. That means a great waste.

I ask to place in the RECORD a table which shows how the mark has been missed in Oregon and Washington.

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

Comparison of financed cut and sell to actual cut and sell

[All figures rounded to million board feet]

	Financed sell	Actual sell	Percent actual of financed	Financed cut	Actual cut	Percent actual of financed
OREGON						
Fiscal year 1959	2,429	2,827	116	2,326	2,544	109
Fiscal year 1960	2,994	2,694	90	2,334	2,847	122
Fiscal year 1961	2,841	2,514	88	2,918	2,409	83
Total, Oregon	8,264	8,035	97	7,578	7,800	103
WASHINGTON						
Fiscal year 1959	1,373	1,552	113	1,208	1,107	92
Fiscal year 1960	1,796	1,131	63	1,216	1,348	111
Fiscal year 1961	1,794	1,300	72	1,597	1,167	73
Total, Washington	4,963	3,983	80	4,021	3,622	90

NOTE.—Small volumes in California from Rogue River and Siskiyou included in Oregon totals. Umatilla divided for financed sell: 90 percent Oregon, 10 percent Washington. Does not include timber advertised but not sold, or volume prepared and withheld from advertising.

Mr. MORSE. Mr. President, the senior Senator from Washington has already recited the national figures. This is a record that must be improved and improved at once. On top of this, the Forest Service must exert itself to make

certain its allowable cuts are where they ought to be. On top of this, they must salvage timber not in the allowable cuts. They must develop more efficiency and supply less excuses.

Let no one get the idea that if we do not cut trees in a forest we protect the forest. As any forester will tell us, old trees overripen. Old trees become diseased. Old trees are more susceptible to insect plague. Old trees, if we are to have a healthy forest and a sustained-yield forest, must be cut.

The Senator from Washington [Mr. MAGNUSON] has already put into the RECORD some very vital statistics in regard to this matter. I quote for emphasis what he has already said. He told the Senate:

> In fiscal year 1961 there was a terrible fall down in national forest timber sale performance. Only 77 percent of the timber offered for sale was sold. In the region represented by the Senators from California only 62 percent of financed timber was sold. In the Idaho-Montana region it was 79 percent. In the Oregon-Washington region 82 percent was sold. In the Rocky Mountain region—Colorado, South Dakota, and Wyoming—only 44 percent of the timber financed for sale was sold; and in Alaska a mere 31 percent was sold. The Lake States region—Minnesota, Wisconsin, Michigan, Illinois, and so forth—shows a record of only 64 percent sold. The record in previous years has sometimes been better and sometimes worse. It is a very spotty record. It must be improved starting right now.

We are confronted with the fact that a part of our lumber trouble is that our lumbermen cannot get logs offered for sale in sufficient amount so that the logs can be purchased in competition with the logs that are purchased by the Canadian mills from the Canadian Government. There are two facets to this problem of stumpage price.

The Forest Service will say that it puts the appraised value on the sale of logs. What happens many times, probably most of the time, is that the prospective buyers bid up the price at auctions under which Federal timber is sold. They bid up the price over and above the appraised value put on the lumber by the Forest Service. So the Forest Service has a tendency to wash its hands and ask, "What can we do about it? They are paying more for the logs than we had appraised them for if it had not been for the auction."

The fact is that the Forest Service does not tell the full story. I want it clearly understood that I severely criticize the Forest Service for what I consider to be a policy they have been following in regard to the sale of timber, a policy which is not in the public interest. Congress must make it perfectly clear to the Forest Service that there must be a halt in the policy of the Forest Service. I say to the taxpayers of America: Make clear to your politicians that you expect them to halt the unsound economic policy of the Forest Service. The time has come to call the Forest Service to an accounting for what I consider to be a shocking, wasteful policy which it has followed in regard to the allowable cut procedure.

There is no excuse for the Forest Service not having modernized and made realistic its allowable cut program. There is no excuse for denying to the lumber mills of the country the sales which would make it possible for them to buy, at prices which they can afford to pay, the necessary timber to operate the mills. It is the old story of supply and demand. We cannot legislate away the law of supply and demand. If the Forest Service does not modernize the allowable cut, if it permits less than the true allowable cut to be marketed, it limits supply. The problem is just that simple.

The Forest Service has been limiting the supply of standing timber available to the lumber mills of the country. That is one of the reasons why the prices have soared beyond the appraised value placed on the lumber by the Forest Service.

There is another facet of the problem, too. Suppose a man is a lumber mill operator and his mill is in the precincts of a national forest. He has competitors, and only so much timber is offered for sale. The amount falls far short of the allowable cut. The Forest Service has not done the job which, I submit, it is the clear duty of the Forest Service to do. It is the responsibility of the Forest Service to make certain that it offers the amount of logs which will make it possible to reach the allowable cut.

I submit a table on appraised and bid prices and ask unanimous consent that it be printed at this point.

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

TABLE 2.—*Bid versus appraised prices, advertised sales,*[1] *Pacific Northwest region, Oregon and Washington*

Calendar year	Douglas-fir region			Percent decrease [2]		Pine region			Percent decrease [2]	
	Appraised	Bid	Percent overbid	Appraised	Bid	Appraised	Bid	Percent overbid	Appraised	Bid
1959	20.22	27.42	135.6	100.0	100.0	14.05	16.55	117.8	100.0	100.0
1960	18.71	23.64	126.3	92.5	86.2	15.85	16.48	104.0	112.8	99.6
1961	14.98	20.04	133.8	74.1	73.1	10.82	12.50	115.5	77.0	75.5

[1] Summarized from National Forest Advertised Timber Sales, Region Six, a quarterly publication of region 6.
[2] Using 1959 prices as a base.

Mr. MORSE. Mr. President, this table establishes the incontrovertible fact that spirited bidding continues despite the drop in appraisal rates.

The lumber mill operator must make a choice as to whether he will shut down his mill or will continue to operate the mill for some months at a sure loss. So he goes to the auction sale, and the bidding goes up, up, and up, because other mill operators are in the same predicament. He must decide which is the cheaper course of action to follow. Confronted with a loss, no matter which way he turns, he must decide whether it is cheaper for him to shut down his mill and sustain the loss of an idle mill, because merely shutting down the mill does not mean that it will not cost him to continue to own the mill. It is necessary to maintain the mill and pay the cost of insurance; and usually it is necessary to pay a higher premium on a vacant mill than on an operating mill. But that is frequently the situation and it is understandable. The maintenance of the mill and the costs of maintenance continue.

Then the mill operator is confronted with the probability that he will lose a large share of his labor force, because the labor force will not sit idly by, waiting for the economic climate to change. Much of the labor force will be lost to other employers. So when the mill operator reaches a decision to reopen his mill, he will find that there is a short supply of labor.

All I am attempting to do is to paraphrase the testimony which was given to us by witness after witness from the lumber industry in the hearings which we have just closed throughout the country.

So the mill operators go to the auctions and decide they had better take a chance and bid more than they know the timber is then worth, in the hope that in the next 6, 10, or 12 months there will be a break in the lumber market and prices will go up, conditions will improve, and they can at least come close to breaking even, or at least sustain a loss which will be less than they would have suffered had they shut their mills down completely.

But they would not be in such a predicament if they received from the Forest Service the kind of treatment that they deserve. The record is perfectly clear, on the other hand, that one of the subsidies which the Canadian Government makes available to Canadian mills is to make certain that the Canadian mills are often able to buy timber from Canadian Government forests without competition, at a price alleged to be substantially lower than the price the American mills find it necessary to pay in heavy bidding for timber obtained from U.S. forests.

That is one of the great competitive advantages which Canadian mills have over U.S. mills. There are other advantages, but they are not pertinent to the discussion of the amendment of the Senator from Washington [Mr. MAGNUSON]. Nevertheless, I shall allude to them so that the Senate will know I am talking about a total case, not merely a single segment in regard to a competitive disadvantage in which U.S. mills find themselves in relation to Canadian mills.

There are transportation costs. There is the question of the Jones Act, under which U.S. mills must ship in American bottoms, while Canadian mills can use the bottoms of the world. That is a very important question of policy which is not before the Senate this afternoon, although I shall discuss it in some detail when appropriate proposed legislation

with respect to that situation comes before the Senate, I hope sometime within the next 30 days or sooner. Suffice to say now that we should not forget that the Jones Act is an act of many years standing on the statute books of the country. The Jones Act is the Merchant Marine Act. The Jones Act was passed in order to assure the American people that in time of war there would be an adequate merchant marine. It is true that there are not very many lumber ships left, but as Mr. Dewey, one of the ablest witnesses whom I heard at the lumber hearings, representing the merchant marine of the Nation, testified, we cannot start to say that we will make an exception for lumber ships. All ships are needed in time of war. But if we started to make an exception of those ships, even though there are only a few in number, plying between the east and west coasts, then, of course, the entire merchant marine policy of the Nation would be jeopardized, because other interests would then expect similar consideration.

We must face the fact, as I shall argue in detail with proof later, that the differential in the cost of shipping is, in fact, a defense cost. The fact that the U.S. Government requires lumber mills to ship their products in American bottoms really places upon the lumber mills the payment of a part of the defense cost of the country. That figure is easy to determine. It is easy to determine what the difference in transportation cost is between Vancouver, British Columbia, and Seattle, Wash., and New York City—from coast to coast—in U.S. bottoms as compared with foreign bottoms. The senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Oregon, and other Senators are the sponsors of a bill which I hope will eventually be considered by the committee and will then come before the Senate, which will provide that the U.S. Government will pick up that differential, because it is a part of the defense cost of the country. It is as vital in the maintaining of a necessary merchant marine in time of war as an expenditure for any other defense weapon for which we spend millions of dollars; as vital, in my judgment, as a military plane or a missile, because defense must be dealt with from the standpoint of its totality. We cannot keep the country secure by providing only one defense weapon; we need the entire arsenal. So, Mr. President, that is also involved in this matter, in connection with Canada.

Canada has many transportation advantages and many other advantages. We can equalize the competition by means of the amendment the Senator from Washington proposes to increase the appropriation for access roads from $2 to $6 million. This is not a subsidy amendment. Every cent spent will come back to the Treasury.

The Canadian Government has seen to it that the Canadian operators can get out their lumber and that their allowable cut is made available to their mills. But the U.S. Government has not performed so well for the American lumber mills. The U.S. Government, through the Forest Service, has fallen far short of making available to the U.S. mills the allowable cut that a sound sustained-yield program would foster; and as I have indicated already, the Forest Service must be brought to task for this delinquency on the part of its administrative policies, and in my judgment the Federal Government must see to it that access to the timber is made available to the American mills.

Mr. President, accessibility is an issue for which I have battled for going on 18 years in the Senate. The first year when I was in the Senate, so the RECORD will show, I sponsored an access-roads bill; and every year since then I have stood on the floor of the Senate, as I do at this moment, pleading with the Senate and pleading with the Government to see to it that we build the needed access roads into the Federal timber, so that the timber can be brought out.

There are many reasons for building those roads, as I have said. Let me enumerate a few of them again:

The primary need, of course, is to make the allowable cut available to the lumber mills of the country. It does no good to have on a great mountainside a great stand of Federal forest if there is no road to the forest, to make it possible to get out the logs, once they are cut. There are all kinds of landlocked forests in this country, and I wish to talk about a landlocked-forest situation for which the U.S. Government is responsible. I am talking about the forests that are, in fact, landlocked because no roads reach them. We need roads going into these forests, in order to make it possible to get out the allowable cut.

I do not take any great satisfaction in the old alibi that one reason why the allowable cut does not get out of some forests is that there are no roads going into the forests. I ask, What did the last administration do? I have asked this many times in the past, "What were your budget requests for access roads?" The undeniable fact is that year after year the past administration simply did not ask for adequate funds with which to build access roads into the forests, in order to make it possible to get out the allowable cut.

I ask unanimous consent that a table be inserted which shows the results under the forest highway acts since 1953.

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

Authorization for forest development roads and trails during Eisenhower administration

Federal Aid Highway Act	Authorization for fiscal year	Authorization	
		Recommended by administration	Approved by Congress
1954	1956	$22,500,000	$24,000,000
1954	1957	22,500,000	24,000,000
1956	1958	24,000,000	27,000,000
1956	1959	24,000,000	27,000,000
1958	1959	None	5,000,000
1958	1960	None	30,000,000
1958	1961	None	30,000,000
1960	1962	None	35,000,000
1960	1963	None	40,000,000
Total		93,000,000	242,000,000

Mr. MORSE. Mr. President, I take the position that the Forest Service is also a trustee of the forests of this country, as are the taxpayers of the United States. And the Forest Service has the clear duty to inform the people, year after year, how much money it needs for the construction of access roads, in order to make it possible to get out the allowable cut.

But we drag out the program year by year; and we insist, as the second boss of the Forest Service—for the Forest Service has two bosses: the executive branch and the Congress—and we put on the heat, so to speak, and we say to the Forest Service, "Tell us what you could spend efficiently and effectively in accordance with your need to help you with the allowable-cut problem, if the money is appropriated." That is the money that some of us year after year have battled for, here on the floor of the Senate, as we are battling this afternoon; and I shall always be proud of my record in regard to this issue, for year after year I have proposed increases in the appropriations for access roads, over and above the appropriations originally recommended by the Forest Service, and over and above the recommendations made by the President—and that is true of all the Presidents under whom I have served, either Democratic or Republican. As a result of those battles—and, Mr. President, many of my colleagues in the Senate have joined me shoulder to shoulder in leading these fights—appropriations amounting to many millions of dollars have been made available for the construction of access roads, over and above what each of the administrations would have granted had we not reversed the Forest Service and the administrations in connection with the recommendations they made to the Congress.

Of course, we should not have had to make that fight; that is one fight which should have been unnecessary. And we should not have to be making this fight this afternoon. The Senate Appropriations Committee—and I speak most respectfully, but frankly, for I think the facts need to be brought out in the public record—in my judgment should not have brought to the floor of the Senate the recommendation of the administration or the recommendation of the Forest Service, because the recommendation of the administration and the recommendation of the Forest Service is demonstrably inadequate in order to provide a sound forest economy in this country for the next fiscal year; and I wish to say to this administration, although it is an administration of my party, "You simply cannot justify a false economy program at the expense of the natural resources of this country."

So we should have an access roads program appropriation of a minimum of $6 million, so that the Forest Service can get into some of the national forests and can obtain or build the roads that will make it possible to meet this demand from the lumber industry and from the business leaders of the areas of the country that are dependent upon a lumber economy for their prosperity.

When that is done, Mr. President, no one should labor under the misappre-

hension that the program is costing the taxpayers of the United States any money, for I have heard the chairman of the Appropriations Committee say many times, over the years—and he would say so today if the question were now put to him—that money spent for access roads is money well spent, because it returns to the U.S. Treasury many times the investment that is made.

I say to those in the timber industry who have built roads through the national forests to top their own timber—"You have a responsibility to make these roads available on reasonable terms." The fact that the roads are not available means sales are not made up to allowable cuts. This in turn forces high bidding and our operators engage in a vicious competition which the Canadians do not have.

When it is shown that much of the timber in a great national forest is overripe or is windblown or is disease-ridden, there is no economy in not proceeding to harvest those trees.

Likewise, Mr. President, if we want to have reforestation in the shortest possible time, we need to provide access to the forests, so that it will be possible to proceed scientifically to cut that forest, because scientific cutting will stimulate the regeneration and improvement of that forest. This may sound like a paradox; however, it is not.

So, Mr. President, one of the things this Government should do now, in meeting the plight of the lumber industry, and in meeting the problems in connection with Canadian competition—which is the result of the various forms of direct and indirect subsidy the Canadian Government is supplying their lumber mills—is to increase the appropriation so we can proceed to get the roads into our national forests that will make it possible to bring out the timber up to the allowable cut.

There are other problems in regard to the accessibility problem that grow out of lack of access roads, because I am not talking now about access roads only for getting timber out. I am talking about the need for access roads to save the timber now standing that is not ready for cutting. One of the great plagues that threatens the lumber industry is the plague of fire. Access roads are needed for fire protection. That need is easily demonstrable. Mr. President, I can take you into great national forest areas in this country where there is a good pattern of access roads, and I can take you to the supervisor of that forest, or to the regional forester of the Forest Service, and he will be my witness to tell you the great advantage to the reduction in the fire hazard that these roads have provided.

So when we are fighting here today for additional appropriations for access roads, we are fighting also for a preventive measure necessary to protect our forests from the ravages of fire.

There is another need for access roads, there is another need for accessibility, there is another need for what we call the multipurpose access road. There was a time when all that was built into a forest was a logging trail. Loggers went in and slashed down the trees and dragged them out over a logging trail. That practice led to great waste. It was found to be most uneconomic. So there has developed, as a matter of national policy, the so-called multiple-use road, a road that can be used for getting out the logs, a road that can be used for fire protection, a road that can be used for general public use, for the benefit of tourists and recreationists, a connecting road with great interstate highways.

How important that is in the great areas where the national forests exist. Take my State, for example. The No. 1 source, so far as our economic life is concerned, is lumber and agriculture, and then comes recreation. In my judgment, within 15 years, and possibly within 10 years, the greatest source of income for the State of Oregon will be income from so-called recreational sources. The great increase in tourism, the increase in leisure time, the increase in recreational activities are going to bring to the Pacific Northwest, and the whole West, for that matter, tens upon tens upon tens of thousands of tourists each year, including also the recreational activity of our indigenous population. But there must be roads. There must be accessibility.

Here again those of us who are fighting for the increased appropriation this afternoon are fighting for a strengthening of the economy of the United States. That is why I said, at the beginning of my remarks, that, in my judgment, this appropriation bill has too many sections in it that represent a false economy, a pennywise and pound-foolish policy; and this is one of them.

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

Mr. MORSE. I yield.

Mr. CHURCH. I am sure the Senator has already touched on the point about which I desire to inquire. Since it was impossible for me to be here earlier, I ask the Senator whether it is not so that additional money for access roads is merely taking money from one pocket in order to put that money back into another pocket.

Mr. MORSE. And more back in the other pocket.

Mr. CHURCH. Even more. Rather than representing a cost to the taxpayers, this is a method for opening up the necessary access roads to permit full and efficient harvesting of timber, but the added return on the sale of the timber will more than make up for the money spent to construct the roads.

Mr. MORSE. Many times over, and I have heard the chairman of the Appropriations Committee say that many times in the years I have been in the Senate.

Mr. CHURCH. Is it not also true that we have had insufficient money appropriated over the years to construct the number of access roads which a full and fair cut of our public timber clearly requires?

Mr. MORSE. That is true. Before the Senator came on the floor I was talking about the hearing held at Lewiston. The Senator sat there and heard business people, lumber people, labor people, and many public officials in his own State testify to this very point. They pointed out that, unless we do something about the allowable cut and the Forest Service gets up to the allowable cut—which it cannot do unless it has accessibility—the lumber industry of the great Pacific Northwest is going down and down to a further depth than it has already reached in competition with the Canadian mills that are not plagued with the kind of shortsighted government policy that the U.S. Government is extending, and has been extending for some years, to the lumber interests of this country.

Mr. CHURCH. I would like to comment on the Lewiston hearings in a moment, but first I should like to ask the Senator if there is not an inequity in failing to provide adequate money for access roads in that the Forest Service is required to place timber up for sale and to make a condition of the sale the construction of a road which falls to the operator to build, the cost of which is deducted from the proceeds of the sale, and thus in many cases limits the sale, for all practical purposes, to the large operators who are in a position to construct the roads, having both the capital and the equipment to do the job, but which discriminates against the smaller independent operators who do not.

Mr. MORSE. I am so glad the Senator has raised that point. It was one of the points I had intended to dwell on, and shall dwell on now. I wonder, if between the two of us, we cannot drive it home to the Senate, because if we can get the Senate to consider the matter, I do not see how it can limit us in the matter of access roads.

Let the record show what the shortsighted policy of the Forest Service has been in regard to the matter of access roads—and they have been aiding and abetting that policy, and I have been fighting it for a long time. They will put up a huge sale of timber, but put it up on condition that the purchaser of that timber is going to have to build an access road into the timber. Then the Forest Service lays down certain conditions that are going to have to be complied with in regard to the specifications for the road, and the cost is tremendous. No small operator can possibly buy the timber under those conditions.

What we do is exclude the small businessman in the American timber industry from the purchase of the timber. Do we save any money? We certainly do not, because the purchaser of the timber buys the timber, as the Senator from Idaho has pointed out, subject to building the road, and he is allowed to deduct the cost of the road from the purchase price he pays.

One may ask the question, "Can't the small fellow do that?" The answer is "No," because it takes money to swing a deal like that. They have to pay a terrific sum of money on the line when they buy the timber. They have to float the financing for roads that may cost thousands and thousands and thousands of dollars a mile.

Senators would be surprised to learn the costs of some of these roads up the sides of mountains.

So, in effect, the Government is building the roads through the big lumber operators.

I have gone through this battle many times. There is also no question that the U.S. Government, under the Corps of Engineers, under governmental supervision, could build the roads more cheaply. There is no doubt about the fact that the access roads which the Federal Government does build, by and large, are built cheaper than those which are built by the lumber operators themselves. So we lose at every turn in this matter. The people who end up losing all are the little operators.

One of the ironies in this situation, I say to the Senator from Idaho, is that we as Senators appropriate huge sums of money for small business programs. We have provided for setting up a Small Business Administration. God bless it. I think it is doing a great job. We are very inconsistent in our Government policies. This is a small business aid we could give to small lumber mills in this country if we gave them access to the forests, making the forests more available to them, instead of shutting them out in sale after sale.

These men come before the committees of Congress, as the Senator knows, and this is one of the great criticisms they express. They say, "We do not have an equal break with the big boys."

Mr. CHURCH. Access roads are an aid we could supply to small business, which would not cost the Treasury a dime.

Mr. MORSE. It would make the Government some money.

Mr. CHURCH. It might very well.

Mr. MORSE. It would make the Government some money.

Mr. CHURCH. I agree with the Senator's position. It is squarely based upon the facts. It represents good public policy.

The Senator has referred to the hearings at Lewiston. It was not coincidental that most of the small operators who appeared at those hearings laid particular emphasis upon the importance of increasing appropriations for access roads.

The large operators, in all fairness, are very important to the economy of the West. I have no argument against any of them, as the Senator knows. Nevertheless, I think it is in the general interest to administer our public forests in such a way that the small operator will not be forced out, so that the independent lumberman will have an opportunity to participate in the purchase of public timber, and the essence of free enterprise in the lumber business—which I take it to be individual entrepreneurship—will not be lost.

I think it would be a calamity even for the big operators, let alone for the public interest, if the time ever should come when the national forests in the Northwest become merely gigantic tree farms for two or three great corporate entities.

Mr. MORSE. I could not agree more with the Senator. I know many of the large operators and I have worked closely with them. Large operator after large operator has said to me, "Get in there and fight as hard as you can for increased appropriations for access roads, because they are vital to the industry."

These men would much prefer to be relieved of the headache of building the roads. I speak for the overwhelming majority of them. They would much prefer to be relieved of the operation of building the roads. It is a pretty difficult administrative job. It is costly for them.

The Government, in regard to the supervision and building of access roads, is in a much better position to do the job more economically.

Not only at Lewiston, but also at Portland and at Olympia, and wherever hearings have been held, I think access roads would have to be named as the No. 1 recommendation of the operators in order to help them meet competition with Canada, since that would meet the question of the allowable cut. That would take away from the Forest Service any excuse at all for not reaching the allowable cut, and would make it possible for lumber operators to buy stumpage, because of the law of supply and demand, at a low price.

Mr. CHURCH. The Senator has been exceedingly objective in his comments. He has pointed out, quite rightly, that this is not an issue which divides the big and small operators, in the sense that the big operators oppose the amendment now pending.

Rather, it is essential to the well-being of the entire industry that the access road program be expanded. The big operators in my State have joined with the small, independent operators to urge increased appropriations of funds for this purpose.

I conclude by saying that the hearings at Lewiston, which I requested and attended, ably chaired by the senior Senator from Alaska [Mr. BARTLETT], demonstrated beyond any shadow of a doubt that the lumber industry in the Northwest is faced with the most critical problem to confront it in a great many years. The Senator is quite correct when he says that the essence of the problem is Canadian competition.

I do not for a moment pretend that the amendment now being considered represents a full answer to the problems facing our lumber industry. However, the hearings at Lewiston demonstrated—from more than 100 witnesses, from small and large concerns alike, who came to testify concerning the severity of their problem—that appropriations for access roads need to be increased. Larger appropriations need to be approved. This is one of the steps open to the Congress which can be most helpful to a very hard-pressed industry.

I do not remember a time, since the great depression, when a larger number of men have been unemployed in the north woods of Idaho than today. The Government and the Congress must take cognizance of the severity of our problem and must take steps with dispatch to alleviate this depressed condition, insofar as the Government can. Today we can take one important step in that direction.

I commend the Senator from Oregon for his address. I am happy to be a cosponsor of the amendment. I am hopeful that the Senate today will approve the amendment for the benefit of a sick industry in the West which desperately needs our help.

Mr. MORSE. I thank the Senator from Idaho very much for the very fine contribution he has made to this debate.

Mr. President, before I close I wish to say to the Senator from Arizona, who has seen the situation develop, that I have only one more topic to discuss in connection with my case in support of the amendment. That is the topic which involves American foreign policy in relation to the amendment.

I say most respectfully that in my judgment the Appropriations Committee, in bringing the bill to the Senate, overlooked some of the implications the bill bears to American foreign policy, for the reasons I shall discuss under my last topic.

Mr. President, I have one other topic to discuss in connection with my support of the Magnuson amendment. I wish to discuss it from the standpoint of some foreign policy implications.

Some may ask offhand, "What in the world does the amendment have to do with American foreign policy?"

My answer is, "More than one might think."

In the first place, there is the point already brought out in my colloquy with the Senator from Idaho [Mr. CHURCH], in connection with the first major point that I made in my argument today. We have a very serious problem with Canada. We have a very serious problem in regard to the question of competition with Canada in the lumber field, resulting from the subsidization by the Canadian Government in various ways of Canadian mills, to the detriment of American mills, which competition has resulted in the closing of several hundred American mills and has thrown out of work many American workers.

I am one Senator who does not intend to sit in the Senate and support his Government in a policy that amounts, in fact, to exporting jobs to Canada.

Here is one Senator who does not intend to sit in the Senate and support a U.S. Government policy that in effect amounts to liquidating a large segment of the economy of his State.

Here is one Senator who warns the President of the United States today that he will be in trouble if he does not proceed to take the necessary steps to see to it that a Government policy that discriminates against a segment of our own country to the benefit of an economy in another country is stopped.

The problem permeates the entire administration—and it is my administration. I yield to no one in support of the present administration when I am satisfied that the administration is following a policy that is in the national interest. We have a right to look to our administration for some remedy. For many months the administration's attention has been called to the problem. From the floor of the Senate today I ask the President of the United States, "When are you going to insist that the departments of your Government that have jurisdiction over this subject do something about it?" I shall continue to follow where the facts lead on the issue.

It is within its administrative power and jurisdiction to handle much of this

problem without any legislation at all, although I intend to support some legislation in regard to it, too. I intend to support the Magnuson-Morse bill in regard to the modification of the Jones Act. I intend, if my administration forces the issue, to support legislation, although it may not pass in this session of Congress. I want the American voters to pass judgment on it in November 1962. I shall support legislation, if this administration does not stop a policy of discriminating against the lumber industry of this country, that will place a temporary quota on Canadian timber—a fair quota, a quota that will not discriminate against Canada, but a quota that will even the balance of competition, a quota which has been proposed by witness after witness in lumber hearing after lumber hearing, a quota which will take into consideration the historic pattern of Canadian imports into the United States from Canada for the past 10 years, for example, and, after the imports reach that level, assess upon all imports that flow into the United States following that point a quota tariff that will put them on a par with the U.S. mills. Such quota tariff would continue until this administration and this Government take the necessary steps to give our timber industry the relief that it deserves.

I fully appreciate the import of what I have said in the past 2 minutes. This is the place to say it.

This administration made clear when it first proposed its so-called foreign trade bill that it did not propose or intend to follow a foreign trade program that would do irreparable injury to American industry. This administration has seen fit—and I supported it—to provide protection on a fair and equitable basis, but not a discriminatory basis, with respect to the textile industry. I ask, "Mr. President, do you consider the textile industry of greater import than the great timber resources of this Nation?"

I supported the President when the textile amendment was before the Senate. I opposed the Mundt amendment, which would have prevented the textile agreement from going into effect, by being one of the supporters of the Humphrey-Morse amendment as a substitute. It placed upon the President the responsibility of proceeding to determine the facts in regard to the items which the Senator from South Dakota had included in his amendment—beef, lamb, poultry, timber products, and dairy products. I said then, as I say now, that the obligation of the administration is to find out what the facts are, to find out what steps can be taken administratively, or what may be needed legislatively in order to prevent the same kind of irreparable injury that the administration was so anxious to prevent in regard to the textile industry.

I would not even want to suggest that political power might have anything to do with the textile amendment, although there are some who have that suspicion. I propose to face these problems on the basis of the facts on each issue. The facts supported Senators from the textile producing States. I also point out that the facts support Senators from the lumber producing States.

We are not trying to prevent trade with Canada, but we are saying that our Government cannot justify a trade program which permits the lumber industry of this country to be placed at a discriminatory disadvantage because of aid in the form of a subsidy in one way or another by the Canadian Government to the Canadian lumber industry.

Let me put it this way, because it is basic in my economic philosophy. I believe the U.S. Government—and I would like to have my administration start doing it—has the responsibility of protecting the private enterprise system in the United States. The Government does not protect the private enterprise system when it countenances giving a discriminatory advantage to an industry in another country which is the beneficiary of the largess of a subsidy by a foreign government.

This principle is not limited to Canada. The lumber situation merely illustrates the problem. As a member of the Committee on Foreign Relations, I know that the problem arises around the globe. In my judgment, we have reached a point in the field of foreign aid where our Government must be called to account by the voters of this country, if necessary, in regard to placing the American private enterprise system at a discriminatory disadvantage in relation to competitive industries abroad which are subsidized, not only by foreign governments abroad, but also by the U.S. Government itself.

The time has come, as I said on the floor of the Senate last Friday, when I discussed another phase of the foreign trade program and policy, for us to take a long, hard look at the economic effects of some of our foreign aid programs in relation to our own industry. The time has come when we must cease pouring out of the Treasury of the United States the resources of taxpayers of the United States for strengthening industries in other countries, some of which have already reached the point where they can stand on their own feet. They should be asked to stand on their own feet. We have heard much about the Common Market program. I believe that the European Common Market is good for Europe and good for the world. I recognize that we cannot turn back the hands of the clock. However, we must follow certain courses of action to protect our own industry. That is why I said last Friday—and I was so glad to have the majority leader discuss at least certain facets of this problem in his notable speech of last Sunday in Michigan—that we must take a look at the foreign aid program to see what some of the effects are on the greatest defense weapon the United States has, which is the private enterprise economy.

That is why I said then, and say now, that we must ask our NATO allies, "When are you going to start to pay your share of the bill?" We must say to our allies, "You are now enjoying a prosperity and an economic stability the like of which you did not even enjoy before World War II."

Most of our NATO allies are in a better economic position today than they were before World War II.

They got there because of us. They got there because, in large measure, we rebuilt them—and should have. I supported those programs. I supported the NATO Treaty. I supported the Marshall plan. I supported the point 4 program. But we supported them in order to help those countries return to economic stability and prosperity. Many of them have reached that point. Yet we continue to pour millons of dollars into them. It ought to stop. The senior Senator from Oregon serves notice that he proposes to vote to stop it whenever he has a chance to vote to stop it. That does not mean I will not vote for foreign aid, but I shall vote for selective foreign aid, not blanket foreign aid.

So bound up in this amendment in the Senate this afternoon, which proposes to raise the appropriation for access roads from $2 million to $6 million, is a very important symbolic foreign policy problem. This particular amendment is necessary in order to put our lumber industry in a position where it can compete on a plane of equality with Canadian mills. It will do that by getting roads built into the national forests so that the Forest Service can permit the allowable cut, which will enable our mills to have the supply of timber which will make it unnecessary for them to bid up the price, far beyond the value of the timber, so far as making a profit on it is concerned, when they manufacture it into lumber.

The amendment also has this importance: It is symbolic because it can very well be the beginning of a major foreign policy debate in the Senate, to which the American people will respond and in regard to which I am satisfied they will, once they become acquainted with the facts, serve notice on this administration that the so-called foreign-trade bill must be worked out in a manner which will not do irreparable damage to American industry. If we make conditions more difficult for American business, we cannot have competition with the Common Market; we cannot have competition with the efficient mills elsewhere in the world—and the interesting thing is that the United States has helped to build those mills, and we deserve credit for it. I am not asking that American business be given a preferential position. My faith in the private enterprise system is such that I believe it can compete with the operation of a factory or industry in any other country, if that industry is not the recipient of either a government subsidy of that nation or a government subsidy of the United States.

So I want my administration to know that the Magnuson amendment, more than the administration may ever have thought, is symbolic of what I believe is an onrushing foreign policy debate in this country. The people will reverse the Kennedy administration, unless the Kennedy administration takes note before it is too late that the American people do not intend to continue to support a foreign-aid program of a blanket nature, which results, in effect, in the

exportation of millions of American jobs out of the United States into foreign lands. I want to be put in a position where I can support it. But I want the chairman of the Committee on Appropriations to take note that neither he nor any other Member of the Senate can ignore the direct relationship between the Magnuson amendment and the problem of Canadian competition in lumber.

That is a foreign policy problem, and I respectfully say that we have had no evidence from the Committee on Appropriations that they gave due consideration to this problem when they reported to the Senate an inadequate recommendation of only $2 million for forest access roads.

I come to my final point on foreign policy in relation to this problem, and then I shall close. It will be of interest to the taxpayers to know how many millions of their dollars have been spent in the underdeveloped areas of the world for the building of access roads there. I am sure it will be of interest to them to take note of the facts. Although we have spent many millions of dollars for highway construction in many parts of the world, sadly enough some of that construction has been completely wasted; sadly enough, some of those highways are standing practically unused; sadly enough, some of those highways have been built into areas where they never should have been built in the first place.

Mr. President, in my judgment, the Magnuson amendment is symbolic. In my opinion, it is the opening shot in an attack on a shortcoming of American foreign policy. If we really want to protect American jobs, if we really want to put the American lumber industry in a better position, so that it can compete without the discriminatory advantage which the Canadian lumber mills presently enjoy, let us vote for the Magnuson amendment, because I think it is a sound amendment from whatever angle the subject is approached.

Mr. President, I yield the floor.

Mr. GRUENING. Mr. President, I listened with great interest and sympathy to the eloquent statement of the distinguished senior Senator from Oregon [Mr. MORSE] and to the most enlightening colloquy between the Senator from Idaho [Mr. CHURCH] and the Senator from Oregon on the same subject. They and the distinguished Senator from Washington [Mr. MAGNUSON] have provided the Senate with a nucleus for many discussion points on matters in which the governmental agencies charged with utilizing our forest resources are directly concerned.

They suggest among other valuable comments that the Forest Service timber sale program needs a more thorough inspection. They believe that the Forest Service has an obligation to offer for sale the full amount of timber that the budget plan incorporates. Senator MAGNUSON points out, most properly, that if circumstances arise which prevent full sale schedules of timber that the Congress should, indeed must, be advised.

We of the Western States depend heavily on our forest resources. I do not at this moment in history include as exactly in the same category in every respect my State of Alaska in this group for the Alaskan forest industry is just starting to grow. Our first pulpmill is only 8 years old. But our Alaska timber resources still have enormous potential and, given a fair opportunity to grow, should one day provide a major source of income within the State and of materials for the whole Nation. The vast wealth of Alaska's timber is as yet largely untapped.

More important, it needs intelligent and practical evaluation. Millions of board feet in Alaska are wasting each year because forest access roads have not been constructed. Fire, disease, insect infection, and perhaps manmade policies take their toll. Yet within the vast State of Alaska, an area one-fifth the size of the other States of the Nation combined, stand 1 trillion board feet of timber.

Think of it. Timber to house those who seek new homes. Timber from which to build furniture for the many needs of construction. Timber from which to manufacture all kinds of products required in the contemporary world.

Senator MAGNUSON points to the fact that in Alaska in fiscal year 1961 a mere 31 percent of the timber offered for sale was sold.

I can appreciate the problems the Forest Service faces in Alaskan sales. Few mills operate. Transportation facilities are minimal.

For a century Alaska has suffered from a lack of adequate transportation opportunities. Discrimination in the apportionment of Federal funds kept from the State opportunity to build even the scantiest of interlocking roads. The long haul today over the Alaska Highway which connects my State with Washington State is not a fast means of transportation. Senator MAGNUSON and I, as members of the Alaska International Highway Commission, legislation to create which he sponsored in 1938, played a part in securing that highway, though the route was not the one we favored.

When the Canadian Prince Rupert-Whittier Sea Train Barge started operation this past month it appeared to many that a new and less expensive system of transportation of goods into Alaska would correct part of Alaska's transportation ills.

The sea train barge would compete with the service of the Alaska Steamship Corp. operating out of Seattle and the competition would decrease freight rates. That was the assumption.

This still may take place and I hope it does. Competition can help Alaska. Anything that helps reduce the high freight rates, which burden Alaska and are a major cause of Alaska's high living costs, is desirable.

But competition can unwittingly hurt Alaska. The sea barge has brought to the State a new ill.

Last month the first sea train rail barge brought 780,000 board feet of Canadian timber to the port at Whittier. That lumber was destined for markets in the rail belt which extends from Seward on the Pacific coast, through Anchorage and Palmer to Fairbanks.

Ironically, the timber, following arrival in the State, can be sold for less than the rate for which it is today produced by mills within the State. Moreover, it caused the reopening of the abandoned military port of Whittier, which, built in wartime by the Federal Government, solely for defense reasons, now threatens to compete disastrously with the ports of Seward and Anchorage.

The Alaska Lumbermen's Association has asked the Alaskan delegation to see if the U.S. Government can impose a temporary quota on the flood of softwood lumber from Canada on a quarterly basis to remain in effect while a long-term solution is being explored by the several agencies of government involved.

Association President Milton J. Daly, of Ketchikan, says the mills in the State cannot stand the new competition to their limited and highly seasonal local markets.

This new development will not increase the sale of domestic timber. It will not encourage development of new mills and it may discourage two which are planned.

No one condemns the action of the Canadian lumber interests. It is their business to find and develop new markets.

But this new threat to an industry not yet out of babyhood can only add to the problems of the U.S. Forest Service, the Federal Government generally, and the citizens of Alaska particularly.

I ask unanimous consent to have printed at this point in the RECORD the text of a letter I have received from the Alaska Lumbermen's Association describing this problem in detail.

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

KETCHIKAN SPRUCE MILLS,
Ketchikan, Alaska, June 5, 1962.

Hon. ERNEST GRUENING,
Senate Building,
Washington, D.C.

DEAR SENATOR GRUENING: In confirming my wire to you of date, am attaching the full text of the wire sent to President Kennedy on May 9 by the National Lumber Manufacturers Association expressing the association's viewpoint on Canadian lumber imports.

We in the lumber industry in Alaska have previously been affected only indirectly by the importation of Canadian lumber into the south 48 through such price effects as it caused, which, in the last 2 years, were serious enough. A small quantity of Canadian lumber has been trucked up the highway in recent years, but not in such substantial volume to concern the Alaskan milling industry.

We are presently very much alarmed, however, at the initial movement of 780,000 feet board measure of lumber from Prince George arriving at Whittier via the first rail barge last month. That the Canadians are aggressively serious in this matter is without question as we know that additional movements are scheduled. Further, our company has had many conversations with representatives of the Canadian exporting firm and we know that favorable rail rates from Prince George and Dawson Creek to Rupert, as well as favorable sea train rates from Prince Rupert to Whittier, were established by the Canadian National Railway to make this movement possible. As an example, reduction of the former Prince George to Rupert rate of 80-odd cents a hundredweight to a through rate

portion, for this part of the haul, of 46 cents a hundredweight for 80,000-pound cars is substantial Government assistance.

The interior Canadian plants pay a base labor rate of $1.78 per hour compared to our Ketchikan base rate of $2.55. Their freight rate by rail to Anchorage is $36 per thousand feet compared to our $31.50 per thousand, but they have the benefit of $4.50 per thousand in exchanging the American funds to Canadian currency, which makes their freight rate the same as ours. To Fairbanks, their rate is lower than ours, as they enjoy a through rate on the Canadian National Railways and the Alaska Railroad, where we, in barging to Anchorage, have to pay a local rail rate from Anchorage to Fairbanks.

The Alaska rail belt market is of such small size that the entrance of another substantial lumber source into and participating therein will have a demoralizing effect on most of the mills in both westward and southeastern Alaska, as the majority of us depend substantially or wholly upon that market. It is just not good for Alaskan economy at this stage of development.

Any help you can give the industry here through assisting the position taken by the National Lumber Manufacturers Association will be deeply appreciated by all Alaskan operators, I am sure.

Sincerely,

MILTON J. DALY.

Mr. GRUENING. Mr. President, if we are to meet the competition we face, then each contributor to our economy must function in a modern fashion. The U.S. Forest Service must meet its timber sale commitments and it must modernize its allowable cuts procedures. As the Senator from Washington has said:

Timber sales plans should be made early and available for local mills to plan on.

The Senator from Oregon [Mr. MORSE] likewise believes that Forest Service procedure can and should be improved.

Timber sales must be made regularly.

The timber which can be cut and marketed must be made available. Each of the States should be selling nearly to capacity.

Reforms in sales procedure must be made.

Bureau of the Budget planners must have better working tools.

Advance planning is needed.

The Congress generally and the Appropriations Committee specifically must know what is needed if Congress is to help meet the demands and needs. Senator MAGNUSON's suggestion that the Forest Service give to the Congress a meaningful annual report is sound. If it becomes necessary to transfer funds, this should be done.

We cannot sit idly as our natural resources spoil. Therefore, I am delighted to have this opportunity to express my thoughts about proper timber management and to commend highly the remarks which have been made by my colleague from Alaska [Mr. BARTLETT] and by the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mr. MORSE], and the Senator from Idaho [Mr. CHURCH], in calling attention to the plight of the lumber industry, which is an important segment for our national economy.

Alaska has more acreage set aside in national forests than any other State in the Union—20,742,224 acres. Yet less funds are expended per acre in my State than in any other State, a mere, paltry 23 cents per acre.

Mr. President, I ask unanimous consent that a State-by-State tabulation of per acreage expenditures be printed at this point in the RECORD.

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

Total allocation

State	Total acreage	Dollars	Per acre
Alabama	631,772	2,720,500	$4.27
Alaska	20,742,224	4,856,800	.23
Arizona	11,381,561	9,372,900	.82
Arkansas	2,405,030	5,579,400	2.32
California	19,963,359	46,245,400	2.32
Colorado	14,350,487	10,871,100	.76
Connecticut		146,400	
Delaware		49,000	
District of Columbia		7,477,900	
Florida	1,074,758	3,281,800	3.05
Georgia	786,438	3,692,900	4.70
Hawaii		147,400	
Idaho	20,349,401	24,504,000	1.20
Illinois	211,013	1,112,600	5.27
Indiana	121,930	567,000	4.65
Iowa	5,296	155,300	29.32
Kansas	107,114	135,850	1.27
Kentucky	459,084	1,954,200	4.26
Louisiana	591,566	3,351,900	5.67
Maine	50,021	886,800	17.73
Maryland		781,700	
Massachusetts	1,651	303,900	184.07
Michigan	2,559,412	5,283,700	2.06
Minnesota	2,787,407	7,264,700	2.61
Mississippi	1,133,973	6,818,900	6.01
Missouri	1,374,573	2,592,100	1.89
Montana	16,635,730	16,233,500	.98
Nebraska	339,716	422,500	1.24
Nevada	5,058,028	1,499,200	.30
New Hampshire	677,559	1,627,700	2.40
New Jersey		266,100	
New Mexico	8,997,993	6,582,900	.73
New York	13,747	843,100	61.33
North Carolina	1,124,152	3,908,800	3.48
North Dakota	1,104,850	658,900	.60
Ohio	106,655	1,300,700	12.20
Oklahoma	267,883	1,850,600	13.18
Oregon	14,938,806	43,731,400	2.93
Pennsylvania	470,869	1,970,700	4.19
Rhode Island		79,000	
South Carolina	587,273	2,710,800	4.62
South Dakota	2,004,004	2,772,000	1.38
Tennessee	595,982	2,044,200	3.43
Texas	775,263	2,948,100	3.80
Utah	7,922,001	8,622,100	1.09
Vermont	231,901	905,900	3.91
Virginia	1,448,815	3,260,900	2.25
Washington	9,668,619	22,488,500	2.33
West Virginia	903,982	2,519,800	2.79
Wisconsin	1,468,743	6,848,100	4.66
Wyoming	9,144,255	5,693,100	.62

Mr. GRUENING. Mr. President, these figures are just another example of how, despite statehood, the encrusted habits and practices of the colonialism which Alaska suffered during its 92 years under the flag, first as a District, then as a Territory, but always as a stepchild in the national family, persist. Equality in the apportionment of U.S. Forest Service funds, so that more forest access roads could be built would be one essential step toward rectifying Alaska's logging and timber problems.

A temporary tariff or quota for Canadian lumber would be another.

Mr. ENGLE. Mr. President, I am for Senator MAGNUSON's forest roads amendment because the small- and medium-size lumber operators in California and other States need access to available national forest timber. The larger operators of the industry which own forest land in front of or mixed with ripe national forest timber have both access and timber. But the smaller ones very often do not—unless the Government controls more access roads to reach the available forest cut. Given equal access opportunity, small- and medium-size units of the industry will have equal opportunity to bid on timber sales to a larger degree than is now possible.

The Forest Service is working on an urgent program of acquiring privately owned roads totaling in cost more than $6 million for the portion of road ownership which is properly the Government's share. This is a road acquisition program, not a roadbuilding program; these are existing roads over which privately owned timber has been hauled out of the forests. It is good business for the Government to buy quickly into ownership of these privately owned roads because it increases the value of the Government timber. Furthermore, the purchase of existing roads can be completed much more rapidly than the construction of duplicating road systems. The $2 million put in by the Senate committee is not enough. We need the additional $4 million proposed by the Magnuson amendment. It is my understanding, because of the large area of national forests in California and the nature of the allowable timber cut in relation to existing roads, that approximately one-fourth of the access road expenditures would be made in my State.

Another important additional benefit which would accrue would be to open up to the general public the use of large areas of national forest land. This recreational benefit is not to be overlooked. We have a particular need in California, and I am sure in other States, to provide accommodations for the increasing number of people who are seeking outdoor recreation, hunting and fishing on public lands.

Mr. MAGNUSON. Mr. President, the yeas and nays have not been ordered on my amendment. I now ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I have no more to add to what has already been said about the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington. The yeas and nays have been ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

VISIT TO THE SENATE BY PARLIAMENTARIANS FROM NIGERIA

Mr. GORE. Mr. President, in Nigeria, the most populous country of Africa, freedom is flowering under a people whose institutions stem from the same heritage of which our people are so proud. It is a diversified country, a large country, devoting great effort to

education—a country whose laws, whose system, and whose tenets of faith promote, protect, and defend the dignity of the individual.

In Nigeria we see great promise of growth and development, not only in economics but also in political and social fields.

Today we are favored with a visit by a delegation from the Parliament of Nigeria. There are four Senators and four Members of the House of Representatives, including the President of the Senate and the Speaker of the House of Representatives.

The Members of the Senate of Nigeria are:

The Honorable Dennis Chuhude Osadebay;

The Honorable Dahlton O. Asemota;

The Honorable Zanna Medalla Sheriff; and

The Honorable Chief Z. C. Obi.

The Members of the House of Representatives of Nigeria are:

The Honorable Ibrahim Jalo Waziri;

The Honorable E. C. Akwiwu;

The Honorable Chief O. B. Akin-Olugbade; and

The Honorable Muhammadu Sagir Umar.

Also the Honorable J. M. Udochi, Ambassador of Nigeria, and Mr. J. O. Adeigbo, staff assistant to the Nigerian delegation.

I ask Senators to join me in welcoming the distinguished delegation from Nigeria, a country which has demonstrated its friendship for the United States and for Western ideals, including freedom, to which we are devoted.

The PRESIDING OFFICER (Mr. METCALF in the chair). On behalf of the Senate, the Chair welcomes our distinguished guests.

[Applause, Senators rising.]

Mr. GORE. Mr. President, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair in order that Senators may greet our guests.

There being no objection, at 2 o'clock and 32 minutes p.m., the Senate took a recess subject to the call of the Chair.

At 2 o'clock and 36 minutes p.m., the Senate reassembled on being called to order by the Presiding Officer (Mr. METCALF in the chair).

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the 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 amendment of the Senator from Washington [Mr. MAGNUSON].

Mr. WILLIAMS of Delaware. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Washington will be read.

The LEGISLATIVE CLERK. On page 31, in line 12, it is proposed to strike out "$2,000,000" and insert "$6,000,000."

Mr. WILLIAMS of Delaware. Mr. President, is this amendment a substitute for language in the committee version of the bill?

Mr. MAGNUSON. No; I merely propose to add $4 million to the amount. The amendment is only to the amount involved. No new language at all is proposed.

The PRESIDING OFFICER. As the Chair understands the amendment, it would strike out the figure "$2,000,000," and would insert in lieu thereof the figure "$6,000,000."

Mr. WILLIAMS of Delaware. As I understand it, the amendment, by means of which the Senator from Washington proposes to insert the language between lines 8 and 13, does constitute legislation.

I should like to propound the following parliamentary inquiry: Does a point of order lie against the Magnuson amendment which proposes to change the dollar figure, or will a point of order lie after the Magnuson amendment has been adopted? Would the language between lines 8 and 13 be subject to a point of order after the adoption of the Magnuson amendment, or would the point of order be affected by the action of the Senate?

The PRESIDING OFFICER. If the Chair correctly understands the parliamentary inquiry, the Chair states that if the Senate were to adopt the Magnuson amendment, thus changing the figure from $2 million to $6 million, the $6 million would not be subject to a point of order.

Mr. WILLIAMS of Delaware. Then, Mr. President, I make the point of order that the Magnuson amendment and the language which it proposes to insert is legislation, and therefore is out of order.

The PRESIDING OFFICER. The Chair overrules that point of order. The Magnuson amendment is not legislation. It merely would increase the amount from $2 million to $6 million.

Mr. WILLIAMS of Delaware. Mr. President, I desire to propound a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. After the Magnuson amendment has been acted upon, since the rest of the language obviously is legislation, if a point of order is made against the language after the Magnuson amendment has been acted upon and if that point of order is sustained, then will the $6 million figure be stricken?

The PRESIDING OFFICER. The Chair is informed that the committee amendments were agreed to en bloc, but points of order in connection with them were not waived. Therefore, the Senator from Delaware can raise a point of order as to the rest of the amendment at any time he may choose to do so.

Mr. WILLIAMS of Delaware. I so understand. But if the Magnuson amendment is adopted and if the figure is changed from $2 million to $6 million and the point of order is then made, it will strike out the entire section?

Mr. MAGNUSON. My understanding is that the Senator from Delaware can make a point of order against the entire section, regardless of the amount involved.

Mr. RUSSELL. Mr. President, that is the way I understand the situation. It makes no difference whether the amount is $6 million or $50 million; the language of the amendment—but not the amount—is, in any case, subject to a point of order.

The PRESIDING OFFICER. That is correct.

The Chair finds it very difficult to rule in advance upon a point of order to be submitted at a future time by the Senator from Delaware.

Mr. RUSSELL. Mr. President, I think the Chair might assuage the concern of the Senator from Delaware if the Chair stated that regardless of whether the Magnuson amendment is adopted or is rejected, the right of the Senator from Delaware to make the point of order will not in anywise be affected.

The PRESIDING OFFICER. The Chair will give that assurance to the Senator from Delaware; namely, regardless of whether this amendment is adopted or is rejected, the action of the Senate on the amendment will not affect the right of the Senator from Delaware to make a point of order to the language as legislation in a general appropriation bill.

Mr. WILLIAMS of Delaware. As to this language?

The PRESIDING OFFICER. Yes, a point of order as to the language of this section—as to whether it is legislation.

Mr. WILLIAMS of Delaware. That is correct—that is to say, lines 8 through 13, inclusive, on page 31 of the bill. In other words, I shall have the same right to make the point of order after the Magnuson amendment is acted upon that I have at this time. The reason I press this point is that earlier I had been advised differently.

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS of Delaware. Then I have no objection to having the Magnuson amendment voted on first.

SEVERAL SENATORS. Vote! Vote!

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the yeas and nays on the question of agreeing to my amendment be withdrawn.

Mr. WILLIAMS of Delaware. No, Mr. President; let us proceed to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

Mr. WILLIAMS of Delaware. Mr. President, I oppose the amendment of the Senator from Washington. Before the vote is taken, I think it should be pointed out that in connection with this particular proposal the Bureau of the Budget requested only $2 million. The House rejected even the Budget request for $2 million. The Senate Appropriations Committee did include $2 million, which was the Budget request. Now the Senator from Washington proposes, through

an amendment, to increase that amount by an additional $4 million—thus constituting a $4 million increase over the amount of the Budget request.

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, on that basis I think the amendment should be rejected, but I am willing to have the vote taken at this time on its merits.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Maine [Mr. MUSKIE] are absent on official business.

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

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting the Senator from Florida would vote "nay," and the Senator from Michigan would vote "yea."

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

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Connecticut [Mr. BUSH] is detained on official business and, if present and voting, would vote "nay."

If present and voting, the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 47, nays 41, as follows:

[No. 86 Leg.]

YEAS—47

Allott	Gruening	Monroney
Anderson	Hart	Morse
Bartlett	Hartke	Neuberger
Bible	Hayden	Pastore
Burdick	Hill	Pell
Byrd, W. Va.	Humphrey	Randolph
Cannon	Jackson	Scott
Carroll	Kefauver	Smith, Mass.
Case, S. Dak.	Kuchel	Sparkman
Church	Long, Mo.	Stennis
Clark	Long, Hawaii	Symington
Dodd	Magnuson	Wiley
Dworshak	Mansfield	Williams, N.J.
Eastland	McCarthy	Yarborough
Engle	McGee	Young, N. Dak.
Gore	Metcalf	

NAYS—41

Beall	Dirksen	Keating
Bennett	Douglas	Kerr
Boggs	Ellender	Lausche
Butler	Ervin	Long, La.
Byrd, Va.	Fong	McClellan
Capehart	Goldwater	Miller
Case, N.J.	Hickenlooper	Moss
Cooper	Hruska	Mundt
Cotton	Javits	Murphy
Curtis	Jordan	Pearson
Prouty	Saltonstall	Thurmond
Proxmire	Smathers	Williams, Del.
Robertson	Smith, Maine	Young, Ohio
Russell	Talmadge	

NOT VOTING—12

Aiken	Fulbright	McNamara
Bush	Hickey	Morton
Carlson	Holland	Muskie
Chavez	Johnston	Tower

So Mr. MAGNUSON's amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. ANDERSON. I move to lay that motion on the table.

Mr. HUMPHREY. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President——

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. I should like to have the attention of the distinguished Senators.

Mr. WILLIAMS of Delaware. Mr. President, I had requested recognition.

The PRESIDING OFFICER. The Senator from Washington was recognized.

Mr. MAGNUSON. I suggest an amendment which might be acceptable, on behalf of the committee members. I suggest that on line 9, under the heading of "Access Roads" we strike out the words, "acquiring by condemnation or otherwise," and change the amount so that the language would read:

For additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $6,000,000.

And then to strike out the words: "to remain available until expended."

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HAYDEN. Mr. President, the Senator from Washington suggested striking out the language not at present authorized by law.

Mr. MAGNUSON. Yes.

Mr. HAYDEN. The language which would remain is authorized by law, and there would be no question about it.

Mr. MAGNUSON. I so move, Mr. President.

Mr. WILLIAMS of Delaware. Mr. President——

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

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. Mr. President, I invite the attention of the Presiding Officer to the language of the bill, on page 31, beginning on line 8, under the title "Access Roads," down to and including line 13.

I make a point of order that this language constitutes legislation on an appropriation bill, and I make the point of order that that language should be stricken from the bill.

Mr. MAGNUSON. Mr. President, I have made a motion. I have made a motion to modify the language against which the Senator from Delaware is making a point of order.

Mr. WILLIAMS of Delaware. I make a point of order, Mr. President——

Mr. MAGNUSON. A motion is pending.

Mr. WILLIAMS of Delaware. A motion may be pending, but a point of order is in order at any time; and I am making the point of order at this time.

The PRESIDING OFFICER. The Senator from Delaware is correct. The point of order has to be ruled upon in advance of the vote on the motion offered by the Senator from Washington. The Senator from Delaware is in order in making the point of order.

This language is obviously legislation on an appropriation bill. The point of order is sustained.

Mr. MAGNUSON. This is the formal amendment, Mr. President. I wish to address myself to the point of order.

The PRESIDING OFFICER. Does the Senator from Washington now offer an amendment?

Mr. MAGNUSON. This is the amendment I suggested before, in writing.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 31, after line 7, it is proposed to insert the following:

ACCESS ROADS

For additional roads needed for access to national forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), $6,000,000.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I wish to address myself to the point of order, so that the Senate will understand it. I suggested that we change the language. I am sure the members of the Committee on Appropriations will agree it should be changed, so that the language will not be subject to a point of order. The suggested language would carry out existing law, the act of June 4, 1897.

The Senate concurred in my amendment to increase the amount from $2 million to $6 million. If the point of order, which the Presiding Officer has said he would sustain in this particular case, is sustained against the language in the bill, there would be no money whatsoever for access roads. I do not think the Appropriations Committee wants that to happen. I am sure I do not. I am sure the Members of the Senate who voted for the increase in the amount would not wish to have that happen.

Therefore, Mr. President, I am in the position that all I can do is to appeal from the ruling of the Chair.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. There has been no point of order against the pending amendment. The Senator from Delaware made a point of order against the language in the appropriation bill, on page 31, which the Chair sustained as legislation on an appropriation bill. The Senator from Washington now has submitted an amendment which would take out the objectionable language. So far as the Chair is concerned, there is nothing to rule on. The Chair is ready to put the question, if the Senate is ready to vote.

The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

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

Mr. CASE of South Dakota. Has not the Senate already voted on the question at issue? The amendment now submitted, if the amendment is insisted on—I thought perhaps the two-thirds rule might be invoked, but it was not—would involve a duplication of the vote already taken, would it not, except for the language to which there was objection?

The PRESIDING OFFICER. That is a decision to be made by the Senate. The amendment is a new amendment. The Senate voted on the $6 million appropriation.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. HUMPHREY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. Is it correct to say that the point of order raised by the Senator from Delaware was sustained, which struck out the language on lines 8 through 13 of page 31 of the bill, and that the Senator from Washington has submitted a new amendment, with new language which meets the requirement of the rule? In other words, it is language which is not legislation on an appropriation bill, but merely would fulfill existing law, with the sum of $6 million provided therein.

The PRESIDING OFFICER. The Senator from Minnesota has succinctly stated the new amendment.

Mr. HUMPHREY. So we vote again for the $6 million, and we shall be on our way to doing business.

The PRESIDING OFFICER. The amendment does not embody the language which is legislation on an appropriation bill.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. MAGNUSON. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. If the Senate is to sustain the vote previously taken, the vote again would be "yea," would it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. WILLIAMS of Delaware. I think it should be clear that the Senator from Washington is not striking from the bill certain language which is legislation. That language has been stricken from the bill by a point of order. It is not in the bill any longer.

Mr. MAGNUSON. That is correct. I have submitted a new amendment.

Mr. WILLIAMS of Delaware. The Senator from Washington submitted a new amendment which, if agreed to, would do the same thing as the Senator previously tried to do. Is that correct?

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS of Delaware. It is my understanding, Mr. President, that the amendment of the Senator from Washington is merely an amendment similar to the amendment which was voted on a few minutes ago. Therefore, I make the point of order that the amendment is not in order. My point of order is not made on the basis that it is legislation on an appropriation bill, but on the basis that the preceding question has been determined by a vote. Therefore it is not in order to vote again on the same question.

The PRESIDING OFFICER. The Chair rules that there has been a substantial change in the amendment, and that the amendment embodies no legislation in an appropriation bill.

Mr. ALLOTT. Mr. President, the Chair has now ruled on the question. I do not think any Senator is confused. I do not believe any votes will be changed on the substantive question as to whether or not $6 million is to be included for access roads. In an attempt to save time, and I think to express the will of all Senators as it was expressed before, I ask unanimous consent that the yea and nay vote on the preceding amendment be made the yea and nay vote upon the pending amendment.

Mr. WILLIAMS of Delaware. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS of Delaware. Mr. President, I think we should make clear that what this amendment does is provide a 300-percent increase in the item over and above what the Budget Bureau recommended. That increase would be added to an item which was rejected by the House of Representatives in its entirety. There has been no justification by the Budget Bureau or in any other way.

In addition, this appropriation bill already includes $120 million over and above what was provided in last year's bill. Last year's bill was increased by about $70 million over the preceding year. During the past 12 months, as a result of increased appropriations, the Department of the Interior has added 5,694 new employees. It added 1,500 new employees during April, the most recent month on which the joint committee has reported.

Since the beginning of the Kennedy administration, in January 1961, the Department of the Interior has added an average of 18 new employees every day. The calculation includes holidays and is based on a Government 5-day workweek.

With much of the money appropriated there is being built up a big political bureaucracy. Let us not delude ourselves. If that is what the Senate wants, let us approve the increased appropriation; but before we do so, let us recognize that a vote for these increases would be a vote against the possibility of a tax reduction. We are hearing a great deal of talk from high administration officials about reducing taxes. I have said it is nothing but political propaganda in an election year. We will not cut taxes as long as we increase expenditures. I think every Senator knows that.

If we want to cut taxes, the way to do so is to cut down the spending and then pass the savings on to the people in a bona fide tax reduction. I think the people of our country have as much sense about spending their money as any bureaucrat in Washington, under the present administration or under any other administration. Why siphon all of their money through Washington?

If Senators vote for the amendment making these increases they will vote for it with a clear understanding that not only are they approving a bill which carries a substantial increase—a $120 million increase—over the appropriation in the preceding year for the same department, but also they are voting another $4 million over what even the Budget Bureau has asked. And no one has accused the Budget Bureau of being bashful in asking for money.

Mr. MAGNUSON. Mr. President, I shall take but a moment. The money proposed to be expended would be returned. A revolving fund to build roads to obtain access to forest lands that are eligible to be cut would be established. The amendment has nothing to do with taxes. We would receive the money back. We would create more wealth by using lands which are not now being cut.

There is involved the same old question we have heard discussed year after year. The amendment would make it possible for some of the smaller operators to bid on certain forest lands on which cutting is allowable. It would help to revive an industry that is in trouble. It would add more taxes to the national economy. It would open up new areas for recreation and other purposes.

I know who is opposed to the amendment. Those who are opposed have great forest reserves and do not want other reserves opened up. That is all the opposition amounts to. It is an old story.

Within 17 months, by a conservative estimate, the amount of money expended would be paid back into the Treasury. Taxes would be much greater when lands on which there is allowable cutting are set aside for cutting on a sustained-yield basis under the conservation program.

Mr. WILLIAMS of Delaware. Mr. President, I did not make a point of order in the beginning because I was willing to go along with the recommendation of the Budget Bureau for an appropriation of $2 million for these access roads. I will go along with the restoration of the $2 million as recom-

mended by the committee if the Magnuson amendment can be defeated.

I am not seeking to eliminate the item in its entirety, but I do object to increasing it 300 percent over and above what the Budget Bureau said was needed. I ask that the amendment be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON]. On that question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Maine [Mr. MUSKIE] are absent on official business.

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

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Michigan would vote "yea."

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

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. MORTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. MORTON] and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 49, nays 40, as follows:

[No. 87 Leg.]

YEAS—49

Allott	Hart	Moss
Anderson	Hartke	Neuberger
Bartlett	Hayden	Pastore
Bible	Hill	Pell
Burdick	Humphrey	Randolph
Byrd, W. Va.	Jackson	Robertson
Cannon	Kefauver	Scott
Carroll	Kuchel	Smith, Mass.
Case, S. Dak.	Long, Mo.	Sparkman
Church	Long, Hawaii	Stennis
Clark	Magnuson	Symington
Dodd	Mansfield	Wiley
Dworshak	McCarthy	Williams, N.J.
Eastland	McGee	Yarborough
Engle	Metcalf	Young, N. Dak.
Gore	Monroney	
Gruening	Morse	

NAYS—40

Beall	Ervin	Murphy
Bennett	Fong	Pearson
Boggs	Goldwater	Prouty
Bush	Hickenlooper	Proxmire
Butler	Hruska	Russell
Byrd, Va.	Javits	Saltonstall
Capehart	Jordan	Smathers
Case, N.J.	Keating	Smith, Maine
Cooper	Kerr	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long, La.	Williams, Del.
Dirksen	McClellan	Young, Ohio
Douglas	Miller	
Ellender	Mundt	

NOT VOTING—11

Aiken	Hickey	Morton
Carlson	Holland	Muskie
Chavez	Johnston	Tower
Fulbright	McNamara	

So Mr. MAGNUSON'S amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MORSE. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. ANDERSON. Mr. President, I call up my amendment identified as "5-17-62—C."

The PRESIDING OFFICER (Mr. PELL in the chair). The amendment will be stated.

Mr. ANDERSON. Mr. President, in view of the fact that I can make an explanation of the amendment which will be satisfactory, I am sure, I ask unanimous consent that the text of the amendment be not read, but, instead, that it be printed in the RECORD at this point.

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

The amendment, ordered to be printed in the RECORD, is as follows:

On page 9, lines 1 to 3, strike out ", other than judgment funds awarded by the Indian Claims Commission or the Court of Claims,".

On page 9, line 6, change the colon to a comma and add "except that judgment funds awarded by the Indian Claims Commission or the Court of Claims and the interest thereon may not be advanced to the tribes until a report of the purposes for which the funds are to be used has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives and both committees have approved the advance by committee resolution or neither committee has disapproved the advance by committee resolution within sixty calendar days from the date the report is submitted to the committees, not counting days on which either House is not in session because of an adjournment of more than three calendar days to a day certain:".

Mr. ANDERSON. Mr. President, the amendment that I am proposing is intended to accomplish the same purpose as the language reported by the Appropriations Committee, but to allow a little more flexibility in the programing and use of Indian judgment funds.

The committee language would preclude any use of the judgment funds, although previously appropriated by Congress, until substantive legislation has been enacted specifying the purposes for which the money may be used. I think this is a little too rigid and that our purpose could be accomplished in a slightly different manner.

The amendment I am proposing would require the Secretary of the Interior to submit to Congress a plan prepared by him and the Indian tribe for the use of the judgment money already appropriated by Congress. The plan would have to lie before the Committees on Interior and Insular Affairs of the two Houses for 60 days unless both committees adopt resolutions approving the plan at an earlier time. If neither committee has disapproved the plan by the end of the 60 days, the money would become available to carry out the plan.

This is the procedure Congress has provided in other cases, and I believe it is a good procedure to use here. It has been written into the law with respect to the disposal of utility systems on Indian reservations, and also with respect to small reclamation projects.

The amendment is not intended to preclude the Secretary of Interior from paying the costs of litigation in accordance with the terms of approved contracts.

I should also say that I appreciated very much what the Committee on Appropriations has done. It put into the bill the language which the Committee on Interior and Insular Affairs sent to the Committee on Appropriations and asked to have included in the bill. However, after it was included it was called to our attention that this would preclude the use of the judgment funds until authorizing legislation had been enacted. I believe the amendment I am offering will allow flexibility in using judgment funds, which are running into many millions of dollars, and retain in Congress an opportunity to look at them before they are programed. I would appreciate it very much if the chairman of the committee would accept the amendment.

Mr. HAYDEN. I agree with the amendment. I believe it is justified, and is a legitimate precaution to take. I will be glad to accept it and take it to conference. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ANDERSON. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 10, it is proposed to strike out "$55,550,000" and insert in lieu thereof "$57,000,000."

Mr. ANDERSON. Mr. President, the amendment seeks to add some money to permit the Navajo Indian irrigation project to be started.

Under the Navajo Indian irrigation project, 110,630 acres of Navajo Reservation lands will be developed and irrigated, providing farms for 1,120 Navajo families and giving a livelihood in related service activities to another 2,240 families, thus providing a higher standard of living for more than 16,000 Navajo Indians.

It is necessary that funds be made available in fiscal year 1963 because the Navajo Reservoir is presently being filled with water. Consequently it is most important that the control works and tunnel be started as soon as possible to avoid increases in the costs which would develop if this work were accomplished after the reservoir was filled. Also, it is planned to dump a part of the waste from the tunnel excavation in the reservoir area and the rest of it in the Kutz

Canyon. This plan provides two working headings for the tunnel which would not be possible if the reservoir were filled with water.

It is also necessary that the definite plan report be formulated as soon as possible.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the work proposed for fiscal year 1963.

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

Navajo irrigation project, work proposed for fiscal year 1963

Development of definite plan and report:	
Aerial surveys and topographical map project area	$415,600
Aerial surveys main canal and structures	104,800
Soil surveys	156,000
Agricultural economic studies	31,200
Engineering studies and report	111,200
Total	818,800
Preconstruction surveys, investigations and designs:	
Geologic	100,000
Design preparation of plans of outlet works and tunnel	100,000
Total	200,000
Construction of reservoir outlet works and tunnel (2 miles)	400,000
Purchase of right-of-way	31,200
Total estimate	1,450,000

Mr. ANDERSON. Mr. President, the able Senator from Arizona knows as much about this project as anyone else, if not more. I should merely like to have his comment on the amendment, because the authorization bill has yet to be signed.

Mr. HAYDEN. Mr. President, in my judgment the Senate cannot consider this amendment until we have received an estimate, to be submitted by the Bureau of the Budget in the supplemental appropriation bill. Neither has the authorization bill been signed by the President.

Mr. ANDERSON. No; it has not been signed. The distinguished senior Senator from New Mexico [Mr. CHAVEZ], who is a member of the Senator's subcommittee, had intended to present the amendment. I am merely presenting it for him in his absence. At the time the amendment was proposed, it was hoped that the authorization bill would have been signed, and that the amendment might properly be acted on at this time.

Mr. HAYDEN. As I understand, the authorization bill has not yet been signed. I think the proposal would be strengthened if we had a budget estimate. I suggest that the Senator from New Mexico withdraw the amendment now and resubmit it at a later time.

Mr. ANDERSON. Mr. President, in view of that advice, I withdraw the amendment.

Mr. LAUSCHE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield to the Senator from Ohio.

Mr. LAUSCHE. What is the estimated total cost of the project?

Mr. ANDERSON. I think it is $135 million.

Mr. LAUSCHE. The appropriation bill provides $55 million.

Mr. ANDERSON. Oh, no. An attempt was made in the beginning to provide $555,000. The Bureau of Reclamation felt that if the tunnel could be cut before the reservoir filled, a substantial sum of money would be saved. However, I have taken the advice of the chairman of the committee and have withdrawn the amendment.

Mr. LAUSCHE. Was not this proposal discussed in the Senate a year ago?

Mr. ANDERSON. Yes.

Mr. LAUSCHE. As I understand, the issue at that time was the development of new farmlands through the expenditure of public moneys, while the Government was paying money to farmers to take lands out of production. Was not that the argument?

Mr. ANDERSON. That was the argument. If the Senator from Ohio knew what the House had done, he would feel very happy over its action. The House took what I believe is completely unprecedented action. The House provided that no crop which is now certified by the Secretary of Agriculture to be in surplus production may be raised on any of this land until 10 years after the completion of the project. Since the project probably will not be finished for at least 10 to 14 years, that will put off any possibility of using the land for almost a quarter of a century.

Mr. President, I gladly accept the advice of the senior Senator from Arizona, who has been a Member of the Senate for quite some time and has been handling appropriations for a long period of time. I will abide by his suggestion. However, I felt, in justice to my colleague from New Mexico [Mr. CHAVEZ], that I should offer the amendment. However, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CARROLL. Mr. President, I call up my amendment designated "6-11-62—A" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, line 8, before the period it is proposed to insert a colon and the following: "*Provided,* That no part of this appropriation shall be used to remove any machinery, equipment, or facilities from the oil shale pilot plant at Rifle, Colorado".

Mr. CARROLL. Mr. President, in 1944 the U.S. Government constructed a pilot oil shale plant at Rifle, Colo., at a cost of about $20 million. Since 1956 no research has been conducted at that plant and the facility has been kept in a standby condition. At the Rifle plant are expensive retorts used in breaking down the shale into oil. The retorts are the essential equipment in the whole experimental process. We want to be sure that the equipment at Rifle stays at Rifle.

There is a real possibility that the Rifle plant will soon be reopened. The Navy Department and Interior Department are seeking to negotiate with educational institutions to supervise experimental work on oil shale without further cost to the Government.

The senior Senator from Wyoming [Mr. MCGEE] who is a member of the Committee on Appropriations, was successful in having included in the bill before the Senate today an amount of $187,000 to expand oil shale research to be conducted, I understand, in Laramie, Wyo.

Rumors have been circulating that as a part of the research to be conducted in Laramie, Wyo., one of the principal retorts at the Rifle, Colo., plant is to be removed. I understand from the Senator from Wyoming that it is not his intention that that be the effect of his amendment; that it is not contemplated by the Bureau of Mines that any machinery or retorts at Rifle, Colo., be removed.

The Senator from Wyoming is in the Chamber; and if he wishes to speak on this subject, I shall be pleased to yield to him.

Mr. MCGEE. Mr. President, I thank the Senator from Colorado for raising this question. I assure him that never was it the intention, in seeking the additional appropriation for an oil shale laboratory on the campus of the University of Wyoming, to remove any of the facilities from Rifle, Colo.

Actually, the real purpose of the appropriation which I support is to speed up experimentation and exploration, in the hope that a breakthrough may be made in some of the related byproducts of the oil shale land. For example, it is thought that in the oxygen compounds, or nitrogen, or sulfur compounds some products which are noncompetitive with oil may be found. That is why our scholars and research scientists have asked for the extra money. There is no intention or desire to pirate any of the plant from Rifle, Colo.

In all truth, I hope we may intensify the activity on the campus of my university and, at the same time, get the plant at Rifle in operation again, because I think it is most urgent that we develop all of the possibilities available to us in the national interest; that we not neglect any of these potential breakthroughs.

It is for that reason that I support the amendment offered by the Senator from Colorado.

Mr. CARROLL. I thank the Senator from Wyoming. I observe in the Chamber the distinguished Senator from West Virginia [Mr. RANDOLPH], who, together with former Senator O'Mahoney of Wyoming many years ago, was known as the father of the Synthetic Liquid Fuels Act. The senior Senator from West Virginia knows the history and the background of this research. He pioneered in this vital program. If he desires me to yield, I shall do so for any comment he may desire to make.

COAL AND OIL SHALE RESEARCH TO DEVELOP SYNTHETIC LIQUID FUELS

Mr. RANDOLPH. Mr. President, I thank the astute Senator from Colorado. Only that the record of an earlier effort may supplement the cogent remarks of the Senator from Colorado and the pertinent observations of the Senator from Wyoming [Mr. MCGEE], I would note that the Synthetic Liquid Fuels Act,

which became law in 1944, brought into being not only research in the processing of high-octane gasoline from coal, but also investigations in the important area of the processing of oil and oil products from shale.

It was, as my friend from Colorado noted, my privilege and responsibility, when a Member of the House of Representatives, to have sponsored the Synthetic Liquid Fuels Act with former Senator O'Mahoney, of Wyoming. After having been passed earlier in the Senate under the persuasive and effective management of our esteemed former colleague from Wyoming, the measure was passed by the House on February 16, 1944, under the stress of wartime demands for liquid fuels. It was extended later, when peacetime demands for oil and oil products surpassed peak requirements of World War II.

Thus, the provisions of the act were first implemented during the last administration of President Franklin D. Roosevelt, was continued during the administrations of President Harry S. Truman, but was permitted to expire during the administrations of President Dwight D. Eisenhower.

I hope that research intended to develop liquid fuels from coal will be renewed. And I trust there will be further investigations of the feasibility of producing oil from shale.

Our colleagues from Colorado and Wyoming and those from other Rocky Mountain States appropriately call attention to the large quantities of oil shale which exist there.

In the earlier research activities under authority of the Synthetic Liquid Fuels Act of 1944, the U.S. Bureau of Mines built and operated three laboratories and two engineering plants. One laboratory was at Laramie, Wyo. It was dedicated to the study of oil shale and related problems. Another laboratory was at Bruceton, Pa., where there was study of the broad problem of coal-to-oil processing. And a later laboratory at Morgantown, W. Va., was established primarily to perform missions in the conversion of coal to gas, both for direct use as fuel and for synthesis of liquid fuels and chemicals.

A station at Louisiana, Mo., was used to demonstrate on a semicommercial scale the conversion of synthesis gas—made from coal—to liquid products.

And there was the experiment station at Rifle, Colo., which the diligent Senators from Colorado [Mr. CARROLL and Mr. ALLOTT] seek to protect—and very properly so—by this amendment. The station at Rifle was built to demonstrate methods for mining and retorting oil shale and for converting crude shale oil to other fuels by refining. Earlier this year I had the opportunity and the privilege of renewing acquaintances in that section of Colorado. It was a pleasure to inspect the properties there which formerly played a substantial role in the synthetic liquid fuels research. I share the hope and the optimism of both Senators from Colorado that the facilities at Rifle will soon again be active centers for important research.

Today, my colleagues, in this measure before the Senate, we are dealing again with funds for the programing of a continuation of research and pilot projects in a field in which there is a rich history. We are thinking it terms of broadening the scope of investigations begun at Rifle, Colo., at Bruceton, Pa., at Morgantown, W. Va., at Laramie, Wyo., and at Louisiana, Mo. In the earlier explorations there were experimentations with certain agricultural products which were thought to lend themselves to conversion into liquid fuels, and it may be that in the future these investigations might also be renewed.

I shall use 2 or 3 additional minutes to review the fact that Congress acted affirmatively in this matter in 1944. We were, Mr. President, under the impact of the stringencies of international conflict. We were faced with the condition under which the oil supplies from overseas so necessary to supplement our domestic production were cut off not only in degree, but we faced a possible total blockade.

Meanwhile, Mr. President, we knew that the Royal Air Force of the British Empire and the Luftwaffe of Nazi Germany were powered substantially by synthetic liquid fuels processed from coal. Yet we were tardy in recognizing that in our own coal and shale deposits we had similar—in fact, greater, possibilities. That was the real reason why our esteemed former colleague, Senator O'Mahoney, of Wyoming, and I sponsored the Synthetic Liquid Fuels Act and why it was passed overwhelmingly in both Houses of the Congress.

So, Mr. President, I support with enthusiasm the committee's coal research amendments and I likewise support the clarifying amendment the Senator from Colorado [Mr. CARROLL] has offered, and I congratulate the Senators from Colorado and the Senators from Wyoming, in whose States oil shale is to be found in abundance.

The breakthrough can come and should come, not because we are under the crises of the so-called cold war or because of possible conflict in the future, but because it is incumbent on us to move forward in the areas of research which show real promise. We must work for the feasibility of production of gasoline processed by synthetic means from coal and oil shale. This should be a part of our national growth and our resources for the future.

I am grateful to the Senator from Colorado for his generous remarks. He has afforded me the opportunity to not only speak on this point, but also to express the view that funds provided and spent for research and development in this area will bring back not only the original investment but, also, a dividend to the economy and the security of the United States. Again, I congratulate the Senator from Colorado [Mr. CARROLL] and the Senator from Wyoming [Mr. MCGEE] for their timely and knowledgeable remarks.

Mr. CARROLL. Mr. President, I thank the able senior Senator from West Virginia. I know of his great interest in this program and I know of his contributions in years past. His remarks today are very timely and pertinent.

Mr. President, this matter was discussed on the floor of the House of Representatives. Mr. ASPINALL, the chairman of the Interior Committee, objected to the addition of the $187,000 for oil shale research unless there was a clarification of its purpose. I think this amendment satisfies everyone.

I now ask the distinguished chairman of the Appropriations Committee, the senior Senator from Arizona [Mr. HAYDEN], if he will accept the amendment.

Mr. HAYDEN. Mr. President, there is no controversy about this matter. The Senator has stated the situation as it is, and it should not be disturbed. So I think there is no controversy about the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

Mr. ALLOTT. Mr. President, I intend to support the amendment. I have long fought for the development of our oil-shale resources.

Oil shale is a natural resource with which we in this country are singularly endowed. In fact, it is a latent resource which, most assuredly, will one day find its rightful place in the roster of basic minerals. On numerous occasions, I have directed attention to the fact that in the Colorado-Wyoming-Utah area the Green River deposits of oil shale exceed 1½ trillion barrels of recoverable oil. This is an exceedingly significant reserve which becomes even more meaningful when compared with the fact that the known liquid petroleum reserves of the United States are 35 billion barrels. Oil products are essential to peacetime development. They are critical in time of war. To do other than prepare ourselves to draw upon this vital reserve, safe within our own borders, is sheer folly. I made that statement here on the floor of the Senate over a year ago; I repeat it now.

The technology advances, the techniques of oil shale extraction and other data now available are in no small way directly attributable to research work carried on at the demonstration plant on the naval oil shale reserves near Rifle, Colo. Before these mountains of shale can be reduced to petroleum, research must continue, culminating, ultimately, in a commercial production capable of fulfilling peacetime industrial uses and defense requirements. In order to move forward with research projects in these fields, the Bureau of Mines budget for fiscal year 1963 included the sum of $187,000.

I have followed with particular interest this request of the Bureau of Mines, especially since this modest amount was defeated by the other body. In a letter dated April 12, 1962, to the chairman of the Appropriations Committee, I requested restoration of this budget item, in spite of the fact the Bureau of Mines had not requested such restoration. In response to this request and, I understand, with the support of the senior Senator from Wyoming, the subcommittee on May 1, 1962, restored the $187,000, and we in the full committee confirmed this action.

Mr. President, I ask unanimous consent to have printed at this point in the

RECORD, in connection with my remarks, the letter written by me on April 12, 1962, to the chairman of the Appropriations Committee requesting the restoration.

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

APRIL 12, 1962

Hon. CARL HAYDEN,
Chairman, Senate Subcommittee on Interior Appropriations, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I am extremely concerned over the $187,000 deleted by the House of Representatives from the fiscal year 1963 Bureau of Mines budget, which money is programed for expanded oil shale research. I believe that these funds are urgently needed to provide information that is technologically and economically critical to the development of the oil shale industry, either in a normal, commercial sense or under the stress of a national emergency.

Because of this conviction, I wrote the Department of the Interior inquiring as to the proposed use and the need for this $187,000. I enclose a copy of the letter and memorandum on this subject which was received from the Department in reply.

I would appreciate your making this information available to members of the subcommittee for their most earnest consideration for restoration of this item. You can be assured of my support for this restoration when the full committee takes up the bill.

Best regards.

Sincerely yours,

GORDON ALLOTT.

Mr. ALLOTT. Mr. President, the other body's action was due, in part, to the fact that some uncertainty exists over which Department of Government should take control of the plant—Interior or Defense. While it would be most helpful to have a clear demarcation of authority, nevertheless, while the respective Departments lock horns, the plant facilities deteriorate. It is far better, and a more judicious use of the plant, to allow the Bureau of Mines to engage in research during the interim. I certainly favor an expeditious solution to the question of jurisdiction, and to that end have introduced, along with the senior Senator from Utah, S. 1277, which would authorize the Secretary of the Navy to take exclusive possession and control of the Rifle plant.

There was also some concern that this $187,000 appropriation would result in the transfer from Rifle to Laramie, Wyo., of the retort, which forms an integral part of the plant's operation. This is a very real concern and certainly a matter to be dealt with. However, I have assurances from the Bureau of Mines that the removal of any equipment from Rifle is very remote. The Acting Director of the Bureau, in a letter to me dated April 9, gave me that assurance. At the appropriate place in my remarks, I shall place the full text of that letter in the RECORD.

I may say that was 3 days before I wrote to the chairman of the Appropriations Committee, the letter requesting the restoration of this amount.

Therefore, we have the situation where one of the sources of concern is, as a practical matter, removed, and the other, a dispute between Interior and Defense, is far from settled. But I reiterate that in my judgment the facilities at Rifle can better survive the deadlock by being put to use and maintained, rather than by slowly rotting away.

The Bureau of Mines, at my request, furnished me with its proposed program for the use to be made of the $187,000. Included is development work in the retorting step, the least advanced of all oil shale technique. In addition, the Bureau plans to investigate the potential of oil shale and its products as a source of chemicals. Finally, there is the expressed intention to assess oil potential of the Piceance Creek Basin, a possible prospective extension of the present known shale deposits. In order to have, in detail, the program as outlined by the Bureau of Mines, in justification of this budget request, I ask unanimous consent that the plans be made a part of the RECORD at this point.

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

OIL-SHALE PROGRAM—PLANS FOR USE OF $187,000 DELETED BY HOUSE OF REPRESENTATIVES FROM 1963 BUDGET REQUEST

It is the firm opinion of the Bureau of Mines that the work that is programed under this $187,000 is urgently needed to provide practical information that is technologically and economically critical to development of an oil-shale industry, either in a normal commercial sense or under the stress of a national emergency.

Of all the Bureau and other process development work in the field of oil shale, the retorting step, in which oil is produced from the shale rock, is the least advanced. A particularly important consideration in the retorting operation, and one on which the Bureau proposes intensive effort, is the means of efficient removal of oil from the retorting system as the oil is produced from the shale and comprehensive recovery of the oil after its removal. Contrary to popular belief, shale oil evolves as a mist in the retort rather than as a true vapor or gas. The size of individual particles in this mist is a most important factor in final yield of oil and in trouble-free operation of a retort. If the mist particles are too large, they tend to mass together and form larger particles in the retort with subsequent troublesome coking and burning along with decrease in yield of oil. Conversely, if the particles are too small, their recovery in oil-collection equipment is difficult and again unnecessary losses occur. These problems are well recognized, but their solutions are not. Therefore, the Bureau recommends strongly that funds be provided to permit pilot-scale and supporting laboratory development work on the formation and control of oil-shale mists in retorting and recovery systems. Effective progress toward solution of the problems described depends upon such joint efforts which are not feasible without additional support.

Another important study planned under and dependent upon the $187,000 increase is to investigate the potential of oil shale and its products as a source of chemicals. By terms of the Synthetic Liquid Fuels Act of 1944 and subsequent amendments thereto, the Bureau's research and development work on oil shale was directed toward the production of fuel products, and this guideline was continued to the present day even though the act mentioned has not been in effect in recent years. However, somewhat parallel to the situation that has developed in the petroleum industry, the economics of an oil-shale industry will depend, perhaps to an important degree, upon the chemicals and other byproducts that can be produced from shale along with more conventional fuel products. The possibilities of such supplementary support are largely unknown; however, based upon the fragmentary information that now is available, the potential of an oil-shale chemical industry (a "karochemical industry," is an appropriate and perhaps more descriptive term) is large. The Bureau of Mines feels that it can add considerable impetus to development of an oil-shale industry through providing technical and economic information to evaluate the "karochemical" potential, but is unable to do so without additional financial support of its program.

Other work planned under the $187,000 increase includes assessment of the oil potential of what are thought to be vast oil-shale deposits that have been only recently discovered in the Piceance Creek Basin lying north of what was earlier considered to be the principal oil-shale area of Colorado. Only cursory information now is available about the extent of the Piceance Creek deposits, and about such important evaluation factors as their richness and pattern of oil yield as related to depth and geographical location. Additional work is proposed by the Bureau to fill the gaps in the Piceance Creek picture in order to stimulate eventual development of this extension of the Nation's oil-shale reserves.

Mr. ALLOTT. Mr. President, along with this program proposal, I ask unanimous consent that a letter to me from Mr. James Westfield, Acting Director of the Bureau of Mines, appear at this point in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF MINES,
Washington, D.C., April 9, 1962.

Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: This is in reply to your letter of April 2, 1962, concerning plans of the Bureau of Mines for work on oil shale under the $187,000 that recently was deleted by the House of Representatives from the 1963 budget request.

The work for which the amount mentioned was requested may be categorized under three headings: (1) Laboratory and pilot plant applied research to solve serious problems involved in removing shale oil without undue degradation and loss from the retorting equipment and in the subsequent oil-recovery steps, (2) studies to determine the chemical potential of an oil-shale industry including development of pertinent economic information, and (3) investigation of the richness and extent of the large, but as yet poorly defined, oil-shale deposits of the Piceance Creek area of western Colorado lying north of the area that until recently was thought to comprise the bulk of Colorado's oil-shale deposits.

Additional details of the work that is planned and information about the need for each part are included in an enclosure to this letter.

In answer to your question about where the proposed work would be conducted, the laboratory phase of the oil-recovery studies would be done at Laramie. Depending on the early results of the laboratory work, the pilot-plant phase might be done wholly or in part at Rifle as appeared most feasible. The possibility of moving any of the Rifle equipment to Laramie is very remote as such a course of action would cause a problem of wide separation of the pilot operations from the supply of shale and probably would be prohibitively expensive in view of the rather limited funds that have been requested. The chemical studies are planned entirely for Laramie, where key members of the staff that would do this

work now are located. The Piceance Creek oil-shale evaluation work also would be done by Laramie personnel, but would involve considerable onsite work in Colorado.

The Bureau of Mines appreciates this opportunity to be of assistance to you.

Sincerely yours,

——— ———,
Director.

Mr. ALLOTT. While I believe that a reading of the correspondence I have had with the Bureau of Mines would certainly allay any fears of a reasonable man concerning the possible removal of any machinery or facilities from the installation at Rifle, Colo., the amendment will specifically prohibit such action, and as such I intend to support it.

This sum, $187,000, is indeed modest in terms of the Interior Department Budget as a whole. However, I am confident that it will be wisely used and will result in further advances in oil shale extraction techniques. I hope that the Senate will act favorably on the Bureau's request and, thereafter, stand firm on this item in the event of a conference with the other body.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of myself and the Senator from Ohio [Mr. LAUSCHE] I call up my amendment, which is at the desk and identified as "6-6-62—A."

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware for himself and the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 20, beginning with line 19, to strike all down to and including line 23.

Mr. WILLIAMS of Delaware. Mr. President, I cannot conceive of this amendment's being objected to. The amendment carries out the objectives of the President, who earlier this year made a rather strong speech against the excessive cost of the stockpiling program in general. The President and later the Senator from Missouri criticized the manner in which we have accumulated excessive inventories of minerals in our strategic stockpiles. The President said that it was bordering on a national scandal and that we should stop accumulating these minerals.

This amendment proposes to strike from the bill the money provided to subsidize the increased production of lead and zinc. This subsidy program was established by the Congress last year as a part of the stockpiling program of this country. In the preceding year President Eisenhower had vetoed a similar bill. Why should we provide an incentive for the production of lead and zinc at a time when both are in oversupply and overproduction? This program was authorized under a bill which was passed by the Congress at the last session in 1961 and signed by President Kennedy.

Later President Kennedy saw the evils of this program and became concerned about its excessive cost and suggested that the program be curtailed and investigated.

In 1960 a similar bill was passed by the Congress and vetoed by then President Eisenhower as being unjustifiable. I am sorry that last year the Congress passed the bill and that President Kennedy signed it; however, there is time now for us to rectify this mistake.

I congratulate the President of the United States on later recognizing the fact that with $8½ billion worth of these minerals in our stockpile there is no further need either to provide an incentive for their increased production or for stockpiling them.

As an example, we have in the national stockpile today $384,832,300 worth of lead. We have a potential loss on it, based on today's market, of $117,898,100. Why should we pass a bill here today which will provide a further incentive for the production of more lead?

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I have a memorandum obtained from the authorities in charge of the stockpile showing that we now have on hand 1,302,000 tons of lead, and that our objective for strategic purposes required a volume of 286,000 tons. In other words, we have 1,302,000 tons, when the estimate for security purposes is that we need 286,000 tons. Therefore, the volume on hand is four times the needed amount of lead for strategic purposes.

Mr. WILLIAMS of Delaware. That is correct. The General Services Administration recently supplied information to the effect that the amount of lead which we have on hand over and above what can be justified in the name of national defense is 986,355 tons at a cost of $291,-037,300. Certainly we should be talking about liquidating that inventory, as the President pointed out, rather than increasing the production of lead or adding to the stockpile.

The bill provides for a subsidy of $75 per ton up to 1,500 tons of lead per year for each mine. The so-called small lead producers can sell their lead in the open market. The market price at present is 9 or 9½ cents, but the Government will pay 75 percent of the difference between the market price and 14½ cents. A producer will be subsidized on that amount up to 1,500 tons. At present market prices that represents a subsidy of about $75 a ton for the production of lead.

Why should be subsidize further the production of lead when we have more lead than we can use in the stockpile?

In bills before the Congress the President is asking for approval of the Congress to dispose of certain items in this stockpile. If we want to get rid of them—and I agree with the President that we should cut down on this excessive inventory—the first step is to stop buying. It makes no sense to say we want to cut down on the stockpile when at the same time we are buying those identical minerals.

No one attempts to justify this subsidy of lead and zinc in the name of national defense.

Let us be realistic—this program is no direct contradiction to the President's request for a cutback on stockpiling costs. If the Congress wants to pass this bill then let us stop criticizing the stockpiling program.

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

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I call attention to the provisions of the bill for which the appropriation is being made in the language now before us. Am I correct that the bill which passed last October provides that the Government shall pay to the producer an amount equal to 75 percent of the difference between 14½ cents a pound, the designated price in the statute, and the price for which lead is selling on the market?

Mr. WILLIAMS of Delaware. That is correct.

Mr. LAUSCHE. To illustrate, lead today is selling at 9½ cents a pound on the market. The designated price in the statute is that the producer shall receive 14½ cents. The difference, therefore, is 5 cents a pound, of which the Federal Government pays 75 percent for each pound to the producer. Is that correct?

Mr. WILLIAMS of Delaware. That is correct, up to 1,500 tons per mine.

Mr. LAUSCHE. Seventy-five percent of 5 cents is 3¾ pennies. With 2,000 pounds per ton, 3¾ pennies per pound results in a figure for the Federal Government to pay to the producer of $75 a ton, as of today.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. The statute says that the Government will subsidize up to 1,500 tons per mine; is that correct?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. So an operator with a 1,500-ton producing mine would receive $75 times 1,500, or $112,500 for the production of the mine.

Mr. WILLIAMS of Delaware. The Senator is correct. This bill proposes to subsidize the expanded production of lead at a time when we have more lead than we know what to do with, at a time when the President of the United States says that our stockpiling program is already bordering on a national scandal, and at a time when the President is asking the Congress for authority to liquidate inventory of the stockpile rather than to add further to it.

This program is in direct contradiction to what the President said he wanted Congress to do and what the President said he wanted to do in connection with the stockpiling program.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield further.

Mr. LAUSCHE. Last year, in the discussion with the Senator from Colorado, it was developed that to produce 2,000 tons of lead in a mine required 40 workers. I assume that to produce 1,500 tons of lead in a mine would require three-quarters of 40 workers, or 30 workers.

I submit, if we should pay $112,500 to a producer of 1,500 tons of lead, and if that producer had 30 workers, since it would cost us $112,500 for the 30 workers the cost would be $3,750 for each worker, in order to run the mine.

Mr. WILLIAMS of Delaware. That is one way of stating it.

As the Senator from Ohio so ably pointed out last year when he led the opposition to these proposals, we might as well recognize the fact that this proposal involves not only a subsidizing of the workers but also a subsidizing of the operation of these mines. This is what has been described as a "75 percent Brannan plan" for the lead and zinc industry of America.

Senators will remember that former Secretary of Agriculture Brannan proposed that the Federal Government adopt an agricultural program under which the farmer could sell his commodities in the open market for any price available and could bill the Government for the differential between the price he received and the support price. The Congress overwhelmingly repudiated that suggestion. This proposal for 75 percent of that formula for the lead and zinc industries is just as bad.

Mr. LAUSCHE. Will the Senator express an opinion on this statement: With four times more lead in the stockpile than is needed, if the appropriation is passed Congress will be authorizing the payment to producers of lead mines of approximately $3,750 per person to keep the mines open and to produce lead which we do not need.

Mr. WILLIAMS of Delaware. That is right.

There is another provision in the same section of the bill which would subsidize the zinc industry. Zinc is to be subsidized on the basis of 55 percent instead of 75 percent of the differential between the price at which the zinc is sold in the open market and 14½ cents per pound.

We also have an excess inventory of zinc. There is eight times as much zinc in the stockpile as we need. We should be getting rid of zinc rather than adding to our inventory. There is a total of 1,401,616 tons of zinc in our stockpile over and above what there is any possible justification for in the interests of national defense. That excess zinc cost the American taxpayer, when it was purchased, $392,039,400.

Now they want a subsidy to produce more zinc.

The irony of the situation is that some of those supporting this subsidy for increased production of lead and zinc are publicly leading the parade in criticizing our stockpiling program. There is already a potential loss on zinc approximating $100 million.

As the President said, the way these materials have been accumulated is a national scandal, and in my opinion the way the Government insists upon continuing the subsidy program is a national disgrace.

Mr. LAUSCHE. Mr. President, will the Senator yield at this point, in respect to zinc?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. I have available the latest report on zinc. It has been obtained from the General Services Administration.

The Federal Government has on hand now 1,580,000 tons of zinc. Our stockpile objective was 178,000 tons. In other words, the oversupply is in the ratio of more than 8 to 1.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. We have on hand more than 8 times as much zinc as we need for strategic purposes, yet we contemplate, by the appropriation bill, paying to zinc producers 55 percent of the difference between the designated price of 14½ cents per pound and the price paid on the market, which on June 8 was 11½ cents a pound. That is 3 cents a pound, on which the differential of 55 percent would be paid. Does the Senator agree with me up to that point?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. That would mean we would agree to pay 1.65 cents per pound as of present-day prices, or $33 per ton. For 1,500 tons that would result in a figure for zinc operators of $49,500 per mine.

Mr. WILLIAMS of Delaware. The Senator is correct. Under the pending bill we are to pay that much to encourage the production of zinc, a commodity of which, as the Senator from Ohio has pointed out, we have more than 8 times as much as we can possibly justify in the name of national defense. It is a commodity which the President of the United States said we should be liquidating. Many Members of Congress supported the President in the statement that we should be liquidating these excessive inventories in the stockpiling program.

How the President could sign a bill with this provision in it and how any Member of the Senate could vote for it and still express concern over the excessive cost of our stockpile is a point which I cannot understand.

Why have an investigation into our stockpiling program if we are going to vote for a continuation of the subsidy for our pet minerals?

I agree fully that we have a problem with respect to the disposition of these excess inventories, but the No. 1 step in getting out of our excessive stockpile is to stop subsidizing increased production.

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

Mr. WILLIAMS of Delaware. I yield further.

Mr. LAUSCHE. The stockpile we have been talking about is the one which has been under discussion in the newspapers in the past 2 months?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. Which has been characterized as being loaded with scandal?

Mr. WILLIAMS of Delaware. Yes, it is the same stockpile program which the distinguished Senator from Missouri [Mr. SYMINGTON] is presently engaged in investigating. It is the same stockpile with respect to which there has been a great deal of discussion about excess inventories.

The Senator from Missouri recently made recommendations as to how the Government should start liquidating certain of these minerals, but certainly the No. 1 step in liquidating a stockpile is to stop adding to it; otherwise we are just throwing away more money.

One of the arguments which has been made is that by rejecting this subsidy here today we would be reneging on a contract which Congress approved last year. Some of the supporters of the subsidy argue, "Congress passed the bill; therefore these commitments are made and we have a contractual obligation to pay the subsidy now. That is wrong. We have no commitments under this law. I checked with the Secretary of the Interior. I asked him the question of whether under the law passed by the Congress last year and signed by President Kennedy anything had been done. I asked the Secretary how much had been spent and how much had been committed as of the date of my letter.

I received a reply from the Assistant Secretary, which I shall later place in the RECORD, in which he stated that there had been no payments made under the 1961 act and that there had been no commitments or obligations made for payments under that act. He went further and said that no obligations would be incurred until funds were provided in the appropriation bill and were available.

In other words, he has made no commitments. He has made no obligations. If we do not provide the money, there will be no commitment and no obligation. Our amendment to repeal this subsidy is perfectly in order.

I shall ask unanimous consent to have the entire letter printed.

Mr. LAUSCHE. What is the date of that letter?

Mr. WILLIAMS of Delaware. May 8, 1962.

Mr. LAUSCHE. That is about a month ago?

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. LAUSCHE. The Assistant Secretary of Interior stated that no expenditures had been made and no commitments undertaken under the bill passed last October?

Mr. WILLIAMS of Delaware. Yes. I shall read the entire letter.

Mr. LAUSCHE. I think it ought to be read.

Mr. WILLIAMS of Delaware. My letter to Hon. Stewart L. Udall is dated April 24, 1962, and is as follows:

APRIL 24, 1962.

HON. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

MY DEAR MR. SECRETARY: Last year Congress passed H.R. 84 (Public Law 87-347), the purpose of which was to authorize a direct subsidy to be paid to the producers of lead and zinc.

In this connection will you please advise me the total amount of all such subsidies which have been paid or which the Government is obligated to pay under this law.

Yours sincerely,

JOHN J. WILLIAMS.

On May 8 I received the following reply:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 8, 1962.

DEAR SENATOR WILLIAMS: As of this date no stabilization payments have been made to domestic producers of lead and zinc under Public Law 87-347 about which you inquired in your letter of April 24. This law

authorizes a maximum of $16,500,000 over a 4-year period, of which $4,500,000 is allowed in calendar year 1962. This amount was requested by the Department of the Interior in the supplemental appropriation bill for fiscal year 1962 (H.R. 11038). No obligations will be incurred until funds provided in this bill are available.

Sincerely yours,

JOHN M. KELLY,
Assistant Secretary of the Interior.

Mr. LAUSCHE. As of May 8 there was a direct communication from the Assistant Secretary of the Interior to the effect that no expenditures had been made and no obligations undertaken, and none would be undertaken until the money was made available.

Mr. WILLIAMS of Delaware. That is what the Assistant Secretary of the Interior stated in the letter. So at this time we can act on the amendment without in any way jeopardizing any obligations.

Mr. ALLOTT. Mr. President, will the Senator yield for a question of clarification?

Mr. WILLIAMS of Delaware. Certainly.

Mr. ALLOTT. I think what the Senator has said is correct with respect to the particular item. But I am sure he is aware that in the second supplemental appropriation bill, which was passed, the Senate included an item of $4,880,000 for the purpose stated. The bill is still in conference between the House and the Senate. The appropriation was for the calendar year 1962.

Mr. WILLIAMS of Delaware. I am aware of that fact. At the time the bill was considered the item slipped by, or I would have opposed it also.

Mr. ALLOTT. I am sure that the Senator would have done so.

Mr. WILLIAMS of Delaware. But that does not alter the fact that in reply to my letter the Assistant Secretary said that no commitments had been made nor would any obligations be incurred until he received the funds. The Senator from Colorado will agree with me that as of this time the Secretary has no money for that purpose. The other bill has not as yet been finally approved by the Congress either.

Mr. ALLOTT. That is the reason I asked the Senator to yield. The letter was written in the manner in which it was written because the second supplemental appropriation bill for 1962 to implement the act for the entire calendar year of 1962, which included funds for that purpose, has not yet come out of conference between the Senate and the House.

Mr. WILLIAMS of Delaware. The Secretary has no money, and no commitments have been made.

We are confronted here today with another appropriation of $2 million and some odd thousand for additional subsidies to the lead and zinc industry, which appropriation we can very properly strike out. In striking it out we would not renege on any obligations because the Secretary has made plain that obligations to spend the money would not be made until after he received the money.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Does the item relating to lead and zinc come within the general scope of the newspaper accounts of scandals respecting the stockpile?

Mr. WILLIAMS of Delaware. Yes; the item is involved in the following way. The lead and zinc that are being subsidized under this bill are not being sought by the Government and placed in the stockpile, but——

Mr. LAUSCHE. The Senator is correct.

Mr. WILLIAMS of Delaware. So on that basis some try to argue that there is no connection. But there is a connection. This subsidy program is definitely designed to increase production of these two minerals. The bill was placed before the Senate and advanced as a defense production measure. It was supported on the basis that in order to protect the security of our country we should subsidize the operations of the multitude of small lead and zinc producers to keep them producing additional lead and zinc. No one has attempted to deny that point. Why subsidize the increased production of lead when we already have four times as much as we need?

Why subsidize the increased production of zinc when we already have eight times as much as we need?

Why criticize the excessive cost of our stockpiling program and then vote for a continuation of the subsidy.

Why go through the grandstand act of investigating the procurement policies under this stockpiling program if we are not going to correct it when we have a chance?

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

Mr. WILLIAMS of Delaware. I shall be glad to yield in just a moment.

To the extent we pay a subsidy to expand production, such expanded production would be in direct competition with our stockpile inventory. If we want to reduce the stockpile, the first step should be to stop buying. Certainly these programs cannot be separated. The President has said, and the Senator from Missouri has pointed out, that we should be working in the direction of reducing our overall stockpile, but we shall never get the stockpile reduced by adding to it. Certainly as we try to sell some of the stockpile in the open market and then at the same time subsidize the expanded production of the same commodities, we shall be working toward directly opposite objectives. That is the point I am now making. If we wish to reduce the stockpile, and I am reasonably certain that the Senator from Missouri will concur on that point, we should first stop buying. We should stop subsidizing the increased production of any commodities with respect to which there is no need.

Mr. LAUSCHE. Is it a fact that the President has suggested and recommended that the stockpile be liquidated or sent into the markets and converted into cash?

Mr. WILLIAMS of Delaware. Yes. I do not have his speech before me, but if I recall correctly the President said that if we reduced our stockpile to what we actually need we would cut it by about $3 to $3½ million.

Mr. LAUSCHE. On the one hand, it is recommended that we reduce the stockpile, and on the other hand, through the measure now before the Senate, we would subsidize the increased production of lead. Is that the situation?

Mr. WILLIAMS of Delaware. The Senator is correct. It would be just as unrealistic for the Congress to adopt a program of continuing high level subsidies for increased production of agricultural products while at the same time the Government was trying to liquidate its excessive inventories. It is equally unsound to treat in that way the mining industry or any other segment of our economy.

I hope the amendment offered by the Senator from Ohio [Mr. LAUSCHE] and myself to delete the section authorizing these unwarranted subsidies for lead and zinc will be approved.

Mr. LAUSCHE. My calculations show that under the proposed appropriation we would pay more than $3,700 per worker in order to produce lead that we would not need; and we would pay approximately $1,600 per worker in order to produce zinc that we would not need.

Mr. WILLIAMS of Delaware. The Senator is correct. If we wish to subsidize the workers of America, let us do so through unemployment insurance and not through the farce of producing lead and zinc, for which we have no justification.

Mr. President, at the appropriate time, I shall ask for the yeas and nays on the amendment. I do not know whether there are sufficient Senators present to obtain the yeas and nays at this time. I will ask for them later.

Mr. CARROLL. Mr. President, I know that the Senator from Oklahoma will make a full presentation on this subject. I thought it might be of interest to Senators if I should make a short statement in respect to information that has come to me in my capacity as chairman of the Minerals Subcommittee. As has been brought out in the colloquy between the able Senator from Ohio [Mr. LAUSCHE] and the able Senator from Delaware [Mr. WILLIAMS], no money is now being spent for the purpose stated. I have undertaken a study in my own State. Although we will not have a full picture of the benefit this program will bring to the industry until it is in effect and the applications from qualifying miners are in, some information is available. In my State, according to Bureau of Mine data, 77 mines were producing in 1956. By 1961, that figure had dropped to 39. Mr. President, these figures refer to mining operations which could qualify under the terms of this program.

Presumably, in Colorado, the number of applications will lie somewhere between 39 and 77. This is the positive side I regret to advise Senators that since 1956, 63 mines in Colorado have been forced to close. According to information furnished me by the late Dr. Ed Clark, then director of the Colorado Department of Natural Resources and Mr. G. A. Franz, Jr., director of

the Colorado Bureau of Mines, 111 mines produced ore in 1956. Only 58 were producing by 1960.

These are small mines. There are those who may feel that it is not important to keep them alive. I say it is important—not only to these unemployed miners, but it is in the national interest to maintain a healthy domestic mining industry. What has depressed the market price on lead and zinc? It is obvious that the price is depressed by the lead and zinc that overhangs the world market. It comes from lead and zinc that comes in from Mexico, Peru, Australia, Canada, and other foreign countries. Imports have caused substantial damage, if it has not already struck the death knell for the metal-mining industry of this Nation, especially with reference to lead and zinc.

If I may digress for a moment I should like to say that last Friday I conducted a hearing to find out what we could do about the gold mining industry. It was in 1934 that Franklin D. Roosevelt fixed the price of gold at $35 an ounce. In all this period of time we know what the increase in the cost of mining operations has been, yet the price of gold has remained fixed. What do Senators think all this has done to the gold mining industry of this Nation? That industry is dying on the vine.

Last Friday we called in the Under Secretary of the Treasury for Monetary Affairs and in a very brilliant presentation he said that because of the "special"—I believe I am using the proper word—because of the unique character of this commodity, gold, we cannot permit a subsidy because of the psychological impact it would have upon the financial markets of the world. There is a link between money and gold, which gives stability to the financial markets of the world, and therefore we could not have a subsidy for gold mining. That industry is dying on the vine. South Africa has a subsidy. Canada has tax incentives. However, in this country we cannot authorize a subsidy because to do so might alarm the people of the world. There may be some merit to that position.

The lead and zinc matter has been repeatedly before the Tariff Commission. We have asked in some instances to have a quota provided, and perhaps provide higher tariffs to help the expiring industry in this country. These measures have all met with stiff opposition. The stabilization approach before us now seemed the only means possible for helping our domestic mining industry.

I wish to be very frank in saying that this $2½ million appropriation is not going to help the little miners of my State very much. The only thing I rise to speak about is that we misconceive the purpose of this type of legislation. It has been before Congress for over 10 years. It was never designed for stockpiling. It was designed to give price stability to an industry which is slowly expiring.

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

Mr. CARROLL. I yield.

Mr. SYMINGTON. Is it not true that there is no money available in this bill for the purchase of either lead or zinc for the stockpile? In fact the bill prohibits any of the lead or zinc produced under the bill to be purchased by the Government.

Mr. CARROLL. That is my understanding.

Mr. SYMINGTON. Therefore, the pending bill has nothing to do with the stockpile, with one exception, which the able Senator from Delaware [Mr. WILLIAMS] brought out, namely that there is already too much lead and zinc. If we move lead and zinc heavily, we will reduce the market price. The pending bill does provide it must be sold in the market; it cannot be stockpiled. The bill makes it possible for small mines and bankrupt people to go back to work in dead or dieing towns in various parts of America. Those miners who participate have to produce less than 3,000 tons a year to get any money under the bill.

Not long ago we took a hundred thousand tons of lead and zinc from two foreign countries. It was a complicated barter.

Mr. CARROLL. I wish the Senator would explain how that barter took place.

Mr. SYMINGTON. I appreciate the able Senator's asking me to do that. It would be hard. I have tried to follow it in detail. Four or five countries were involved. The idea was that the world lead market would be reduced because of what some of the countries that sold it would do in the way of barter. There were some cash transactions in it also; therefore it is hard to consider it pure barter, or the kind of barter the Senator from Colorado and I would really understand.

This amendment really involves a subsidy of the production by very small mines, to very small people, in order they may eat, and live, and send their children to school. The lead is to be sold right in the marketplace. No money is provided for stockpiling it.

Therefore I am surprised and distressed at the emphasis some of my colleagues in the Senate are putting on the stockpile aspect.

Mr. CARROLL. I thank the Senator.

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

Mr. CARROLL. First, I should like to respond to the able Senator from Missouri. As a matter of fact, as I have stated the lead and zinc question was considered by the Subcommittee on Minerals, of which I am the chairman. That is a subcommittee of the Committee on Interior and Insular Affairs. I tried to pursue this matter objectively and impartially, because, as I have indicated, most of the mines in my State are already closed. What I did was to call in State Department witnesses to have them tell us about the overhang of the world market so far as lead was concerned, and tell us what they were doing about that overhang. It is a mistake for Senators to consider that this is a stockpile proposal. The Senator from Missouri has put his finger on the crux of the question. If we want to hold these mines, it means a subsidy. If we want to release the stockpiled materials on the market, it will mean closing the mines.

Mr. SYMINGTON. Both big and little mines.

Mr. CARROLL. Yes.

Mr. SYMINGTON. The large lead producers have been importing and selling, in this country, thousands of tons of lead. That lead is not produced by American miners. It comes from foreign countries, these tremendous amounts of lead and zinc.

Mr. CARROLL. They are doing it today.

Mr. SYMINGTON. In addition, there are large corporations which, despite the already heavy costs of the stockpile, have furnished hundreds of millions of dollars of additional materials and minerals for the stockpile, despite the fact we already had enough of some of those materials from the standpoint of what would be needed in case of war.

What we are talking about has nothing to do with stockpiles. What is proposed is simply a method by which people who are now bankrupt and poverty ridden in small towns in many parts of the United States can go back to work in small mines. Not one cent can be obtained under this program unless less than 3,000 tons a year is produced, 1,500 of lead and 1,500 of zinc.

Mr. CARROLL. I may say to the Senator from Oklahoma that I had no idea I would speak at this length, but I wanted to talk about Colorado. The Senator from Oklahoma is really an expert in this field, but I wanted to make a little observation about our mines.

What is proposed is a subsidy, I admit it. I even say that it should have been done years ago.

Mr. President, now I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I concur in the statement made by the Senator from Missouri about the relationship of the amendment to the stockpile. The Senator from Missouri has not made the statement, but the bill contains a provision that the subsidy shall not be given if the Government buys either the lead or the zinc. But there is the relationship that the President of the United States has expressed his horror of a stockpile containing more than $8 billion worth of minerals. He has said the stockpile must be liquidated.

But under this provision of the bill, we propose to begin to produce lead and zinc. True, the quantity will not be large. But I cannot see how, on the one hand, we can complain that we have too much and should liquidate it, while on the other hand, we say that the mines should be opened up, and that every worker on lead will be subsidized in the sum of $3,750, and for every worker on zinc, in the sum of $1,650. I cannot see sound fiscal policy in such a program.

My approach may be antiquated; but if we are to subsidize lead and zinc, what shall we do about machine tools and ceramics and glass? Where shall we stop? More is involved in the small mines, not of 3,000 tons per mine, as the Senator from Missouri has stated, but 1,500 tons per mine. It is the principle

that is important, and the question is, Where shall we end?

If the figures as I have recited them are wrong, namely, that we will be subsidizing at the rate of $3,750 per man, if the mine produces 1,500 tons on the basis of today's market, I wish some Senator would point it out.

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

Mr. LAUSCHE. I yield.

Mr. SYMINGTON. The total is 3,000 tons—1,500 tons for lead, and 1,500 tons for zinc.

Mr. LAUSCHE. I have applied 1,500 tons to lead and 1,500 tons to zinc.

Mr. CARROLL. Mr. President, the figures cited by the Senator from Ohio are a little high, with reference to the subsidy per miner but he is entitled to his opinion. I think he raises a good question. When industries in this Nation are destroyed by the influx of goods and materials, what shall we do about it? That is a good question.

I apologize to the able Senator from Oklahoma for speaking at such length, because I wish to listen to his presentation. I know he will explain the stockpile program and how the procurement will work.

Mr. MONRONEY. Mr. President, I thank the Senator from Colorado, who has done so much to help to clarify the situation.

Let me repeat, again and again and again, that the bill has not one thing to do with stockpiling. We are not buying lead and zinc for the stockpile and have not for some time. True, we have brought much lead and zinc into the United States, as we have sold our wheat abroad, at a subsidized price, in a barter exchange for lead and zinc from other countries. It may be true that we could, perhaps, by adopting the amendment, dispose of an infinitesimal amount of lead and zinc in the stockpile. We could also drive the country into a depression if we suddenly dumped the minerals we have in the stockpile. Of course, we hope to dispose of some of these items in an orderly way; but the result of our barter program with respect to farm surpluses under Public Law 480 has built up a great portion of the surpluses in the stockpile.

This has been a part of the foreign aid program. Perhaps it is a necessary part, but we ought to try to ameliorate the damage which the oversupply of lead and zinc causes on the domestic market today.

The Senator from Delaware [Mr. WILLIAMS] and the Senator from Ohio [Mr. LAUSCHE] well know that the bill does not authorize the Government to buy a single pound of these materials.

If this program should be killed, we shall be stockpiling human beings who are most anxious to go to work and make an honest dollar. That is the purpose of the appropriation. It is the result of a bill which was carefully discussed, passed by both Houses of Congress, and signed by the President on October 3, 1961. It relates only to small independent producers, because the "big boys" are operating in Peru, in Chile, and in Turkey, and elsewhere throughout the world, in veins which are thick, with machinery that is new, and with labor which is cheap. Foreign imports have knocked the price down to 9½ cents a pound on lead, and to a correspondingly low price on zinc. They do not care whether the mines in the United States operate. Only one-third of the lead and zinc that can be produced in the United States is now being produced. If the production of small mines does not go into the market, it will only increase imports from other countries. Certainly I should like to see them find a market and to help them merchandise their ore here, but not at a time when a combination of low prices and a world surplus has closed every Oklahoma mine in the great tristate area.

Not a miner has been working for several years. The hard-rock miners are awfully hard to convert into airplane mechanics or textile workers. I can tell Senators that. Of course, their sons may move away and do well. Mickey Mantle, the son of a lead and zinc miner, is doing very well; but the miners in the family have been unemployed.

Mr. SYMINGTON. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield to the Senator from Missouri.

Mr. SYMINGTON. The basic reason lead and zinc miners are not working is that large corporations are consistently sending into the United States tens of thousands of tons of lead and zinc now being used in the industrial operation of this country. Is that not correct?

Mr. MONRONEY. That is correct. Where once we produced 60 percent of our needs in lead and zinc, today we produce only about one-third of our consumption of lead and zinc.

We are trying to keep a few of these mines in the United States alive, even though we have to subsidize them to the extent of a few pennies a pound on a small quantity of lead or zinc, the price of which has been driven down by imported supplies. The Tariff Commission has countless times recommended action to increase tariffs, but no such action has been taken.

Dozens of small mines in my State would benefit from this provision; and it is estimated that about 500 small mines in 20 States would be benefited. The mines to be benefited by this measure must be small mines, because by the terms of this provision they are ineligible if they produced in the base year more than 3,000 tons of lead and zinc, combined, and that means a very small mine operation.

But certainly this provision would raise the hopes of small miners in Colorado and in Missouri, as the Senators from those States well know. Furthermore, unemployment among these miners is today so great that the towns where most of them are living are becoming ghost towns.

When we passed the act, it immediately brought hope that, somehow, we would keep alive production by the small mines. For calendar year 1962, $4,880,000 has already been approved by both Houses in the supplemental appropriation bill, which now is in conference; and I find it strange that only at this late date is this amendment offered. Of course, none of us can change the item contained in the supplemental bill, because that bill is now in conference.

The funds provided by this item in the pending bill would be for the last half of the fiscal year 1963, to put the program on a fiscal year basis.

It is true, as the distinguished senior Senator from Delaware has said, that no part of these funds has yet been spent; but the miners, now that Congress has three times approved their program to keep alive this small segment of the mining industry, have proceeded on their own—knowing that the bill has been passed by both Houses—to resume work. In one county in Oklahoma more than 300 miners already are at work draining the water, repairing the underground road network, the lifts, and so forth. At least 50 more are at work repairing and reopening the central mill to process and clean the ore. The miners are doing so either without pay or with a promise of deferred pay. But they are at work reconditioning the mines. Without that work, the water would rise and destroy the mines. So the miners are proceeding to get production operations moving. The entire area is taking on hope. The 50 men reopening the central mill—and it is only an example—are making it available again to process and clean the ore. These are small business men. They work with their hands, while wearing aluminum helmets, swinging sharp picks deep underground, digging thin veins of ore, in the hope of reviving the vital tri-State mining area. It seems to me that to eliminate this item now, after they have had their hopes raised, would be tragic, indeed. Now to say to them, "Congress was just kidding you; either Congress did not know what it was doing, or it was just playing fast and loose with your hopes to eliminate unemployment," would be one of the worst things we could possibly do.

Mr. PASTORE. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Oklahoma yield to the Senator from Rhode Island?

Mr. MONRONEY. I yield.

Mr. PASTORE. I regret that I was not in the Chamber when the distinguished Senator from Oklahoma commenced his remarks. However, apart from what this item means to the individual workers who would be affected by it, will the Senator from Oklahoma state, if he has not already done so, the effect on the national interest if this aid were not forthcoming?

Mr. MONRONEY. I shall be glad to do so. As I have said, traditionally the United States has produced about one-half of its lead and zinc needs. But today that percentage has decreased to about 30 to 40 percent. Once the mines are closed and filled with water, if the water is not soon pumped out again, the ores deep underground, in the hard-rock caverns, disintegrate, the tunnels fall in, and great natural resources are lost.

Furthermore—and this is fundamental and axiomatic in connection with minerals—if a domestic supply is not available, finally we have to pay "through

the nose" for foreign supplies because of a lack of available domestic production at a reasonable price. If we become entirely dependent upon oversea supplies, we have no way of keeping the price at a reasonable level.

In this one county, where more than 350 miners have now started work, the projection for the end of the year is 500 miners and 125 working in the central mill. Next year the number will be between 800 and 1,000.

Congress has passed many bills for the purpose of giving aid to depressed areas, and has provided for retraining, and for various programs in that connection. However, all that the people in this area are requesting is an opportunity to fight their way back to prosperity. By this means we could obtain only minimum production. But this would enable the miners to resume work, and the wheels would begin to turn again in mining counties. This appropriation would be much cheaper than a retraining program provided as a subsidy by the government.

The miners want to work. The total investment in the new materials needed for reopening the mines—and not a penny will be spent in this connection by the Federal Government, but reliance will be upon the action already taken by Congress—exceeds one-quarter of a million dollars. Although none of the funds provided by the supplemental bill have yet been spent, many of the workers have placed mortgages on their houses or on their automobiles, and many of their relatives have done likewise, because they wish to have the mines ready for production when the appropriation finally is available.

The act provides for a beginning on January 1, 1962; so when we pass this item and when the money from the supplemental bill—which already has been passed—becomes available, funds will be available for the benefit of these small businessmen. If they were huge corporations, perhaps expenditures by them could be charged off as tax losses. However, they have no profits against which to charge them, but only the unemployment checks which they have been receiving for years.

Now they wish to go to work. They are habitually unemployed, and will continue to be, unless something is done by Congress to fulfill the pledge it made.

This item was authorized by Congress in the act of October 3, 1961. As a result of the work already done in the mines, the allied industries have been greatly benefited; and many of the firms in the East have already found new business in terms of the sale of tractors, diesel trucks, dump trucks, lifts, and pumps—and also including the sale of blasting powder manufactured by the Du Pont Co. in Delaware. So the result has been a chain reaction in terms of more business, some of it in the metropolitan centers.

We have tried to have this measure result in increased employment, and Congress has already passed several bills aimed at the rehabilitation of those affected in the various pockets of continuing unemployment. This measure would relieve only a small percentage of those who are unemployed; but it would also aid in the production of vital minerals, and thus would make it possible to keep alive a production base which would help protect us from the foreign exploitation which would occur if we did not have a domestic supply. In every war—World War I, World War II, and the Korean war—the mines have been reopened, in order to give us the necessary supplies of these vital materials.

The amount authorized for the fiscal year 1963 is $4,900,000, of which $4,500,000 will go directly to the small producers. But we are now asking for only one-half of this amount to be made available for this operation for the last half of fiscal year 1963.

The proposal is based on actual sales by small producers to smelters or other processors. No mine that has produced over 3,000 tons a year of lead and zinc combined is eligible. No mine that was not operating from 1956 to 1961 is eligible. They will be carefully checked as to their ownership, to be sure that only owners of the mines will be eligible to market this ore with the subsidy provision. Thus, it would require administrative action to determine the facts.

The records show that from 1956 to 1961, the base period, some 574 units were producing less than 3,000 tons of lead and zinc combined.

I point out to my distinguished colleague from Ohio that if one of these mines producing less than 3,000 tons, combined, a year produced only 2,000 tons in the base period, that figure would be the basis. The bill provides no windfall even for small producers.

This is not a stockpiling operation. It has to do only with the production of new metal that will move into the market, and it will give U.S. producers an opportunity to supply the lead and zinc this country and the Government must have.

If the proposal is killed, if the mines are left closed, we will not be helping the stockpile. It will still be there. We will only help the big corporations which have the metals that are mined in Peru and other Latin American countries and shipped into this country, and make us dependent on oversea supplies.

The provision is self-liquidating with respect to the volume of work which would be provided, and from which we would benefit.

A downward sliding scale would be provided. This is not permanent legislation. In 1962 it would provide a subsidy to American producers on up to 3,000 tons, combined, of lead and zinc. In 1963, the subsidy would be received only on 2,400 tons, combined, of lead and zinc. In 1964 it would be on 1,800 tons, combined, of lead and zinc. In 1965, it would be on 1,200 tons, combined, of lead and zinc.

This gives us an opportunity to keep domestic mines alive and provide an opportunity to idle men to be put to work, rather than be dependent on unemployment checks.

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

Mr. MONRONEY. I yield.

Mr. CARLSON. I join in the remarks which the distinguished Senator from Oklahoma has made. I think he has presented, in a factual way, the reasons why we should provide funds and implement the purposes of the law enacted on October 3, 1961, Public Law 87-347. If we do not do so, we shall not keep faith with those for whose interest this legislation was enacted.

I sincerely hope that the amendment proposed by the Senator from Delaware [Mr. WILLIAMS] and the Senator from Ohio [Mr. LAUSCHE] will be defeated. If we had defeated the proposed legislation in 1961, there might have been some justification for going to the people and saying, "We did not pass the legislation, so there is no need for providing funds." But we did pass the legislation, and since the passage of the original act, as the Senator from Oklahoma has pointed out, the people involved have rebuilt their plants and are ready to start operating in anticipation of funds being provided. They had a right to do so. I hope the Senate will not adopt the pending amendment.

I thank the Senator from Oklahoma for yielding to me and commend him for the statement he has made, with which I concur.

Mr. MONRONEY. I thank the Senator from Kansas.

It is true that much hard work has been done in reconditioning the mines as a result of passage of the authorization act. Moreover, since early this year an amount of $4,880,000 has been appropriated for the full calendar year 1962. There was no challenge of the funds provided. The producers went to work. They are ready to produce the metals. It seems to me it is too late to pull the rug out from under those who have waited for years to produce the metals so vitally needed.

Mr. ALLOTT. Mr. President, first of all, I compliment the Senator from Oklahoma on a very excellent statement, particularly with respect to delineating the areas and fields which these funds would cover. He has described them very well and accurately; and in describing them has made a strong case for the implementation of the legislation by the appropriation of funds.

I also listened with great interest and approbation to the remarks of the distinguished senior Senator from West Virginia, who by his cosponsorship of the Synthetic Liquid Fuels Act, and in many other ways, has shown his interest in this essential problem of preservation and development of our natural resources.

I propose to discuss two or three aspects of this question, and I shall not speak at great length, but I wish to begin by saying, as has been repeated over and over on the floor, that this measure has nothing to do with stockpiling.

It was stated on the floor a while ago by the distinguished Senator from Ohio, I believe, that approximately 1,200,000 tons of lead were in the stockpile, but that the need was slightly in excess of 276,000 tons. His figures are accurate, but they paint a completely false picture of the situation. For example, while there are 1,200,000 tons of lead in the stockpile—if that was the figure he used—the annual consumption of lead in

the United States for the year 1961 is estimated by the Bureau of Mines, according to its document for 1962 on this subject, to be 1,018,000 tons.

The use of lead in the United States has constantly decreased from 1,213,000 tons in 1955 to 1,018,000 tons in 1961. One of the great reasons for that is that polyethylene and aluminum sheathings have replaced lead sheathings for communication cables. So in spite of what our opponents complain of as the amount in the stockpile, we have only 1 year's supply of lead for the United States.

I wish to analyze the figures a little further. In 1955 the United States mined 338,000 tons of lead. The figure increased to 353,000 tons in 1956, and gradually dribbled down to 260,000 tons in 1961. So there has been a decrease in 7 years from 338,000 tons in 1955 to 260,000 tons in 1961.

In 1961 the amount of lead mined in the United States was only 21 percent of the amount of lead used in this country.

Now let us take a look at the zinc picture. In the field of zinc we find that the production of zinc dropped from 515,000 tons in 1955 to 425,000 tons in 1959. It went up to 435,000 tons in 1960, and up to 467,000 tons in 1961. Consumption was 900,000 tons.

Further considering the problems of lead, let us take another look at the countries from which it comes. Twenty-one percent comes from Mexico. Twenty-one percent comes from Australia. Seventeen percent comes from Peru. Fourteen percent comes from Canada. Eight percent comes from Yugoslavia. Nine percent comes from the Republic of South Africa. All other imports total 10 percent.

What is actually happening over the years in respect to both commodities? Using rough figures, it can be said that the picture in the United States is that we mine one-third, we recover one-third, and we import one-third.

What about the lead and zinc that comes into this country? This is a pitiful and pathetic story about an American industry which should be shouted from the housetops. Three times during the past 6 years the lead and zinc industry has gone to the Tariff Commission for relief. Never has the relief requested under the peril point and escape clause of our tariff laws been granted.

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

Mr. ALLOTT. I yield.

Mr. MONRONEY. If I am correct in my understanding, I believe the Senator means that the Tariff Commission found for the industry, but the President did not act.

Mr. ALLOTT. The Tariff Commission has not always found for the industry.

Mr. MONRONEY. There were several unanimous decisions for relief, however, were there not?

Mr. ALLOTT. Yes. The last time the Tariff Commission acted, and the President did not follow its recommendations.

Let us consider imported lead, because it represents a pitiful and pathetic tale of what has been done to America.

The present market price for lead in New York is 9½ cents a pound. The present market price for zinc is 12 cents a pound. If we add those together, we get 21½ cents a pound as the combined price of lead and zinc.

In most instances, although not always, lead and zinc are taken from the same mine. Testimony which has been repeatedly given before the Committee on Interior and Insular Affairs of the Senate shows that 21½ cents a pound is at least 9 cents a pound less than the cost of producing lead and zinc as a combined product in the United States. In other words, in the United States lead and zinc cannot be produced profitably for less than 30, 31, or 31½ cents a pound.

Why is this the case? There is one basic reason. The explanation is the cheap labor market which exists in foreign countries.

The industry has gradually declined year after year.

I ask unanimous consent to have printed in the RECORD at this point a document prepared for me, which shows the production of lead and zinc in Colorado. It gives a graphic illustration for the lead and zinc industry of that State from 1948 to 1960. It shows that the number of mines has decreased from 159 to 50. It shows that the number of tons of lead produced has decreased from 25,143 to 18,080. It shows that the value of lead produced has gone down from approximately $9 million to $4,230,720. It shows that the value of zinc produced has gone down from $12 to $8 million.

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

Production of lead and zinc in Colorado

Year	Number of mines estimated by U.S. Bureau of Mines	Tons of material treated	Tons of lead produced	Tons of zinc produced	Value of lead produced	Value of zinc produced	Average price of lead	Average price of zinc
							Cents	*Cents*
1948	159	692,991	25,143	45,164	$9,001,194	$12,013,624	17.9	13.3
1949	151	584,193	26,853	47,703	8,485,548	11,830,344	15.8	12.4
1950	124	796,269	27,007	45,776	7,291,890	13,000,384	13.5	14.2
1951	116	1,167,507	30,336	55,714	10,496,256	20,279,896	17.3	18.2
1952	109	1,132,014	30,066	53,203	9,681,252	17,663,396	16.1	16.6
1953	57	906,321	21,754	37,809	5,699,548	8,696,070	13.1	11.5
1954	67	721,860	17,823	35,150	4,883,502	7,592,400	13.7	10.8
1955	72	708,907	15,805	35,350	4,709,890	8,696,100	14.9	12.3
1956	72	995,487	19,856	40,246	6,234,784	11,027,404	15.7	13.7
1957	55	948,128	21,003	47,000	6,006,858	10,904,000	14.3	11.6
1958	37	750,930	14,112	37,132	3,302,208	7,574,928	11.7	10.2
1959	27	671,699	12,907	35,388	2,968,610	8,139,240	11.5	11.5
1960	50	745,271	18,080	31,278	4,230,720	8,069,724	11.7	12.9

Mr. ALLOTT. Mr. President, I have in my files similar documents with respect to every other State which produces lead and zinc. If it were not that it would encumber the RECORD, I would make them all a part of the RECORD. I am willing to supply them to any Senator who requests them, and they will be available for information.

For the State of Colorado the table gives a graphic description of what has happened.

I see the Senator from Rhode Island [Mr. PASTORE] is in the Chamber. I should like to have his attention. A while ago the Senator from Rhode Island directed an inquiry to the distinguished Senator from Oklahoma concerning the national-interest implications of this proposal. I should like to attempt to answer the Senator's question.

Mr. PASTORE. I should appreciate it, because I think Senators are very much interested in what the proposal means to the national welfare and to the security of the country, and what it would mean in case of an emergency, if the mines were closed and could not be reopened.

Mr. ALLOTT. I heard the Senator's question. It intrigued me when he addressed the question to the Senator from Oklahoma. I should like to attempt at least, to answer it.

I have already pointed out that the amount in the stockpile—which cannot be put on the market without the consent of Congress—is, according to the figures of the distinguished Senator from Ohio, approximately 1.2 million tons. This represents about a year's consumption of lead. As I pointed out a few minutes ago, the estimated consumption of lead in the United States last year was 1,018,000 tons, a little less than consumption has been in the past. Roughly, the same figures apply to zinc.

The point is that even if the lead were released from the stockpile, which could only be done by act of Congress, the lead released would supply this country for only 1 year.

There are some who today believe implicitly that if we are to be engaged in any war we are to be engaged in an all-out pushbutton war which will be over in a few minutes. The senior Senator

from Colorado does not so believe. We are all entitled to our own judgments. This problem involves the question of military logistics.

Those of us who saw the oil tankers burning off Miami during the last World War cannot forget it. If we ever get into any protracted type of conventional or semiconventional war we shall be up against the same things we were up against previously. We paid through our noses for every metal we obtained; manganese, lead, zinc, fluorspar, and many other metals.

From the standpoint of the national interest, at best we have a 1-year supply in the stockpile. From the standpoint of the national interest, this supply is not too much to have on hand, when we may face a protracted conflict. A protracted conflict is not out of the question, even with all our nuclear instruments of war.

The second point I wish to make is the point made by the Senator from Oklahoma, which I thought was a very cogent one. In the majority of instances, when a mine is closed it is ruined. The expense of reopening the mine is so great that the mine may be lost forever. Therefore, closing the mine and keeping it closed for any length of time may cause the loss of a great natural wealth. This is true of lead mining. It is true of zinc mining. It is true of many other kinds of mining.

There is a third and very great and potent reason why the interests of this country demand that we keep this industry on its feet. This concerns the know-how of mining. A hard rock miner is not made in a day, or in a year, or even in 3 or 4 years. A hard rock miner is made from years of experience.

We have observed the effect of 2 or 3 years of closing mines. If we do not do something to help this industry we shall soon lose the know-how of mining. It will be impossible to reopen the mines, because it will be impossible to find those with the know-how to mine these metals. The problem is that simple.

In summary, from the standpoint of national interest and national consumption, the so-called overhang of surplus factor is insignificant.

What we would have to pay if we were forced to import these metals during a period of crisis, makes the proposed program a necessity.

Second, we face the prospect of losing many of our mines.

Third, we face the prospect of losing the know-how of mining.

I say to the distinguished Senator from Rhode Island that those are the reasons why I believe the country has a great national interest in the program.

I point out that in Colorado most of our mines are closed. Among them are the Eagle mine of the New Jersey Zinc Co. at Gilman, the Treasury Tunnel-Black Bear-Smuggler Union group in San Miguel County, owned by Idarado Mining Co., the Emperius Mining Co. of Creede, Mineral County, the Rico Argentine Mining Co., at Rico, Dolores County. The Standard Metals Corp. has just established a large zinc ore mine reserve at Silverton in San Juan County. Believe it or not, those companies cannot open their mines and produce the wealth of our country because cheap labor abroad has so depressed the price that they cannot compete. We have great wealth-producing assets in our country which are idle because we cannot afford to produce the wealth.

For a moment I should like to speak about what the importation of lead and zinc does.

Reference was made by a Senator a while ago to the lead and zinc smelter at Leadville, Colo. That has been one of the great industrial plants of the central portion of our State for many years. What I am about to say is hard to believe. The price of lead has been so far depressed that for the past 4 or 5 years the lead and zinc facilities at Leadville have been operated on lead and zinc ore transported from Mexico, across the Rio Grande, 10,500 feet into the air at Leadville, Colo., where the smelting takes place. It is impossible to imagine a more uneconomic operation in terms of common ordinary horsesense. Yet that is what has happened. Today the lead-zinc smelter at Leadville is closed. It is being dismantled. It is significant to note that what lead and zinc is mined in Colorado today goes down to El Paso, Tex. So far as I know, there is no production of lead and zinc in Texas in any significant quantity. Why is that smelter located in El Paso? The lead and zinc smelter is there for only one reason, and that reason is the cheap labor available for lead and zinc imported from Mexico.

There are other ways in which I would like to have attempted to resolve this problem, but they were not available to use. We were turned down again and again. The distinguished former Secretary of the Interior, Fred Seaton, offered to the Congress two different ways of handling the problem, and the Congress turned both of them down. The first suggestion was an import excise tax. Congress would not accept that idea. Then the Secretary offered a tariff bill. Congress would not accept that solution.

So today the method embodied in the bill is the only way that I know of to try to keep an industry alive, unless we should adopt the tariff or the quota routes, which Congress has refused to do. The proposal is the only way to keep alive an industry whose very livelihood affects the vitality of America. It would not take long during a period of war and crisis to deplete all the stocks we have in our stockpile in this country. If we are to protect the national interests of our country, from the standpoint of availability and price, the destruction of our own natural resources, and keeping available the know-how of mining, we must adopt the suggested program. As the Senator from Oklahoma has ably pointed out, in effect, we have promised the people this program. The Senate passed an appropriation bill earlier this year. The Senate should pass the measure again and reject the amendment which has been offered.

Mr. KERR. Mr. President, I associate myself with the remarks of my colleague [Mr. MONRONEY] in opposition to the Williams amendment. I also wish to congratulate the two distinguished Senators from Colorado for their very able presentations on the questions involved. I am not surprised at the opposition to the very modest provision in the pending bill—a little over $2 million—which is intended to carry the program through the second half of the fiscal year 1963. The opposition has been addressed principally to criticism of the stockpile. The program which would be aided by the appropriation contributes nothing to the stockpile. The production which would be the basis for the limited production payments made possible by the appropriation must go into the market and be sold in the market in order to make the producer eligible for the benefits of the bill and the appropriation. The production would not compete with the stockpile. It would compete with imports. The producers are the smallest of those who compete for a part of the domestic market. As it is now, the only American producers who can compete with importation of lead and zinc from foreign countries are the big producers. They would receive nothing from the bill.

The program represents the survival of a limited number of small producers, in the hope that the day will come when the domestic market will not be so heavily burdened with low-cost foreign production that they can survive in this great country by providing a very limited percentage of the lead and zinc used in this great economy, without having to be kept alive with a transfusion of production payments. The fact is incontestible and uncontested that without the appropriation, the group of small producers will be pushed over the precipice into bankruptcy and out of business. After having twice passed the authorizing legislation for the program, and after having very wisely provided the money to start the program in the last half of the fiscal year 1962 and the first half of the fiscal year 1963, I do not believe that the Senate will now abandon that small group of domestic producers in a manner that would result in economic destruction and oblivion.

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. LAUSCHE. Mr. President, I shall be very brief in stating my reasons for supporting the amendment, of which the Senator from Delaware and I are sponsors.

First, the records clearly show that there is a great excess of lead and zinc in our stockpile. The figures as of June 11 show that we had 1,302,000 tons of lead, at a time when the strategic requirements called for 287,000 tons. The supply is three and a half times more than we need.

With regard to zinc, as of June 11 we had on hand 1,580,000 tons. The objective for strategic purposes was 178,000 tons. Thus, the supply is eight times the need.

We have a vast stockpile of minerals. Minerals are running out of our ears. I spoke with the representative of the General Services Administration, and those are the terms he used—"Zinc and lead are running out of our ears."

By the pending bill we contemplate encouraging the mining of more lead and zinc. We cannot reconcile those two facts. In the bill a limitation is placed on the amount that may be expended annually to subsidize the producers. To begin with, the amount authorized is not adequate to care for the demands that will be made.

Four million five hundred thousand dollars per year would never take care of the demands. Supplemental aid would be asked for. I document that statement by the testimony in the hearings, in which the expert witness said that $6 million at least would be needed.

What is the subsidy? I want the newspapers of Ohio to carry this story back to my State: $3,750 per worker would be paid to keep the mines open for the mining of lead; $1,750 per man to keep the mines open for the mining of zinc. That is a rather significant sum of money. I cannot subscribe to the proposal.

I have a further reason. If we establish a precedent with respect to lead and zinc mines, where are we to stop? I heard the Senator from Rhode Island [Mr. PASTORE] say at one time that there ought to be a subsidy for textiles—or perhaps it was for watches. If we are to subsidize zinc mines and lead mines and fluorspar mines, how long will it be before Ohio industrialists will say we should subsidize the machine tool industry, the bicycle manufacturing industry, and possibly the baseball glove industry? Where shall we stop?

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

Mr. LAUSCHE. I yield for a question.

Mr. PASTORE. It will have to be for an observation. The Senator from Ohio referred to what he said was the position of the Senator from Rhode Island. I have never said that we should subsidize the textile industry; nor has the textile industry asked for a subsidy.

Mr. LAUSCHE. I am very glad to hear that.

Mr. PASTORE. All we asked for was that there be a limitation on the importation, which was crucifying the textile industry.

Mr. LAUSCHE. That gives strength to the argument I am making. If we are to subsidize the lead and zinc industry, I ask, What answer shall we give to the other industries of the country which become affected and which are not able to compete?

I have the deepest respect for the integrity of the several Senators who have spoken. I know that their basis was genuine. They want to help the people within their States. I am of the belief that what we are doing eventually will kill the goose that has laid the golden egg. We cannot continue in this way without eventually destroying the system under which we live and have thrived so richly.

That is all I have to say on this measure. I have a deep conviction that my approach is sound. By that statement I am not casting any reflections upon the position taken by other Senators who have spoken on this subject.

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

Mr. LAUSCHE. I yield.

Mr. MUSKIE. I wish to ask a question or two with respect to the figures the Senator has used. As I understood the Senator, he said that this would mean a subsidy of $3,750 per man in one of the two industries. Was it lead or zinc?

Mr. LAUSCHE. Lead.

Mr. MUSKIE. I wonder if the Senator would explain how he arrived at that figure. I am particularly interested in knowing the total number of employees the Senator believes to be involved.

Mr. LAUSCHE. To begin with, 2 years ago, in a colloquy with the Senator from Colorado, I asked him how many employees were required to mine 2,000 tons of lead. He said 8. I calculated what the cost per man would be with 8 employees, and it ran to $10,000 or more. Then hurriedly messengers were sent out to obtain figures that were supposed to be accurate. It was found that instead of 8, the number was 30 men—30 workers were needed to mine 2,000 tons of lead. In the pending bill 1,500 tons are involved, or three-quarters of 2,000. So, if it required 40 men to mine 2,000 tons, it would take 30 men to mine 1,500 tons. That is the base from which I began. Let me give the Senator the base figures. The price declared in the bill for lead is 14½ cents. As of last Friday, I believe, lead was selling at 9½ cents a pound. That leaves a difference of 5 cents. The subsidy is 75 percent of the difference.

That means that the subsidy is 3¾ cents a pound. There are 2,000 pounds to a ton to be subsidized. That amounts to more than $5 a ton. The maximum for which payment can be made is 1,500 tons. One thousand five hundred tons multiplied by 75 gives a figure of $112,500. Thirty workers would be employed, which means that the cost would be $3,750 per man.

Those figures cannot be disputed. I repeat that that type of subsidy cannot be justified. I should like to have the newspapermen let the people of Ohio know about this.

Mr. MUSKIE. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield to the Senator from Maine.

Mr. MUSKIE. Does the Senator have any figure on the total employment in the mines?

Mr. LAUSCHE. I shall show the Senator how this information developed in the hearings. The situation is very startling. The fear was expressed that some Senator, on the floor of the Senate, might begin to point out the abnormal cost. Assuming the figures to be correct, this is how the question about the excessive cost was answered in the hearings.

One witness said:

> Now, it would seem to me we have to justify, if we can, and I am sure we can, that we are doing this not only for employment.

In the hearings, reasons were sought which would support this figure. Then the witness said:

> We are doing this not only for production. But we are doing this for the purpose of holding mines in a system and a standby for national defense and conservation. And while you are doing it, you can show how you can enrich the economy at the same time.

With respect to the figures, the testimony shows the following:

> If there are 215 mines that will be reached by this bill, and if those mines are only 8 percent of the total production, and then, if we are going to put in about $5 million subsidy to those mines alone, and then the further "if," if we have about 20 men to a mine, or some 44,000 people—

I believe that figure should be 4,400—

> this is one of the arguments they make on the floor. They show a huge subsidy of $5 million going to a very small group with a very small percentage of production.

Mr. MUSKIE. The Senator from Ohio used the figure "$4,500,000" a year for operation, and this would amount to $100 a man.

Mr. LAUSCHE. It would amount to $1,000.

Mr. MUSKIE. The amount is $4,500,000 for 4,400 men.

Mr. LAUSCHE. That is the very point I am making. The money now proposed to be authorized would prove to be grossly inadequate to take care of the responsibility.

The program has been established on one basis, but the Committee on Finance has limited the amount to $4,500,000. The point I make is that the amount of money is not adequate. The amount which can now be paid is limited. The bill does not provide enough money.

I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, the argument has been made that the proposed subsidy for lead and zinc has no connection with the stockpile program. I disagree completely with the reasoning behind that argument. The purpose of the whole stockpile program as outlined in the legislation which Congress passed was—to assure the Nation of sources of vital metals in time of emergency or war. There is not a Senator who will dispute the fact that the stockpile program originally was started to assure the Nation's source of vital metals in time of emergency or war. That fact was recognized by all.

Now, what did the committee report on the bill authorizing this lead and zinc subsidy give last year as a reason for its adoption? I quote:

> Conserve domestic reserves of lead and zinc in order to assure the Nation's source of these vital metals in time of emergency or war.

In presenting both programs the same argument was used.

As the Senator from Ohio has pointed out, as a result of our original stockpiling we have accumulated 3½ times as much lead as is needed and 8 times as much zinc as is needed. The President of the United States has charged that this excessive accumulation of metals and minerals in the stockpiles represents a national scandal. Upon the request of the President the Senator from Missouri has begun an investigation as to past procurement policies. Here is a chance to correct the condition.

I have already quoted from the committee report on the bill as reported to the Senate. I quote again from page 3 of the committee report on H.R. 84:

The purpose of H.R. 84 is to stabilize the mining of lead and zinc by small producers and, at the same time, conserve domestic reserves of lead and zinc in order to assure the Nation's source of these vital metals in time of emergency or war.

Yes, that statement was made in justification of the subsidy program, and it is in substance the same as the statement made to justify the original stockpile program. Let us stop deluding ourselves. This subsidy program is a part of the stockpile discussion. It is impossible to criticize one and defend the other.

Under this proposal lead and zinc would not be added to our national stockpile inventories. That is true. But to the extent we subsidize expanded production of these minerals we increase supply and hinder our liquidation program. Appropriating millions for this subsidy program is in direct contradiction of the President's proposal that a start be made to reduce the excessive inventory of the stockpile. On that point I do not believe there can be any argument.

The Department of the Interior, in a letter signed by John M. Kelly, Assistant Secretary of the Interior, dated July 21, 1961, opposed the enactment of the bill.

President Eisenhower in 1960 vetoed a bill proposing a subsidy for lead and zinc in the manner as provided in the bill signed last year by President Kennedy.

Under date of September 19, 1961, when the bill was originally passed, I received a letter from Frank B. Ellis, Director of the Office of Defense and Civilian Mobilization. I had asked Mr. Ellis whether there was any justification for the lead and zinc subsidy program in the interest of national defense. I read from the reply by Mr. Ellis:

This has reference to your letter of August 29, 1961, in which you ask six questions on lead and zinc and on S. 1747, which has been reported by the Senate Committee on Interior and Insular Affairs.

The replies to your questions are:

1. In view of the status of our present inventories of lead and zinc we would have no defense justification for recommending the enactment of S. 1747.

Earlier today I placed in the RECORD a letter from the Department of the Interior; and in it Secretary Udall says that no commitments have been made and no commitments will be made until the money is available. So this amendment does not involve any reneging on contractual obligations. Regardless of whether I favor or oppose such a provision, I recognize that once a commitment is made we are obligated to provide the necessary funds. But in the letter the Secretary of the Interior states that no commitments have been made and none will be made until the money is made available.

So as we prepare to vote on this amendment I think we should ask ourselves whether we believe in and concur in the President's statement that an orderly liquidation of some of the metals placed in the strategic stockpile should begin at this time so as to decrease the $8 billion stockpile, or whether we wish to have more production and thus aggravate the existing stockpile situation by building up additional inventories.

Some opponents to our amendment have expressed horror at the thought that anyone would suggest that we begin to liquidate the stockpile of these strategic minerals, and references have been made to the great unemployment problem which would be created and the great disruption of the market which would be caused. But I point out that I was only quoting what President Kennedy himself said when he recommended that between $3 billion and $3,500,000,000 worth of strategic minerals in our stockpile be liquidated in view of the fact that we have no need for them. Are they accusing their President of trying to create unemployment?

Senators who do not wish to have these inventories liquidated should frankly say so and should not stick their tongues in their cheeks and say to the taxpayers, "We want to liquidate these national stockpiles, and we agree with the President that we have 8 or 10 times as much in the stockpiles as we need. Yes, we express very great concern over the cost, but by our votes we will arrange to have more of these minerals purchased for the stockpile."

In short, Mr. President, Senators should be realistic. Of course, some market conditions will be disrupted if liquidation of the stockpiles is begun. The Senator from Missouri himself said he recommended getting rid of some of the materials in the stockpiles for which we have no need by using some of the materials in connection with the Government's contracts. Certainly that would likewise disrupt market conditions to some extent.

No one is proposing that all the materials be dumped on the market at one time; that would create chaos, both domestically and internationally. But we must make a start or we will never liquidate the excessive stockpile inventories. The market will be affected to a certain degree, but there is no alternative. If we are unwilling to face this problem and to deal with it, even at the expense of having some effect on market conditions, then let us stop talking about it. Without excusing the President of his responsibility, the Senate should frankly admit that this situation has been largely brought about by Congress itself. After all, every dime spent on the stockpiling program has been spent as a result of action taken by Congress. So Senators should not talk about how horrified they are over what has been done, for whatever was done was as a result of congressional action.

I believe the Senate is ready to vote on the question of the adoption of this amendment. I realize that this item relates to an amount of less than $3 million, but the principle involved is most important. Unless Senators are willing to vote to put a stop to this mineral subsidy program they should stop criticizing the excessive cost. As the Senator from Ohio [Mr. LAUSCHE] has pointed out, hundreds of millions of dollars are invested in the stockpiles of metals which we do not need. So the question is whether Senators desire to cut down on these unneeded supplies or whether they wish to continue to provide subsidies for expanded production. That question will be answered by the votes which Senators cast on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], on behalf of himself and the Senator from Ohio [Mr. LAUSCHE], to strike out, on page 20, lines 19 through 23.

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

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

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

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Michigan [Mr. MCNAMARA] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Virginia would vote "yea."

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Florida [Mr. HOLLAND], and the Senator from Wyoming [Mr. HICKEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

If present and voting, the Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON], and the Senator from Texas [Mr. TOWER], would each vote "yea."

The result was announced—yeas 36, nays 52, as follows:

[No. 88 Leg.]

YEAS—36

Beall	Ervin	Murphy
Boggs	Fong	Pastore
Bush	Goldwater	Pell
Butler	Hickenlooper	Prouty
Capehart	Hruska	Russell
Case, S. Dak.	Javits	Saltonstall
Clark	Jordan	Scott
Cooper	Keating	Smathers
Curtis	Lausche	Smith, Maine
Dirksen	Miller	Thurmond
Douglas	Morton	Williams, Del.
Dworshak	Mundt	Young, N. Dak.

NAYS—52

Allott	Hartke	Morse
Anderson	Hayden	Moss
Bartlett	Hill	Muskie
Bennett	Humphrey	Neuberger
Bible	Jackson	Pearson
Burdick	Kefauver	Proxmire
Byrd, W. Va.	Kerr	Randolph
Cannon	Kuchel	Smith, Mass.
Carlson	Long, Mo.	Sparkman
Carroll	Long, Hawaii	Stennis
Church	Long, La.	Symington
Dodd	Magnuson	Talmadge
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Yarborough
Gore	McGee	Young, Ohio
Gruening	Metcalf	
Hart	Monroney	

NOT VOTING—12

Aiken	Cotton	Johnston
Byrd, Va.	Fulbright	McNamara
Case, N.J.	Hickey	Robertson
Chavez	Holland	Tower

So the amendment offered by Mr. WILLIAMS of Delaware for himself and Mr. LAUSCHE was rejected.

Mr. MONRONEY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

ECONOMIC "MYTHOLOGY"

Mr. GOLDWATER. Mr. President, if there are still any doubts about why the business community and the American people are lacking confidence in the administration's economic policies, the President's speech at Yale ought to tie them down. I believe everyone in this country is taking his confusion and uncertainty directly from the White House.

In effect, Mr. President, the Chief Executive wrote off the books as "mythology" everything in the economic situation that disturbs the American people as well as foreign governments.

The budget, he tells us, is "not simply irrelevant; it is actively misleading" and, consequently, it should not be regarded as a measure of soundness. And since the President has decided the budget does not count, there can be no "sophisticated" reason for anyone wanting to see it balanced.

The President also consigns to "mythology" the argument that Federal deficits lead to inflation. And, having adopted this comfortable new theory, he goes all out to find justification for more public debt. He tells us that it is only a myth that the national debt is growing at a dangerously rapid rate. He says—and if Senators want more confusion, here it is—that public confidence is both "a matter of myth and a matter of truth."

Mr. President, I am sure that every Member of this body would be happy if we could solve our public debt problems through the expediency of "mythology." Would it not be nice if we could forget the $9.4 billion which we must pay every year in interest on the national debt? We might just get the President to call it a "myth" and write the whole thing off.

And, since the matter of public confidence is part myth, I guess we can forget the billions of dollars lost in the recent stock-market plunge, the lag in capital investment, the problem of unemployment, and the nagging persistence of our adverse balance of international payments.

Yes, Mr. President, we can now rest easy. Everything that the proponents of sound and responsible fiscal policy have been worrying about just does not exist. It is all a myth.

In conclusion, let me say that if anyone is confused over the President's remarks, an editorial in the Washington Post and Times Herald this morning should clarify everything. It says:

> The President did well to summon the Nation to confront its hard economic problems on another plane, and in a different arena. In a world of rapidly changing circumstances we ought to avoid emotional and quasi-religious attachment to formulate for the solution of economic problems deriving their sacred character from myth and legend unrelated to contemporary crisis.

As James Reston of the New York Times recently said:

> This is the silly season.

The President—the administration—has indeed summoned the Nation to confront its problems on another plane—the plane of mythology which exists only in White House fancy.

I ask unanimous consent that an editorial entitled "Too Sophisticated by Far," published in this morning's Wall Street Journal, may be printed in the RECORD.

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

TOO SOPHISTICATED BY FAR

The Nation's economic discourse, President Kennedy believes, is imprisoned in myths and cliches. He wants to liberate it into the clear air of reality, so that we can talk and act intelligently about the "sophisticated and technical" questions that are the real economic problems of our times.

Everyone ought to be in favor of that. The trouble is that Mr. Kennedy chooses to ignore the enormous mythology that comes under the mislabeled heading of liberalism. The further trouble is that some administration officials want to get so sophisticated about such matters as the public debt that they will be able to persuade the people it isn't really a debt at all, or anyway nothing to worry about.

More than a trace of this kind of "sophistication" showed up in the President's commencement address at Yale yesterday. Consider, for example, the question of the size of the Federal Government and its role in the economy.

While admitting that big Government has its dangers, Mr. Kennedy charged that it is a myth that Government is steadily getting bigger and worse. How come? Because, if we leave aside defense and space expenditures—which is leaving aside quite a lot—then the Federal Government has expanded less than any other major sector of national life since World War II.

The sophisticated device here is to argue that something is not as big as it seems because it is not yet as big as something else. Obviously such a rationalization is a carte blanche for unlimited Government spending.

Unfortunately for the argument, the rapid growth of Government is there for all to see. It is a fact; it is reality. And equally plain is the manner of its growth—not only defense, but the constant addition of more political subsidies to more groups.

President Kennedy says people should stop talking as though this were the 1930's instead of the 1960's. But who plays the old records of the thirties more tiresomely than the Kennedy administration itself? Public works, youth conservation corps, spending and deficits; the whole Kennedy domestic program is a rehash of the nostrums of the depression.

The fresh economic thinking today is to be found elsewhere. It lies in the argument that a trimmed-down Government, with substantial tax cuts made possible by lower costs, would release the energies of the people and bring about the prized economic growth. It would also do much to solve those "sophisticated and technical" problems the President mentioned, like maintaining the value of the dollar abroad.

Instead of offering real hope for the Nation's economic future, the President merely offers more justifications for more Government growth. Thus we are told that the "conventional" Federal budget is "actively misleading" because it ignores trust funds and counts capital outlays as spending instead of investment. On the basis of either the cash budget or the "national income accounts" budget, some deficits would turn out to have been surpluses.

Yet again, the facts get in the way of the rationalization. Trust funds by their nature should not be counted as general revenues, and the kind of wasteful capital spending the Government indulges in certainly is spending, rather than investment somehow comparable to that of a private company. The virtue of the conventional budget is that it tells us the truth, and the sorry truth is that Federal income almost never equals Federal outgo.

The President is absolutely right that we need fresh insight and hard thought instead of myths and tired slogans. That is why it is so unfortunate to have him advocating the dreariest and most threadbare economic prescription of all.

And let us remember that far more than theory is at stake. A policy based on the shopworn mythology of state spending, planning, intervention, and control will affect the lives of all of us and largely determine our standing in the world. Meantime, the economic debate can hardly be very useful if it gets so "sophisticated" that it plays tricks with facts.

Mr. SCOTT and Mr. SYMINGTON addressed the Chair.

Mr. GOLDWATER. I am happy to yield to the Senator from Pennsylvania.

Mr. SCOTT. Does the Senator agree with me, speaking of myths, that in the Yale speech the President has "mythed" the point?

Mr. GOLDWATER. I might put it another way—he was a "mythery" guest.

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

Mr. GOLDWATER. I am happy to yield.

Mr. SYMINGTON. I was listening to my able colleague from Arizona, who mentioned the fall of the stock market. Some of my friends have blamed the President for the fall in the stock market. They concentrate their criticism on four points: the fact that our taxes are high; that the budget has not been balanced for some time; that there was intervention in the steel situation; and that some say labor has undue influence in this administration.

I present for consideration of the Senate that in October 1929, I was working

in several corporations. At that time there was a considerably sharper break in the stock market, with much more disastrous results. It is interesting to note that at that time the budget was balanced, taxes were low, there was no Government intervention, and there were no large labor unions.

Mr. GOLDWATER. I do not know the point the Senator is attempting to make, but I am glad he has made those remarks. I, too, was working at that period of history. I recall that the Government started then what it is still attempting to do, which is to pull the country out of a hole by government intervention. That still has not been done. If it had not been for World War II, we still would be in pretty bad shape.

Mr. DIRKSEN. Mr. President, only to add to the gaiety, I saw a man with a smiling face the other day who said, "I haven't lost my confidence, I've only lost my money."

INTERIOR DEPARTMENT AND RELATED AGENCIES APPROPRIATIONS, 1963

The Senate resumed the consideration of the 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.

Mr. DIRKSEN. Mr. President, I submit a motion to recommit, which I ask to have stated for the information of the Senate.

The PRESIDING OFFICER. The motion will be stated for the information of the Senate.

The legislative clerk read as follows:

The Senator from Illinois, Mr. DIRKSEN, moves to recommit the 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, to the Committee on Appropriations with instructions to report the bill back to the Senate in a total amount for all purposes and items which shall not exceed the sum of $868,595,000.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to recommit the bill, with instructions.

Mr. DIRKSEN. Mr. President I shall not take very long. The motion is to recommit the bill to the committee with instructions to return it at the House figure. It would cut the proposed appropriation by $48 million. The Senate figure is $48 million above the House figure. It is $121 million above the appropriation for the Department of the Interior for the fiscal year 1962. In offering the motion in that fashion, I intend no reflection upon the Senate Committee on Appropriations. I served on that committee for a long time. I served on the House Appropriations Committee for a long time—on one or the other of the two committees at least 17 years—so I would be the last Member of the Senate ever to reflect upon the committee.

Other considerations support the motion to recommit.

For a long time we have undertaken somehow to bring our budget into balance. I was a member of the Reorganization Committee of the House and Senate in 1946. In the act that was passed by both Houses there was included a provision for a legislative budget. It provided that the four committees—the Committee on Finance, the Committee on Ways and Means, and the two Appropriations Committees—were either by themselves or through subcommittees to meet. They were authorized and directed to meet and to report a legislative budget along with estimated receipts and estimated expenditures. If the receipts exceeded the expenditures, the debt would be reduced by that amount. The reduction was automatic. If expenditures exceeded receipts, the provision in the Reorganization Act called for a resolution that it was the sense of Congress that the public debt be increased by a like amount.

We invested great hopes in that provision. Under that section we met once. I shall never forget the meeting. We could not agree. Finally we reduced the number to a subcommittee of five from each of the four committees. For nearly a month we labored in the hope of reporting a legislative budget. That was probably in the fiscal year 1947—15 years ago—and, Mr. President, that committee has never met since that time, nor has that section of the Reorganization Act ever been repealed.

So notwithstanding all the effort that was made in order to give legislative character to a budget, the fact of the matter is it was never consummated. So we are still confronted with the problem of continuing deficits.

Eighteen days hence, June 30, will mark the end of the fiscal year. From all signs and tokens it would appear that the deficit for the fiscal year 1962 will be $7 billion plus. There are estimates now that for the fiscal year 1963, which will be a year hence, the deficit could be $4 billion or more. That remains to be seen. But it is pretty certain that there will be a deficit instead of a surplus submitted in the President's budget in January of this year.

In connection with all of this, we hear talk of a tax reduction. The President and Secretary of the Treasury Dillon have both proclaimed one. If there is a tax reduction, obviously we shall add to the deficit.

I was rather curious about that part of the statement of Mr. Dillon in which he said we must find new loopholes from which to recapture $5 billion to offset the drop in revenue as a result of the tax reduction.

The water is all going to come out of the same well. I do not know where we will get it, but certainly the impact will be exactly the same.

In his budget message in January, the President observed that in a planned deficit increase is the risk of inflation, but Mr. Dillon in his recent speech in New York said that:

A deficit is inflationary only if there is a strong demand for goods which places a heavy pressure upon supply.

If a tax cut leaves more spending money in the pocketbooks of individuals and corporations, and is designed to stimulate consumer spending, how in the world would we miss the inflationary fever that would go along with it? If that is true, the price increase that would come later would vitiate all the benefits of a tax increase.

What I say may sound like a hedge, but we shall be confronted with a proposal for a tax reduction. Logically I do not see how any Member of this or the other body could support a tax reduction without first looking at the expenditures, doing some work in that field, and cutting the budget.

These are the factors in the whole tax equation: It would increase the 1963 deficit. It would increase the interest outlay, which is already $1 out of every $10 in the 1963 budget which must be set aside for interest to our people for the purpose of using their money.

It would increase the public debt. I read that, shortly after the House gets through, there will be before the Senate a proposal to raise the debt by another $6 billion or $8 billion.

All that will have an impact upon private spending for capital investment. Therein is the secret of more jobs and business expansion. But I do not know how we could encourage it unless the Government should take the lead in the field of spending.

We have the problem of a foreign reaction. I have talked with some who are skilled in the international field. I worry a little about what would happen if those abroad in the central banks and elsewhere, and particularly holders of short-term and long-term U.S. paper, should get the idea that we are not going to face our responsibilities in the budget field, and their confidence should become further diminished. What would we say if they should start dumping securities and demanding from our dwindling gold stock the necessary legal reserve against demand deposits and Federal Reserve notes? We have only a little more than $5 billion in our reserve gold account. We have been steadily losing gold. I think it is one of the most delicate and dangerous problems that confronts the country at the present time.

Mr. President, out of sheer conviction that the Congress will have to do something in the field of economy, this is a modest beginning to cut $48 million from a bill that presents a total of $916 million as reported to the Senate.

Having served on the Appropriations Committee, I know it is not easy for a Senator by his vote to repudiate the work of the committee, but that cannot be my concern. I have an individual responsibility with respect to the stability and to the solvency of the country. Looking over the general picture in the other body, I was not a little distressed to learn that there has been hardly any attempt at economy. But it will have to start somewhere.

In my present frame of mind I intend to offer motions to recommit on every appropriation bill that reaches the floor of the Senate, because I cannot charge my conscience with having done nothing in that field, and ultimately being confronted with a proposal for a tax reduction, which would only add to the deficit, and which has such a command-

ing appeal to citizens, individual and corporate, in all walks of life. That would be an awkward situation, indeed.

That is the whole argument, Mr. President. On the motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, the Senator from Illinois and I have served on the Appropriations Committee together. I should like to ask him whether it would not have been better, if the Senator felt the way he has expressed himself about every appropriation bill, if he would appear before the committee with reference to the items in the bill. Why does he not do that rather than make his motion now at the end of the consideration of the bill?

Mr. DIRKSEN. I serve on the Judiciary Committee and on eight subcommittees.

Mr. MAGNUSON. I serve on some committees, too.

Mr. DIRKSEN. I serve on the Committee on Rules and Administration. There are a few chores, also, that go along with being minority leader.

Mr. MAGNUSON. Yes.

Mr. DIRKSEN. If I can compress anything more into an 18-hour day, whenever the Senate is in session, I shall be very glad to return to my old committee. If my friend will find me the time, I will be delighted to do it.

Mr. MAGNUSON. I can find the Senator the time. He can come before the Committee on Appropriations and take up item after item, if he can suggest that we eliminate any items. He should do that rather than come to the floor of the Senate at the end of the consideration of the bill and suggest that it be done in this fashion. He suggests that he will make the same motion on every appropriation bill. The Appropriations Committee did not have the benefit of his ideas and advice. We do not know why he should want to eliminate one item and retain another in the bill. The consideration of this kind of bill is a very difficult job, as the Senator well knows. I wonder why he would not agree to appear before the committee and say, "I want this item knocked out." I might vote with him on several items.

Mr. DIRKSEN. I am not beguiled by the argument of my distinguished friend from Washington.

Mr. MAGNUSON. It is only a suggestion.

Mr. DIRKSEN. He knows what problems would be involved in going through these items one by one in every appropriation bill. If he can persuade my distinguished friend from Montana to give me a staff of 100 people, I will get the job done. It will take a lot of work to do it.

Mr. MAGNUSON. If the Senator will give me a list, I will present it for him to the Committee on Appropriations. Let him give me a list of the items that he wishes to have eliminated.

Mr. DIRKSEN. And how will the Senator present that list?

Mr. MAGNUSON. I will take it to my friend the Senator from Arizona, and to the Senator from North Dakota, and say, "The distinguished minority leader thinks this is wrong."

Mr. DIRKSEN. I have made that identical argument myself. I am not deluded by it. There is a huge Appropriations Committee in the other body. It is an exclusive committee. I served on it, and when I did, I served on no other committee in the House. Every subcommittee is an exclusive one. Members of the House Appropriations Committee serve on only one subcommittee. As a result, they do their work very well. They examine every item in the bill. I always felt as though I was a sort of court of appeals as a member of the Senate committee, because usually we considered only those items on which the agencies protested a cut, and we worked on those items. That constituted perhaps 15 or 20 percent of the bill.

It should not be said that this proposal is capricious or arbitrary. There is a great deal of work behind the House committee in its action on the appropriation bill. I can say that without in any way demeaning the work, the diligence, and the devotion of the Senate committee. I hold in my hand the record of the House hearings. It must weigh at least 6 pounds.

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

Mr. DIRKSEN. I yield.

Mr. MONRONEY. I am trying to understand the nature of the motion of the Senator from Illinois. With all due regard to wanting fiscal stability, it seems to me that his motion is in the nature of a meat-ax approach, without reference to any one item in the bill; or it is an effort to rubberstamp the House bill. If that is the purpose of the Senator's motion that the bill be recommitted, I presume the result would be that we would have before us the same bill as the House passed. Is that correct?

Mr. DIRKSEN. The Senator can make his own argument on that point.

Mr. MONRONEY. I want to know on what we are voting. I want to know whether we would be voting on the exact amount that is in the House bill.

Mr. DIRKSEN. Exactly.

Mr. MONRONEY. Then we would merely rubberstamp the action of the House of Representatives. The Senate, which is trying to keep alive a bicameral system of double checks and balances, would not have anything to say about it. The minority leader is asking us to accept the House bill. The Senate would in effect say that it does not have intelligence enough in its committee structure to consider the line items that are open. We are asked to use a meat-ax approach, instead of a surgeon's scalpel. When I am asked merely to rubberstamp the action of the House of Representatives and say that we are not competent or intelligent enough to consider these items, but must rubberstamp the House bill, I fear I cannot go along with the distinguished Senator from Illinois.

Mr. DIRKSEN. This is not a meat-ax approach, because if it were, we would have to charge the Committee on Appropriations of the House with having turned out a meat-ax bill. If the Senator wishes to make the other argument, about the rubberstamp, that is all right with me. He can make that explanation if he likes. I am never afraid to go along with the House figure. If I had had more time I probably could have devised another formula. I may arrive at another one with respect to the other bills. Under the circumstances, I will press this motion on the pending bill, and see whether there is some economy sentiment in the Senate.

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

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I do not think the Senator from Illinois should say that the members of the Committee on Appropriations have acted with utter disregard for economy.

Mr. DIRKSEN. No.

Mr. MAGNUSON. Some of the items in the bill might be items on which I would vote with the Senator from Illinois. There are others with respect to which I would disagree with him. I would want to know what items should be cut out and which should be kept in.

Mr. DIRKSEN. Does the Senator serve on the subcommittee that heard the testimony on the pending bill?

Mr. MAGNUSON. No; I am not a member of that subcommittee.

Mr. DIRKSEN. If he were on the subcommittee, obviously he would know what had taken place.

Mr. MAGNUSON. I am quite familiar with the bill.

Mr. DIRKSEN. Before the full committee got through with the bill the distinguished Senator from Washington would have a chance to pass on every item.

Mr. MAGNUSON. I voted with the committee.

Mr. DIRKSEN. Of course.

Mr. MAGNUSON. If I were to vote with the Senator from Illinois I would not know which items should be cut out, because some of the House items were given serious consideration. We voted for some and we voted against others.

Mr. DIRKSEN. As a member of the full committee the Senator obviously was familiar with it. He knows whether the bill will stand a $48 million cut.

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

Mr. DIRKSEN. I yield.

Mr. MILLER. I am constrained to vote for the motion to recommit the bill. I could be persuaded to vote against it if I could have assurance from the leadership on the other side regarding the specific items that will be cut out of the President's budget to make room for the $750 million in public works programs for which the Senate voted recently and which are not in the President's budget. I believe that the President was sincere at the time he made a promise to the American people to have a balanced budget in the coming fiscal year. Of course, a promise, in itself, is worth nothing. Delivery is what counts. Delivery must take place here. If I could have assurances as to what items would be cut back to make room for the $750 million in public works programs, which are not in the budget, I would vote against the motion of my leader. If I cannot have such assurance, I will be constrained to support my leader.

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

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I suggest to the Senator from Iowa that he vote with his leader, as I am sure he intended to do all along. The question he raises is an impossible one to answer. All of us understand the practicalities and realities of the situation confronting us. Were I in his place I would do the same thing. I know every one of my colleagues in the Senate understands the situation, and I hope the Senate can vote on the pending question very shortly.

Mr. WILLIAMS of Delaware. One of the arguments used against the motion of the Senator from Illinois is that he proposes to disturb the sacred recommendations of the committee. I invite attention to the fact that the Senator who has raised that argument also disturbed the sacred recommendations of the committee earlier this afternoon when he offered an amendment to increase one of the items three times over the amount which the committee said was needed. By record votes the Senate has already increased the committee's recommendation by several million dollars. A million and a half dollars was added by one amendment, and $2 million by another and $4 million was added in another. I point out to my leader that the committee's recommendations are not always held sacred. It so happened that one of the changes made earlier this afternoon was offered by a a member of the committee itself.

Mr. MAGNUSON. Yes; but the Senator from Delaware never appears at any Appropriations Committee hearing when we meet for hours, days, and weeks considering specific items, which is what we must do. I presume the members of the committee do not take their work lightly. We reduce the amounts on many items. We like to hear the views of other Senators. But it is a popular game, when the committee has finished, to criticize the committee on the floor of the Senate.

The committee did not agree with my proposal on access roads, so I said I would offer an amendment on the floor of the Senate. I served notice that I would do so, and today I spent considerable time talking about the problem and discussing it before the Senate.

Mr. DIRKSEN. In his whole legislative career, the distinguished Senator from Washington would not have sat as long and uninterruptedly in committee as the distinguished Senator from Delaware has sat in the hearing on the tax bill.

Mr. MAGNUSON. I would not have sat as long as that because it would not have taken me that much time to finish.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. Does the Senator from Wisconsin correctly understand that the Senator from Illinois intends to submit motions for the recommittal of all appropriation bills which exceed the recommendations of the House and the Bureau of the Budget?

Mr. DIRKSEN. I will go further than that. My recommendation will be in the nature of a formula which I think will be fair.

Mr. PROXMIRE. I understand that tomorrow the Senate will consider the Department of Defense appropriation bill, which I notice is $522 million above the recommendation of the Bureau of the Budget and $589 million over the recommendation of the House. Does the Senator from Illinois intend to offer a motion for recommittal if the Senate goes along with the recommendation of the committee?

Mr. DIRKSEN. I do.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. I contemplate voting against the bill. I shall do so for three reasons. First, it would finance the employment of 5,694 new employees who have been installed in the last 16 months. There has been no explanation or showing as to why those 5,694 new employees are needed.

Second, the bill as it is now before the Senate entails a 16-percent increase in the cost of operating the Department of the Interior.

Third, the bill provides for financing lead and zinc mines in the sum of $3,750 per man in lead, and $1,750 per man in zinc.

If all budgets were increased by 16 percent, where would the Treasury land? No explanation has been given of why $120 million more, according to the recommendation of the committee, is needed. The $120 million was increased by $6 million yesterday and today.

I shall voice my approval of the motion made by the Senator from Illinois, not by voting for his motion, but by voting against the bill.

Mr. MILLER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MILLER. I should like to ask a question of the Senator from Washington, in view of the colloquy between him and the distinguished minority leader.

I have received an impression which concerns me very much. It is not my privilege to serve on the Committee on Appropriations.

Mr. MAGNUSON. The Senator from Iowa would be a good member.

Mr. MILLER. I am aware of the long hours spent by Senators who are members of that committee. I know the Senator from Washington speaks from knowledge when he talks about long hours. But somehow I get the impression that because of the numerous items in the appropriation bills and the long hours which are spent by the committee in the consideration of bills, there is a fatalistic outlook on cutting back appropriations in order to meet the revenue of the Federal Government.

Does the Senator from Washington see any possibility of the Committee on Appropriations recommending appropriations for the coming fiscal year in such a way as to match the expected revenue of the Federal Government, so that there will be a balanced budget?

Mr. MAGNUSON. I think most appropriation bills provide less money than is requested by the Bureau of the Budget. I have handled many appropriation bills on the floor of the Senate. The amount provided by the bill now before the Senate is under the amount requested by the Bureau of the Budget. The Budget makes its estimates based upon the estimated revenues. If revenues are not received in accordance with expectations, budgets become out of balance.

The point I make is that if a Senator who is deeply interested in a subject wishes to propose a reduction in or addition to the Budget request, or even discuss the subject with the committee, the committee will afford him a hearing. The committee welcomes Senators who are not members of the committee. Actually, they are heard first when they appear before a committee. We ask the representatives of other agencies to step aside in order that Senators may be accommodated first.

But when the committee works on a bill, if I agree with some parts of it, but disagree with other parts of it, I serve notice that I will propose an amendment on the floor of the Senate.

But if Senators do not appear before the committee and present their case, how can the committee know what is contemplated? Perhaps the case might be a good case.

The committee does not take fatalistic attitudes. But after we have gone over a bill with what we believe is a fine-toothed comb—and remember that the House also has considered the bill carefully—we then report to the Senate what we believe is a good bill.

Mr. MILLER. I am aware of the diligent work of the Committee on Appropriations, but is it the intent of the committee to match the appropriations in accordance with the revenue and with the President's promise of a balanced budget?

Mr. MAGNUSON. The committee receives the budget from the Bureau of the Budget, as the Senator from Iowa knows. The Bureau of the Budget submits its budget in accordance with the estimates of revenue. The committee does not have a barometer which can tell us daily whether the estimates of revenue will be up or down. I suppose that this year the revenue will be down a little. We do not have that information, but we do the best we can.

I do not believe the Committee on Appropriations has ever exceeded the budget, unless there was a pressing need to do so, or unless we honestly thought conditions warranted doing so.

I have handled 18 or 19 independent offices appropriation bills in the Senate. Each of them has provided $6 billion or $7 billion. Never have I reported a bill which was above the budget—and I think the Bureau of the Budget has some very serious-minded people.

Mr. MILLER. This is what I mean by fatalism: The attitude is that we shall never exceed the budget unless there is an urgent requirement to do so. But the fact is that for about 26 of the last 30 years the budget has been unbalanced.

Mr. MAGNUSON. The Senator is incorrect. The Senate does not exceed the budget recommendations. Certainly, the budget has been unbalanced; but the reason why the budget has been un-

balanced has been the stupid business called war. If it were not for the national defense, the Government could be operated on 19 cents of the tax dollar. That is what we are arguing about.

Mr. MILLER. I would be the first to agree that war or cold war is a serious problem with respect to balancing the budget. But the fact remains that the President of the United States promised the people a balanced budget.

Mr. MAGNUSON. Every President has promised that.

Mr. MILLER. Oh, no. The President of the United States did not promise a balanced budget last year. He promised one this year. Is not that correct?

Mr. MAGNUSON. Would the Senator like to know some of the fiscal facts of life concerning the budget?

Mr. MILLER. I do not know them as the Senator from Washington knows them. I am responding to the Senator's question.

I know this fiscal fact of life; namely, that the President has promised the American people a balanced budget. And I think we have a job on our hands if we are to deliver on that promise.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. DIRKSEN. I yield.

Mr. MAGNUSON. I thought I had the floor.

Mr. DIRKSEN. No, Mr. President; I have the floor.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. MAGNUSON. I did not realize that.

Mr. SYMINGTON. I thank the Senator from Illinois.

Mr. President, I have been listening to the colloquy between the Senator from Iowa and the Senator from Washington. The Senator from Iowa has emphasized about half a dozen times that the President promised a balanced budget. I would discuss that for a moment.

In 1929, everyone took a balanced budget as a matter of course, at that time the national debt was less than 5 percent of what it is today.

A few minutes ago it was stated on the floor that if it had not been for the war, we never would have been in good shape. I challenge that statement. Some persons believe that war is needed in order to continue the profits of capitalism. I do not agree.

After all the things done by the Roosevelt administration between 1932 up to the beginning of World War II—and I did not approve of some of them—the national debt was less than $40 billion. Then the war in Europe began, and we decided to defend our country and did defend ourselves; and when the war was over, our national debt had risen from some $39 billion to some $270 billion. That is the record.

To me, it is clear the President cannot have a balanced budget in view of the recent stock market break, because anyone who has taken losses in the market—and I am among them—will pay less taxes; he will be able to offset his income with losses; and that will be true of hundreds of thousands of American taxpayers.

I agree with the Senator from Washington, having heard promises of balanced budgets ever since I first came to Washington, more than 40 years ago. No President—not President Hoover or President Eisenhower or President Truman or President Roosevelt could balance the budget following sharp economic breaks. That is the point I am trying to make.

Mr. DIRKSEN. Mr. President, I am prepared to vote on my motion, which is a very simple one.

Confucius observed that the longest journey begins with a single step. I am trying to take a single step in the field of economy; and I suggest that the Senate vote.

Mr. MUNDT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MUNDT. I shall be rather brief, Mr. President.

First, I do not wish to leave unchallenged the unique recital of economic history which has been given us by the Senator from Missouri, who wishes to have the people of the country believe there cannot be a balanced budget because of the recent break in the stock market. If he examines the chronology of these matters, I believe he will discover that the unbalancing of the Federal budget preceded by many, many months the break in the stock market. So it cannot correctly be said that the break in the stock market is the reason why there will be an unbalanced budget. In any event, history will clearly disclose the facts, and no one can succeed in twisting the calendar of the past. It is perfectly clear that before the stock market started going down, our budget was woefully out of balance.

So, the question of whether the stock market break in part developed as a result of an unbalanced budget is one for the economists to answer—it could not have been the other way around. The timing is all wrong for that.

Mr. SYMINGTON. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SYMINGTON. The RECORD should show that the stock market began to go down in December. Recently, it went down more sharply.

Mr. MUNDT. If the Senator is speaking of the day-to-day drop, that is different from the recent big drop.

Mr. SYMINGTON. So I think the effect of the decline in the stock market applies definitely to the present calendar year, and also to the next fiscal year. Of course I do not say that the stock market drop constitutes the only factor to have an effect on the prospects for a balanced budget.

I think the Senator from South Dakota will agree, however, that the recent drop in the stock market may have the most to do with a possible balanced budget, from the standpoint of tax income versus Government outlay.

Mr. GOLDWATER and Mr. MILLER addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. DIRKSEN. I yield to the Senator from Iowa.

Mr. MUNDT. Mr. President, I thought I had the floor.

The PRESIDING OFFICER. No; the Senator from Illinois has the floor.

Mr. MUNDT. I shall seek the floor later.

Mr. MILLER. Mr. President, in response to the Senator from Missouri, let me say that I am sorry he thinks I am being a little unfair by emphasizing the President's promise of a balanced budget. But I am emphasizing it because I believe that if, due to the vicissitudes of the economy, the revenue which the President anticipated is not achieved, the very least we can do is not to cause additional expenditures. However, we have already caused additional expenditures to the extent of the additional $750 million for public works. So I am trying to point out that, at the least, we should not let the balanced budget become so greatly unbalanced as to cause discouragement among businessmen, because of further inflation.

The Senator knows that last year and in the first 4 months of this year we have had additional inflation which amounts to approximately $3.5 billion. We do not want that trend to continue.

I am sure the Senator from Missouri would like to see a balanced budget, if it is feasible. My point is that we should not make the situation any worse than it already is; and therefore, the Senator from Illinois is trying to have the Appropriations Committee review these bills, so that the effect on the unbalanced budget will not be more severe.

Mr. GOLDWATER. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. The other day I raised this question with Mr. Maurice Stans, an economist of some repute. I thought the decline in the stock market would have an effect on the revenue received by the General Treasury, but Mr. Stans warned me not to go out on such a limb; he warned me that the effect might be just the other way around. The effect might be the opposite of what I had thought.

So I do not think the decline in stock market prices necessarily means a sizable decline in revenue of the Federal Government. I offer this as a suggestion which I picked up from that able economist.

Mr. SYMINGTON. I thank the Senator; but I have not always agreed with Mr. Stans in the past, and cannot agree with him on this matter.

If thousands of taxpayers can take tax credits because of stock market losses, through sales of securities at the lower prices, I do not see how that would fail to have an adverse overall effect on income taxes reported by individuals and corporations throughout the country, because in addition to personal losses, I believe the able Senator from Arizona will agree the stock market break is bound to have an effect in the future on purchases—such items as automobiles, appliances, television sets, construction, and perhaps trips people plan to take.

I reply to the Senator from Iowa, I was not saying he was being unfair to the President. I know the Senator from Iowa would not be unfair. But my point is that he is emphasizing the President's balanced budget promise, which was made well before the sharp stock market break, and its reaction on our economy.

I am sure the Senator from Arizona does not believe that the only thing that kept the country going was war, because this country was in fine shape, with a relatively very small national debt, just before World War II.

Mr. GOLDWATER. Mr. President, the Senator from Missouri is changing the subject. I did not offer this as my own conclusion. John Galbraith wrote, in 1952, in a book on economics, that this country was pulled out of the depression by World War II. Those were not my words; they were Mr. Galbraith's words—the words of one who, fortunately, has been for some time our Ambassador to India.

I think the Senator would do well to investigate the short-term gains and the profits and losses which have resulted from the recent decline in the stock market. I feel that the losses which were experienced will not be found to be as large as he has anticipated—certainly not of such a magnitude that they will add in a very considerable way to the deficit.

Automobile sales have reached an all-time peak, and may continue through the next quarter at that rate. It has not affected buying.

Mr. SYMINGTON. If the Senator continues to talk this way, I will begin to think the stock market break was a fine event.

Mr. GOLDWATER. If the Senator is not going to pay taxes next year, perhaps it will be for him.

Mr. SYMINGTON. I have lost on the stock market break, and am sure the Senator from Arizona has, too.

Mr. GOLDWATER. No, because the Senator from Arizona does not own a share of stock. I became smart in 1929.

Mr. DIRKSEN. Mr. President, I have discovered how painful the subject of the economy really is, and I yield the floor.

Mr. MUNDT. Mr. President, I wish to make one further comment, in conclusion, so far as the stock market is concerned and its relationship to the budget. I think we are all disappointed that the stock market has been so steadily going down. If collectively we can dissuade our former colleague who is now in the White House from making any further ultimatums to business such as was inherent in the Yale University speech yesterday, perhaps we will suffer fewer of the serious slide-offs in the stock market such as is occurring today. As a body, we ought to work to restore the confidence of the business community, instead of slashing away at it with speeches from the White House or unwise legislation enacted by the Congress.

Turning now to the motion of the distinguished minority leader, I regret that I cannot support his motion to recommit. By and large, what I wanted to say on that subject has been ably said by the Senator from Oklahoma when he said this effort must be considered either a meat-ax approach or a departure from the appropriations procedures in the Senate by which we would capitulate completely to the House.

If we were to follow our distinguished minority leader in this instance and make this action a precedent, we might as well not make the time-consuming effort of having the extensive appropriations hearings which we hold on bills. The House does do a good job, but not a perfect job. Sometimes we reduce the amounts of the House appropriations; sometimes we increase them.

Frequently there are occurrences between the passage of the bill in the House and the time it gets to the Senate. Very often the Senate must act on requests for money which were not before the House.

I hope that our minority leader, after this effort tonight, will follow what he has indicated may be his future policy, and that is to propose a more effective, efficient, and successful method of bringing about economy by action in the Senate. With his fertile mind, I think, he will be able to initiate efforts that will be fruitful, if he will devote his mind to leading attacks on line items in the bill as they come before us. I would not expect the Senator to come before the committee and take the case before the committee as the Senator from Washington proposed. It can be argued in public here on the Senate floor and handled through a series of rollcall votes.

The Senator from Idaho [Mr. DWORSHAK] and I made a couple of such efforts yesterday. We lost the big one, but the Senate did vote to economize to the extent of $100,000 in a rollcall vote. That is progress. It shows it can be done. We should try the same formula frequently. Economizing may become habit forming if we all work at it hard.

I submit the example of the distinguished Senator from Louisiana [Mr. ELLENDER], who always makes a line item fight on the foreign aid bill. He does not always win, but, with the tenacity of a bulldog, he continues his efforts until he gets figures to the point where the Senate adopts some of them. I think we need that kind of effort on all our appropriations bills, but I do not think it would be proper to vote to vacate everything we have done, to say that the word House is Holy Writ, and that we are not going to make any changes, but simply undo the long efforts we have made, when we can take the bills up item by item in committee.

I hope, as a result of the discussion on the Dirksen motion and the present effort of the minority leader, as we come to the next appropriation bill we will argue out the specific amendments and items, and perhaps we can repeat in many instances the success we had yesterday as we did, happily, on the cut of $100,000 on a line item in this bill.

I cannot go along with the minority leader on his meat-ax motion. I wanted to explain my position for the RECORD. I hope he will develop a more selective approach on other appropriation bills. I shall be happy to work with him in developing such an approach and delighted to support such an effective economy move.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois [Mr. DIRKSEN], to recommit the bill with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG of North Dakota (when his name was called). On this vote I have a pair with the senior Senator from Iowa [Mr. HICKENLOOPER]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

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

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

On this vote, the Senator from Virgina [Mr. BYRD] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arkansas [Mr. MCCLELLAN] is pair with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Texas would vote "yea."

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HICKEY], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Michigan [Mr. MCNAMARA] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from New Jersey [Mr. CASE], the Senator from New Hampshire [Mr. COTTON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is detained on official business, and his pair has been previously announced.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from New Jersey [Mr. CASE]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Jersey would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Arkansas [Mr. MCCLELLAN]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Arkansas would vote "nay."

The result was announced—yeas 26, nays 60, as follows:

[No. 89 Leg.]

YEAS—26

Beall	Dirksen	Pearson
Bennett	Fong	Prouty
Boggs	Goldwater	Proxmire
Bush	Hruska	Robertson
Butler	Javits	Scott
Capehart	Keating	Thurmond
Carlson	Miller	Wiley
Cooper	Morton	Williams, Del.
Curtis	Murphy	

NAYS—60

Allott	Hart	Morse
Anderson	Hartke	Moss
Bartlett	Hayden	Mundt
Bible	Hill	Muskie
Burdick	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Jordan	Pell
Carroll	Kefauver	Randolph
Case, S. Dak.	Kerr	Russell
Church	Kuchel	Saltonstall
Clark	Lausche	Smathers
Dodd	Long, Mo.	Smith, Mass.
Douglas	Long, Hawaii	Smith, Maine
Dworshak	Long, La.	Sparkman
Eastland	Magnuson	Stennis
Ellender	Mansfield	Symington
Engle	McCarthy	Talmadge
Ervin	McGee	Williams, N.J.
Gore	Metcalf	Yarborough
Gruening	Monroney	Young, Ohio

NOT VOTING—14

Aiken	Fulbright	McClellan
Byrd, Va.	Hickenlooper	McNamara
Case, N.J.	Hickey	Tower
Chavez	Holland	Young, N. Dak.
Cotton	Johnston	

So Mr. DIRKSEN's motion to recommit was rejected.

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

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

The bill (H.R. 10802) was read the third time.

Mr. DWORSHAK. Mr. President, I was compelled to vote against the motion to recommit, because I have heard many arguments which did not convince me that the way to economize is to come to the Senate Chamber and to make a gesture which in advance one knows will be futile. As a member of the Appropriations Committees for many years—for 12 years in the Senate and 4 years in the House—I think I know something about how to effect economies and curtail Federal spending.

Most members of the Committee on Appropriations desire to economize, although they are in disagreement on various items. In the Senate we do not hear many proposals to cut down on specific items of spending.

I shall not take much time, Mr. President. I merely call attention to one item as to which we could make a legitimate reduction which, in the long run, would result not only in economy but also in greater efficiency and real service for 350,000 Indians who live on reservations in this country.

In the current fiscal year there was an increase for the Bureau of Indian Affairs of $37 million over fiscal year 1961. However, in the pending bill there is a proposed increase of $39 million for fiscal year 1963 over the current fiscal year. This means that the budget for the Bureau of Indian Affairs and for the health program for the Indians in the next fiscal year will be approximately $265 million.

I have in my hand a tabulation which I had printed in the RECORD last year. I do not propose to have it printed at this time, but I merely call attention to the fact that 15 years ago, in 1948, the total budget for the Bureau of Indian Affairs was $39,806,000. The increase in the pending bill, for fiscal year 1963 over fiscal year 1962, is equal to that sum of $39 million. For a single year, after a very large increase in fiscal year 1962, there is a proposed $39 million increase for the Bureau of Indian Affairs, which is a sum equal to the entire budget of the Bureau of Indian Affairs in 1948.

I call attention to this fact only because there are many opportunities, during the deliberations of the Appropriations Committee and in the Senate, as we consider the appropriation bills, to save many millions of dollars, if we have the will to economize and to stop unrestrained spending on the part of the executive departments downtown.

I hope that in the weeks and months ahead during this session we shall have the fortitude and courage, as well as the determination, to scrutinize bills in the Appropriations Committee and in the Senate. By so doing, we can curtail Federal spending and can make some real effort toward balancing the Federal budget.

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

Mr. DWORSHAK. I yield.

Mr. RUSSELL. I generally agree with the distinguished Senator. I have endeavored to be a proponent of economy. However, it is very difficult indeed, for me to vote against projects for the people of the United States when I know that similar projects are carried in foreign aid bills, or mutual assistance bills, as they are euphemistically called, for the people of other lands. That is one reason why I have not voted for all amendments to reduce amounts in all bills. It is very difficult to vote against a project in the United States when we know that the Congress will vote for similar projects for people in other lands.

Mr. DWORSHAK. Mr. President, I thank the Senator from Georgia for his contribution. He has put his finger on a specific appropriation bill in which a reduction of probably 40 percent, 50 percent or 60 percent might be effected without minimizing in any way the effectiveness of our foreign aid program. That is a good illustration of real economy.

INTERIOR APPROPRIATIONS FOR UTAH

Mr. BENNETT. Mr. President, I rise in support of six important appropriation items which the Senate Appropriations Committee has approved but which were neither in the President's budget nor in the House-passed bill. The Senate committee and its chairman are to be commended for including these items in the bill because of their great importance. These items are as follows:

First, $50,000 to initiate a survey of a scenic parkway in southern Utah.

Second, $105,000 to reconstruct and improve the access road to the Bear River National Wildlife Refuge, connecting it with Brigham City, Utah.

Third, $20,000 to commence a 3-year program to acquire vitally needed private lands to assure the success of the American Fork watershed project.

Fourth, $150,000 to construct a visitors center at Natural Bridges National Monument in San Juan County, Utah.

Fifth, $450,000 to start construction of a $900,000 Forest Service watershed research laboratory at Logan, Utah.

Sixth, $25,000 to continue and expand the technical assistance program on fisheries for the Colorado River storage project at Springville, Utah.

SOUTHERN UTAH NATIONAL PARKWAY

For over a year I have waged a campaign in behalf of construction of a national scenic parkway to be built across southern Utah, designed to connect the national parks and monuments in southwestern Utah and in adjacent northern Arizona and western Nevada with the national monuments and recreation area in southeastern Utah and western Colorado.

The first step in this campaign was introduction of a bill, S. 808, to authorize construction of the proposed Southern Utah National Parkway. However, this was opposed by Secretary of Interior Stewart Udall on the ground that a preliminary survey should be made. Therefore, I introduced a bill, S. 2280, which would authorize $80,000 to make such a survey. But in reporting on this second bill, the Department of Interior said, concerning the undertaking of the survey, "We hope to do this when personnel and funds are available for the purpose." However, the Department gave no indication that either personnel or funds would be available in the foreseeable future. On February 28, I, therefore, addressed a letter to the senior Senator from Arizona [Mr. HAYDEN], chairman of the Senate Appropriations Committee, asking that the committee interrogate National Park Service officials, determining whether or not the Service could undertake a survey on the proposed parkway if funds were made available.

Then on March 6 of this year, I appeared before the Senate Appropriations Committee in support of an $80,000 appropriations to survey the parkway. That same day, the senior Senator from Arizona incorporated my bill, S. 2280, in the hearing record and asked the Director of the National Park Service, Conrad Wirth, how much money could be used economically to undertake the survey called for by the bill. Mr. Wirth said that he would study the matter, and subsequently submitted a statement for the hearings record in which he said:

> The feasibility study contemplated in S. 2280 could be completed in 1 fiscal year. Accordingly, the National Park Service could economically use the full amount of $80,000 which the survey is estimated to cost in the 1963 fiscal year.

Mr. Wirth then proposed to broaden the study over a 2-year period at a cost of about $160,000. I ask unanimous consent that those portions of pages 677 and

678 of the committee hearings that apply to the proposed parkway be included in the RECORD at this point in my remarks.

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

UTAH PARKWAY REQUEST

Mr. WIRTH. That is the parkway, yes.

Chairman HAYDEN. The proposed Southern Utah National Parkway. Does the amount which you request for the national park system plans include this survey?

Mr. WIRTH. No; it does not.

Chairman HAYDEN. How much could you economically use for this purpose?

Mr. WIRTH. I would like to check on that and make a recommendation or submit some material, Mr. Chairman.

Chairman HAYDEN. You may place it in the record.

Mr. WIRTH. All right. That is rugged country down in southern Utah, and while there is a lot of it that we could get through, I think I would like to make a little closer analysis of how much would be needed for that.

(The information referred to follows:)

"AMOUNT THAT COULD BE USED ECONOMICALLY IN 1963 IN CARRYING OUT THE SURVEY CONTEMPLATED IN S. 2280

"The feasibility study contemplated in S. 2280 could be completed in 1 fiscal year. Accordingly, the National Park Service could economically use the full amount of $80,000 which the survey is estimated to cost in the 1963 fiscal year. The Service feels, however, that such a study should include not only southern Utah but the general Colorado River region in adjoining States where outstanding scenic parkway possibilities exist. This would include the area covered by S. 2280 and areas in southeastern Nevada, western Colorado, northwestern New Mexico, and northern Arizona. Such an overall study would require 2 years and would cost about $160,000."

Mr. BENNETT. Mr. President, it is clear from the record that the $50,000 included in the Senate appropriations bill is a result of my work and my efforts both in introducing S. 2280 and in appearing before the committee for funds. Therefore, it is equally clear that the $50,000 this year will be used principally to survey the possible routes proposed in S. 2280. Such a parkway would be a veritable national park in its own right, opening up one of the most magnificent scenic areas in the United States. Moreover, it would bring more tourists to that area of the Southwestern United States than any combination of new national parks that I can think of. My parkway proposal is endorsed by virtually every responsible organization in southern Utah, as well as State officials.

Unfortunately, there is not a single national parkway west of the Mississippi River, and virtually all of the parkways are in the South. Yet, it is we in the West who are expected to give up hundreds of thousands and even millions of acres of land for national park purposes. Therefore, I think it is high time that this discrimination against the West be ended. National parkways should be scenic routes connecting national parks, and I think that we in the West are entitled to consideration.

ACCESS ROAD TO BEAR RIVER NATIONAL WILDLIFE REFUGE

Mr. President, I also wish to give my full support to amendment D of May 14, offered by the senior Senator from Arizona [Mr. HAYDEN], which makes possible reconstruction and improvement of the 14-mile access road to the Bear River National Wildlife Refuge west of Brigham City, Utah.

The road is about 14 miles in length, extending from just west of Brigham City to the refuge headquarters. Both the Bureau of Sport Fisheries and Wildlife and the Box Elder County Commission have surveyed the road and report that 11½ miles is in poor condition and in need of repairs. Some sections are in extremely bad condition and in some places are hardly passable.

The Director of the Bureau of Sport Fisheries and Wildlife, D. H. Janzen, indicated to me in a letter of February 20 that the Bureau feels a "moral responsibility" to cooperate with county officials "to whatever extent possible." However, there were no funds included in the President's fiscal year 1963 budget requests.

No doubt, Director Janzen's statement that the Bureau has a moral responsibility to assist in building the road is based upon the fact that the road is the sole access to the refuge, and the great bulk of its use comes from Government employees and others using the refuge. Approximately 22,000 people visited the refuge last last year. This high degree of use has resulted in the present serious condition of the road.

At the present time, Box Elder County realizes only about $100 in taxes from this vast 64,000-acre area which has almost totally been removed from the county property tax rolls.

Federal participation in this kind of a road program for national refuges has recent precedents. The Okefenokee refuge in Georgia presents an almost direct parallel to the Bear River refuge road situation. There, Congress appropriated funds to rebuild the road in fiscal years 1957 and 1958. The work was placed up for bid by the Bureau of Sport Fisheries and Wildlife according to specfications prescribed by local county officials. Shortly thereafter, Congress approved a similar cooperative road program at the White River, Ark., refuge. In this case, a fire protection road was built around the refuge, using existing roads as much as possible.

Box Elder County is not in a position to build a road because its funds are already committed elsewhere to roads which serve residents of the county and which have a higher priority than the Bear River refuge access road, which is essentially a service road for the refuge. The available Federal aid secondary funds have been budgeted by the county over the next 3 years for a road north of Great Salt Lake leading to Nevada. The county's problem has been made even worse by the recent floods throughout the county with consequent need to repair county roads and bridges.

Although the county does not have funds to rebuild the road, it is willing to cooperate fully and will furnish county labor and equipment to rebuild the road. It is also willing to maintain the road in the future just as it has in the past.

This is a most worthwhile cooperative project, and I urge the Senate to approve the amendment which would permit Federal participation to the extent of $105,000.

LANDS FOR AMERICAN FORK WATERSHED PROJECT

Some time ago, Congress approved the American Fork watershed project to carry out vitally needed conservation activities as a joint endeavor by the local people and by the Forest Service and Soil Conservation Service. However, a problem has arisen because some of the land most needed is privately owned and surrounded by National Forest Service lands in the upper reaches of the watershed. There are about 30 private landowners involved. The Utah County Commission, the local participating organizations, and the Forest Service have all advised me that there cannot be a gap of untreated lands in the upper watershed area, or the entire project may be doomed to failure.

The Forest Service has developed a detailed 3-year program, which will cost $80,000. With this money, the land will be purchased from the 30 private owners, attached to the national forest, and conservation work undertaken thereon. The Forest Service advised me that it can use $20,000 during the coming fiscal year, and the Appropriations Committee approved that amount. It will be financed from Uinta National Forest receipts. Unfortunately, there is no authority under Public Law 566, which was passed by Congress in 1954, to carry out watershed treatment work.

This is one of the most important watersheds in Utah and must be protected. A small investment now will reap untold benefits in the future.

VISITORS' CENTER AT NATURAL BRIDGES NATIONAL MONUMENT

For over half a century the Natural Bridges National Monument has been in existence without any significant development being undertaken by the National Park Service. For many months I have waged a campaign to correct this record of neglect, an effort which has finally borne fruit. This year the budget requests include over $433,000 to build an access road, parking lot, two employee residences and utilities at Natural Bridges. Unfortunately, the President's budget did not include funds for a vitally needed visitors' center; so it was necessary for me to appear before the Senate Appropriations Committee in support of $150,000 for this purpose. The committee deserves commendation for including this worthy project in the bill, and I approve Senate approval.

FOREST SERVICE WATERSHED RESEARCH LABORATORY

One of the great programs under the administration of Secretary of Agriculture Ezra Taft Benson was the program for the national forests. It was based upon careful study, and estimated the work needed and the costs involved to fully develop our forest resources. One of the key features in this program was a major Forest Service watershed, erosion and rehabilitation research laboratory, to be built at Logan, Utah, in cooperation with the Utah State University. Utah State University has one of

the most outstanding corps of water experts in the United States.

The laboratory would cost $900,000, but unfortunately was not included in the President's budget for the coming fiscal year. The project is one of nine forest research projects included in the program so well presented by Senator STENNIS in a speech given to the Senate on February 15, 1962.

The purpose of the laboratory is to study problems relating to flash floods originating on steep mountain watersheds. It is expected that the laboratory will be able to develop ways of improving water yield from the mountain watershed, and ways of rehabilitating areas which are producing excessive runoff and erosion.

Plant cover is the only effective natural means of protecting against the high-intensity rainstorms which strike high mountain areas, yet because of the rapid runoff it is very difficult to establish vegetation by usual means. It is believed that this laboratory could develop new techniques and acquire new information about mountain erosion and the effects of vegetation on floods, which could greatly cut down losses both from erosion and from flooding.

The laboratory facility will conduct research on problems covering a large area in Utah, Idaho, Montana, Nevada, and western Wyoming.

This is a vitally needed project and I urge Senate approval of the $450,000 which the committee has included in the bill.

COLORADO PROJECT TECHNICAL ASSISTANCE ON FISHERIES

Unfortunately, funds were not included in the budget to continue and expand the technical assistance program on fisheries for the Colorado River storage project at Springville, Utah.

This is a cooperative program with the Utah Fish and Game Commission to develop the sport fishing possibilities in connection with the project and to provide for technical assistance to the Skull Valley and Uinta-Ouray Indian Reservations. There is a great need for this project and I urge the Senate to approve $25,000 for this purpose in support of the committee action already taken.

CONCLUSION

My remarks have been directed only to those items which have not already been approved by the House, but in addition I fully support the $2,673,355 program for development of national parks and monuments in Utah. As one of the stanch supporters of the 10-year Mission 66 program to bring these areas up to a suitable standard, I am pleased to see the great progress which has been made in Utah.

In addition, to other Interior appropriation items which have my general support, I specifically endorse the $408,000 for the Fish Springs National Wildlife Refuge, $80,000 for the Springville fish hatchery and $30,000 for the cooperative fishery unit at Utah State University, $55,000 for the Ouray National Wildlife Refuge, and the $90,000 for the Bear River National Wildlife Refuge.

PARK HEADQUARTERS REGION

Mr. McGEE subsequently said: Mr. President, an item is contained in the appropriation bill just passed by the Senate on which I should like to comment, in view of matters which are already included in the CONGRESSIONAL RECORD. The language in the report of the Senate Subcommittee on Appropriations includes a proposal by the Secretary of the Interior to move the region 2 to park headquarters, Cheyenne, Wyo. The proposal was made at the instigation of the Department alone sometime last winter, and not upon the instigation of Senators from the State of Wyoming at that time. The reason for the proposed move, according to the Department of the Interior, was that of economy. It was thought that the movement of the office to Cheyenne, Wyo., would be in the interest of saving the taxpayers' money. However, on the House side protests were lodged against the proposed move. The protests were mobilized by Members of the House from both Nebraska and Iowa, and understandably so, inasmuch as the proposal involved the city of Omaha and approximately 100 families.

As a result of the protests on the House side, the suggestion was made by the Secretary of the Interior, under interrogation, that he would be glad to have another look at the proposal, to reexamine all the data at stake, and make a new determination as to whether it would be economical to move the office to Cheyenne. That promise and that commitment having been made, the House committee nonetheless included language in its report that would prohibit the use of any funds by the Department to transfer the office from Omaha to Cheyenne. With that in mind, I think we ought to keep the record straight before this body because of the House action.

My colleague [Mr. HICKEY] offered an amendment on the floor of the Senate to strike the House language. The point of the Hickey amendment was to remove any restrictions or restraints upon the Department if in its judgment it found it of interest to the taxpayers and the saving of money to make that shift of the park headquarters. As a consequence of the Hickey amendment, the Appropriations Committee of the Senate accepted the modification and suggested language of its own. The language which the committee of the Senate introduced in its report was that—

> The committee feels that the National Park Service should not be denied the use of funds contained in this bill to transfer its region II headquarters from Omaha, Nebr., to Cheyenne, Wyo., if after the Secretary of the Interior's promised restudy is completed, the advisability of the transfer is confirmed.

In the light of that language, I think the RECORD should further show that the basis for the proposal of the shift from Omaha is not new or unique with this session of Congress. For whatever reasons, twice in recent years the proposal has been made to transfer the office farther west. The basis of the economic determination of the cost of administering the office or the cost of the move, I think, are rather open to question, depending upon what factors are used for calculating the ultimate cost figure. I think the offer of the Secretary of the Interior was made in good faith in an attempt to make an honest cost calculation before such a move was undertaken, but I think it well to point out to Senators that the reason for the economy at stake lay in the long-range advantages that Secretary of the Interior Udall expressed in his testimony before the House committee when he was being interrogated on the basis of the move. One might raise the question at this point, What has happened since the earlier two attempts to move the office away from Omaha to a point farther west? What has happened to change the earlier calculations? Whatever other factors may have been involved in the administrative decision to make the shift, I can suggest one basic and fundamental change that has taken place, and that is that the load administered until now by the region 2 office in Omaha has been substantially shifted. The President's new Outdoor Recreation Commission has now been set up and prepared to take on much of the administrative detail for the State parks and any municipalities that once were lodged with the Park Service itself.

It is understandable on the part of some that under the old jurisdiction of the Park Service in region 2, which stretched all the way from Missouri and the Dakotas to the Rocky Mountain States, as far west as Utah, there was a case to be made for the geographical location, but only the geographical location, of the office in that area. With the larger portion of these duties which are being administered in Missouri and Nebraska and Iowa and Dakotas now being shifted to the Outdoor Recreation Commission, it seems to me that it makes only more understandable the position of the Park Service that this office should be shifted to a point more centrally located in the particular areas of concern to the Park Service. Four major national parks lie in the center of the area in which Cheyenne would be the vortex, namely, the Rocky Mountain National Park, the Grand Teton National Park, Yellowstone, and Glacier.

The point of the Interior Department is that for two reasons this would be a fundamental economy. First, it would be administratively less costly, that it would be close logistically to the point of operations which for other reasons center at the present time at San Francisco; and that in general the move to Cheyenne, Wyo., would be in the interest of tighter operation and more economical operation.

I say all this by way of background, because I believe it is well to keep the whole problem in perspective.

We are mindful of the difficulty that this move poses to roughly a hundred families which would, under this proposal, be moved from Omaha. It is understandable that there are those who would not like to leave Omaha. Most of us hesitate to disrupt families.

I think it ought to be the objective judgment of this body that the convenience of officials or families in an administrative setup of our Government ought to be one of lesser priority to the efficiency and the economy of the operation of such an office. In my judgment anyone who goes into Federal service, including the Park Service, must accept the occupational hazard that he will be moved about here and there from time to time. He has no guarantees and cannot have any guarantee of perpetual longevity in any given community merely because he likes it in that community. I have news for those who may be so involved. They will experience a delightful and exhilarating experience in being moved to their new location. I say that, remembering my own delight in living in Nebraska.

However, I believe that this should have nothing to do with the basic determination of the location of a regional office. It is for that reason that I urge every Member of the Senate conferees to take a strong position on retaining the Senate language. We do not say in the Senate language that the Park Service office must be moved anywhere. We do not say that it must be moved to Cheyenne, or must stay in Omaha. We only say that, in all fairness, when the Secretary has promised to reexamine the subject, we do not wish to prejudge the judgment administratively on this score. It is on that basis that we would prefer to leave the question of the Park Service location up to the Secretary of the Interior at the present time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 10802) was passed.

Mr. HAYDEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYDEN. I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. MCCLELLAN, Mr. BYRD of West Virginia, Mr. BIBLE, Mr. MUNDT, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Wyoming [Mr. HICKEY], I ask unanimous consent that a statement prepared by him, relating to the Department of the Interior and related agencies appropriation bill, be printed in the RECORD.

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

STATEMENT BY SENATOR HICKEY

The Interior and related agencies appropriations bill for 1963, having been passed by the Senate, I should like to call to the attention of my colleagues certain language adopted by the Senate Appropriations Committee and included in its report to the Senate.

The background of the committee's statement is as follows:

Some months ago the Interior Department announced that the National Park Service would transfer its region II headquarters from Omaha to Cheyenne, Wyo. The reasons for this move were increased efficiency and economy, as the Wyoming city is more conveniently located in relation to the national parks. Subsequently the Department announced that it would restudy the issue. Then, when the Interior and related agencies bill was before the House Appropriations Committee, that unit included in its report a restriction forbidding any of the appropriated funds to be used for the office transfer.

When the bill was before the Senate committee, I proposed the following language which Senator MCGEE, a member of the committee, accepted and which the Senate committee included in its report:

"The committee feels that the National Park Service should not be denied the use of funds contained in this bill to transfer its region II headquarters from Omaha, Nebr., to Cheyenne, Wyo., if after the Secretary of the Interior's promised restudy is completed, the advisability of the transfer is confirmed."

I quote this section of the committee report at this point, so that the RECORD may clearly show the intent of the Senate in regard to this matter.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar No. 1538, H.R. 11289.

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

The LEGISLATIVE CLERK. A bill (H.R. 11289) making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

AUTHORIZATION FOR COMMITTEES TO MEET DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Finance Committee may be authorized to meet during the session of the Senate tomorrow.

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

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Subcommittee on Housing of the Committee on Banking and Currency be authorized to meet during the session of the Senate tomorrow.

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

ORDER FOR ADJOURNMENT UNTIL 11 O'CLOCK A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn to meet at 11 o'clock tomorrow.

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

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the program for tomorrow and the remainder of the week.

Mr. MANSFIELD. Mr. President, there will be no further votes tonight. I do not believe there will be any discussion on the pending Defense Department appropriation.

At the conclusion of the Senate's consideration of the Defense Department appropriation bill, it is anticipated that the television bill, which will be in charge of the distinguished Senator from Rhode Island [Mr. PASTORE], will be considered.

I believe that tomorrow I shall be able to give the distinguished minority leader and Senators a more detailed outline of the schedule for the remainder of this week and next week.

Mr. DIRKSEN. I thank the Senator.

Mr. HUMPHREY. I should like to ask the chairman of the Committee on Appropriations a question before we conclude our work today. I understand that under present legislation and under the authority of Reorganization Plan No. 3 of 1950, the Secretary of the Interior could and may establish within the Department of the Interior an office of solar energy by departmental order. Is that true?

Mr. HAYDEN. If there is legislative authority for the Secretary to perform the function, apparently he can set up the position under Reorganization Plan No. 3 of 1950 which permits him to act to meet changing needs and to improve the efficiency of his Department. It was under this authority that he created the Bureau of Outdoor Recreation.

OFFICE OF SOLAR ENERGY

Mr. HUMPHREY. Mr. President, at a time when we are considering the appropriations measure for the Department of the Interior, I wish to urge and support the creation of an Office of Solar Energy within the Department of the Interior.

The power potential from the sun is unlimited. I ask you to consider some of the factors on this suggestion:

First. Solar energy is freely available.

Second. It is omnipresent.

Third. Most of its radiation is of a high energy potential.

Fourth. It has a low and variable density, and

Fifth. Utilization of it does not produce noxious waste products.

Solar energy is of course, free, but its value of output must be weighed against the cost of obtaining such output. Eventually, solar energy could be used for water heating, house heating, house cooling, chilling or freezing, and innumerable other activities.

Under present legislation and under the authority of the Reorganization Plan Number 3 of 1950, the Secretary of the Interior may establish within the De-

partment of the Interior an Office of Solar Energy. He may do this by departmental order.

Funds for the conduct of this office are available within the appropriations provided for the Office of the Secretary. If additional funds are needed, these should be requested in the first supplemental.

What is important now is that the Office of Solar Energy be established and directed by a Departmental Order from the Secretary of Interior. I repeat, the legislation for the designation of such an office is available under the terms of the Reorganization Act of 1950, Plan No. 3.

The need for the Office has been clearly established by the recent report entitled "Conference on Solary Energy" under the chairmanship of Dr. Roger Revelle.

I addressed the Senate on the establishment of an Office of Solar Energy on February 15, 1962, when I introduced a bill, S. 2849 for research and utilization of solar energy.

It is well known that the Federal Government has played an active and effective role in the development of hydroelectric power, atomic energy, and the use of thermal power. In this relatively new field of solar energy, the Government needs to coordinate and step up its activities for the development of solar energy devices and techniques.

As I noted on February 15:

> With stepped-up research and development, we can utilize solar energy for a vast area of positive purposes. Power for communications, hospitals and agricultural equipment, to name a few purposes, can be placed in isolated areas of the Nation and world where no power exists now.

Solar energy is vital to our space program, to our program of foreign aid, and can play a vital role in the economical desalting of water. Solar energy can be used for heating or cooling. It may well provide a much needed answer for the problems of refrigeration in the tropical and arid areas of the world.

Regrettably, no one agency or office of the Government at present has an overall responsibility or total interest in solar energy research and development. The Department of Interior with its interest and experience in the development of power and energy sources could and should take the lead in this long overdue task of coordination and administration. I urge that the Secretary do this without delay. I understand that he has the authority to do so and it appears that someone needs to take on the responsibility. I ask the chairman for his observation and comment.

DRUG LEGISLATION

Mr. KEFAUVER. Mr. President, yesterday, in the CONGRESSIONAL RECORD, beginning at page 10107 and continuing through page 10108 there were printed explanations relative to the contents of a bill which was drafted by the staff of the Senate Judiciary Committee. The explanations were put in the RECORD by the Senator from Nebraska.

Following that, on page 10113 through 10115 the text of proposed amendments were printed.

Later, in the RECORD, at page 10115 there was printed Senate bill S. 1552, as reported by the Antitrust and Monopoly Subcommittee.

For the purpose of examining the contents of the amendments referred to and the original bill, S. 1552, I have before me an analysis of the amendments, six of which were adopted by the Judiciary Committee this morning, the remainder being pending. I believe the analysis has been objectively prepared under my supervision by a staff member of the committee, and I believe it to be factual.

I invite Senators and others who are interested in reasonably priced drugs, drugs that are better and more fully and more fairly advertised, and drugs that are more dependable, to read this analysis. My own opinion is that the amendments to which I have referred, which were placed in the RECORD by the Senator from Illinois [Mr. DIRKSEN], constitute a very small part of the over-all approach and purpose of S. 1552. I ask unanimous consent that the analysis be printed following my remarks in the RECORD.

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

EXPLANATION OF DRUG AMENDMENTS PROPOSED BY SENATORS EASTLAND, DIRKSEN, AND HRUSKA

SUBSTITUTE FOR LICENSING IN NAME OF REGISTRATION—AMENDMENTS 1, 2, AND 3

Amendment 1 strikes out the present registration provision of S. 1552, section 508. In lieu thereof it requires every drug manufacturer to register with the Secretary of HEW "his name, places of business and all * * * establishments." He is then assigned a registration number. The information as to name and place of business shall be available to the public. This section is not to apply to pharmacies, physicians, enterprises engaged solely in research, teaching and chemical analysis and others that the Secretary may exempt.

Every establishment registered shall be subject to inspection at least once in every 2 years. Failure to register is made a prohibited act. A drug is misbranded if manufactured in an establishment not duly registered under section 508.

Comment: The principal purpose of the registration provision as contained in S. 1552 was to establish an effective means of seeing to it that drugs of inadequate quality did not appear on the market; this result was to be achieved by requiring all drug manufacturing plants to secure a registration, which, upon a finding of failure to meet standards required for safety, etc., could be suspended or withdrawn.

This provision of S. 1552 was designed to reflect the change in the nature of drug formulation. Not too many years ago most drugs were compounded by the pharmacist. To protect the public health, the pharmacist had to be licensed, which required him to demonstrate his professional competence. Today, over 90 percent of all drugs are compounded by the manufacturers, and yet there is no requirement that before being permitted to sell drugs which may be used by millions of people, he should demonstrate his competence and be licensed or "registered" in the manner set forth in S. 1552.

The provision would extend to all prescription drugs a form of protection to the public interest already employed for many products used in protecting the public health.

Since 1944 (42 U.S.C. 262) the Secretary of HEW has had the power to license manufacturers of any virus serum, toxin, antitoxin, or analogous products upon a showing that the establishment and the products meet standards adopted therefor. He has had the power to suspend or revoke the license and generally to regulate the production, branding, and adulteration of such products, and to inspect the establishment.

Producers of opium poppies and manufacturers of products therefrom have been subject to licenses by the Secretary of the Treasury, the revocation of such licenses and standards for such licensees since 1942 (21 U.S.C. 188).

Manufacturers of economic poisons (insecticides) have been subject to registration and cancellation of such registration by the Secretary of Agriculture, and to regulations and inspection since 1947 (7 U.S.C. 135).

Moreover the Congress has used a licensing or registration in many other fields when they deemed it appropriate to the regulation of interstate commerce, such as in the sale of stocks and bonds, atomic energy, and fisheries.

The proposed substitute adds nothing to present law with respect to failure to meet specified standards but merely requires the filing of the name and address plus a requirement that each plant be inspected at least once every 2 years. It conveys no authority to refuse or to suspend a registration. The only remedies are those currently in the law, namely seizure of the product for adulteration. Other than the fact that it is to be inspected every 2 years, the amendment affords physicians no basis for assuming that any given drug company is producing drugs under conditions which assure adequate quality. It thus provides no assurance that drugs prescribed on a generic-name basis are of acceptable quality, which was the principal objective of section 508.

Since the amendment provides no means of preventing a manufacturer who is not meeting the standards from placing drugs on the market, the only means of enforcement would be seizure of the drugs when found on the market as adulterated. There is considerable testimony to the effect that physicians do not regard this present method of enforcement as sufficiently adequate to warrant prescribing by generic name.

Amendment No. 2, factory inspection, would permit FDA inspectors to enter any drug factory and to inspect such factory and all things therein bearing on whether articles are adulterated or misbranded. Specifically exempted from inspection are financial data, sales data other than shipments records, pricing data, and personnel data.

Comment: Except for conditions which might be considered to "bear on" the adulteration or misbranding of products, there would be no standards fixed in the act (or to be determined by the Secretary) which a drug company would be required to meet. The amendment does not specify what conditions in a plant "bear on" adulteration or misbranding, and it would be most difficult in the absence of standards to sustain seizure of the drug as adulterated without definite standards having been violated. The only action which could be taken against a company which failed to meet whatever standards are employed would be seizure of the product as adulterated.

In contrast S. 1552 specifically sets forth the standards to be employed in factory inspection, which are designed to insure "the continued chemical structure, strength, quality, purity and efficacy" of drugs. Thus, the Secretary of HEW is empowered to prescribe the "qualifications required of the manufacturer" and to promulgate regulations which shall include provisions relating to such matters as plant sanitation, raw materials used, batch records, weighing and measuring controls, cleaning of equipment between batches, etc.

Amendment No. 3, quality of manufacturing controls, provides that the method used in or the facilities or controls used for the manufacturing of a drug must conform to "current good manufacturing practice to insure that such drug meets the requirements of this act as to safety, identity and strength and meets the quality and purity characteristics which it purports or is represented to possess." The Secretary is authorized to issue interpretative regulations which shall be prima facie evidence as to what constitutes "current good manufacturing practice."

Comment: In place of the specific standards set forth above, which incidentally were proposed by FDA itself in 1952, the amendment introduces a new term into the discussion of this issue, "current good manufacturing practice," the meaning or interpretation of which is not described. It is impossible to imagine the amount of confusion for both Government and industry which would arise from the interjection into the law of such an ambiguous and imprecise standard. Moreover, the amendment, for some reason, eliminates from the objectives which inspection is designed to acheive "continued chemical structure, strength * * * and efficacy."

SUBSTITUTE FOR NEW DRUG PROCEDURES AND CRITERIA—AMENDMENTS 4, 5, 6, AND 7

Amendment 4 relating to new drug clearance procedures extends the time period a new drug application becomes effective unless the FDA acts to block it. The extension is from 60 to 90 days. In contrast, S. 1552 provides that the application does not become effective until it is specifically approved by FDA.

Comment: The present requirement that applications become effective within a certain period of time unless negative action is taken by the FDA is one of the principal flaws in the current law. Extending the time period from 60 to 90 days would be of little value. It is almost unthinkable that drugs with the potential of causing the most serious side effects, including death, should automatically be placed on the market unless the FDA takes positive action to the contrary. The provision is probably more responsible than anything else for the increasing frequency with which drugs have been appearing on the market with dangerous side effects and later have had to be recalled.

Amendment 5 would modify the term "evidence" with respect to a showing of efficacy by the word "substantial." The purpose is to make it possible for drugs to be approved on the basis of a showing of "substantial" rather than "preponderant" evidence.

Comment: This amendment raises the question of whether the FDA should approve the marketing of a drug which could not pass the preponderant test but could pass the substantial test. Inasmuch as most drug companies are able to produce "substantial" evidence as to the efficacy of their drugs, the provision would have the effect of virtually nullifying the requirement of establishing efficacy. Confronted with a body of "substantial" evidence adduced by the drug company, the FDA would have to permit the marketing of the drug even though the preponderant evidence was that the claims for the drug's efficacy were excessive.

Amendment 6. The comments on amendment 5, which relate to the original clearance of new drugs, are also applicable to this amendment, which is to the same effect but relates to suspension of new drug applications that have been approved.

Amendment 7 would eliminate efficacy from the definition of new drugs. It is contended that every time a new claim for efficacy is made it is necessary to go through the new drug application procedure again.

Comment: What this is aimed at is the requirement under S. 1552 that when a new claim of efficacy of a drug is made, approval must be obtained from FDA. For example, if a drug approved for marketing as a tranquilizer is claimed to be efficacious in the treatment of arthritic, its efficacy with respect to this new claim must under S. 1552 be approved by FDA. Under the amendment the drug, once initially approved as a tranquilizer, could be promoted as an antiarthritic drug, sedative, antihistamine, etc., without the new claims being approved by FDA. In such circumstances the ability of FDA to act against excessive claims for efficacy would be limited to its existing and relatively ineffective power to seize the drug as misbranded.

RECORDS AND REPORTS AS TO EXPERIENCE ON NEW DRUGS AND ANTIBIOTICS—AMENDMENT NO. 8

Amendment No. 8 is the same as the amendment previously offered by HEW requiring the keeping of records and making reports by drug manufacturers with respect to side effects for new drugs and antibiotics.

Comment: This is a desirable amendment which was recommended by the President, and should be accepted.

OFFICIAL OR GENERIC NAMES OF DRUGS—AMENDMENTS NOS. 9 AND 10

Amendment No. 9 provides that instead of the official or generic name being "printed in type at least as large and as prominent as that used for any trade or brand name," as required under S. 1552, official names shall be printed in a manner designated under regulations issued by the Secretary.

Comment: The testimony of medical authorities was almost unanimous as to the desirability of this provision. Making the size of type of the generic name dependent upon the judgment of the Secretary would subject the HEW to constant pressures and make for a lack of uniformity as between different companies, different drugs and different periods of time.

Amendment No. 10 provides that before the Secretary establishes an official name he shall hold a public hearing. This provision appears with respect to both the designation of official names upon a review made by the Secretary (sub. (d)) and after a request by the compiler of an official compendium that the Secretary designate the official name (sub. (e)).

Comment. This requirement would appear to be completely unnecessary with respect to subsection (e), since the request would be made to the Secretary only after the official name had first been proposed by a drug company, rejected by a compendium (such as the U.S. Pharmacopoeia), and presumably the drug company would also have rejected the alternative name proposed by the compendium. Only under circumstances such as these would the request be made to the Secretary by the compendium in the first place. Obviously the matter would not come as a surprise to the company and there is no need for the inclusion of a hearing under these circumstances in what is in effect a "last resort" procedure.

Subsection (d) authorizes the FDA to make reviews of generic names, and it is anticipated that these will be made infrequently but will cover a large number of drugs. The requirement that a hearing be held for each official name that the Secretary in such a review may consider establishing would probably make this provision extremely cumbersome, time-consuming and costly in operation.

INFORMATION TO PHYSICIANS AND ADVERTISING—AMENDMENT 11

Amendment 11 would strike out all the provisions in S. 1552 with respect to material to be furnished to doctors by drug manufacturers and the requirements with respect to what shall be carried in advertisements.

Comment: The amendment would delete the requirement in S. 1552 that the manufacturer who sends information to a doctor should include a copy of the package insert. It would delete the requirement that advertisements include the official name printed in as large type as the trade name, a warning (or summary thereof) as to dangerous or harmful properties of the drug, and a statement of the drug's efficacy. The amendment would substitute for these provisions merely a requirement that the manufacturer maintain for transmittal to doctors copies of printed matter required by the Secretary to be placed in the package and to furnish such printed matter to the doctor on request of the doctor. Thus the information contained in the package insert would not reach physicians unless they requested it. This adds nothing to the present law since now a manufacturer will send such matter to a physician upon request.

NO BATCH CERTIFICATION ON ADDITIONAL ANTIBIOTICS—AMENDMENT 12

The substance of this amendment is to leave the present law with respect to antibiotics certification as it is.

Comment: Under the present law, 5 antibiotics which happen to have been introduced between 1945 and 1949 are subject to certification. This is the result of a historical accident that these are the antibiotics which had been introduced at the time section 507(a) of the Food and Drug Act regarding the certification of antibiotics was adopted. The present situation is anomalous in that the production of most of the older antibiotics, for which certification is required, has become relatively standardized, whereas this is not true of some of the newer antibiotics. The testimony in the hearings was to the effect that certification was no longer needed in the case of older antibiotics but is badly needed in the case of some of the newer products. S. 1552 places all antibiotics under certification with, however, recognition of the fact that section 507(c) of the present law provides that "whenever in the judgment of the Secretary the requirements of this section and of section 502(l) with respect to any drug or class of drugs are not necessary to insure safety and efficacy of use, the Secretary shall promulgate regulations exempting such drug or class of drug from such requirements."

TRIBUTE TO ED SULLIVAN—14TH TV ANNIVERSARY

Mr. JAVITS. Mr. President, on June 24, Ed Sullivan celebrates his 14th anniversary in television. I would like to take this opportunity to call to the attention of my colleagues the contributions he has made to the American cultural scene.

Since the beginning of television, Ed Sullivan has played an important part in the development of television as a medium of entertainment and of a broader knowledge of the art and culture of all mankind for the entire family. His shows have largely originated from New York City. His program has been presented at a time when the family is together, and he has always been extremely careful to select performers and present entertainment from the United States and from many lands that is suitable for people of all ages. The 14 years that he has appeared on television—a period said to be longer than any other performer on an entertainment program—attests to the esteem of the American public.

Ed Sullivan has made an excellent impression for the United States abroad through his cooperation with the U.S. State Department in presenting his show

in the Soviet Union. He has traveled hundreds of thousands of miles to places like Brussels, Alaska, Ireland, Portugal, Japan, and West Berlin with performers and has presented programs in those countries which have reflected credit on our country.

Ed Sullivan's show has brought the best of every foreign country's entertainment to the people of this country. It was the first television program to present the Sadler's Wells Ballet company from England and the Moiseyev dance company from the Soviet Union. He has brought excerpts from the best of Broadway's productions to people who do not have the opportunity to see them soon after they have opened.

In this period of television's "vast wastelands," Ed Sullivan has consistently presented a program that certainly cannot be included in this generalization. Many of the cultural achievements of our country and our most prominent artists have been seen and heard by his estimated weekly audience of 40 million people. His program has also been an incentive to the young of talent throughout the world, because of his interest in giving young performers earned opportunities.

The offstage Ed Sullivan is a credit to his profession. No cause is too small to receive his help. His generosity is well known to every charitable organization.

I am proud to pay this deserving tribute to my friend and native New Yorker Ed Sullivan on the occasion of his 14th anniversary on television for his important contributions to his two professions—columnist and TV star—to the television industry and to the Nation.

I ask unanimous consent that a biography of Ed Sullivan, prepared by the Columbia Broadcasting System TV network, be inserted in the RECORD at this point.

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

ED SULLIVAN—HOST OF "THE ED SULLIVAN SHOW," SUNDAYS, 8–9 P.M.

Ed Sullivan has the distinction of presenting the oldest and one of the most popular hour-long shows on network television: "The Ed Sullivan Show."

Sullivan's first program was broadcast on the CBS Television Network on Sunday, June 20, 1948. It featured a pair of young comics, Dean Martin and Jerry Lewis, who split a $200 fee for their work.

In the 14 years since that first show, Sullivan has presented thousands of star performers and has traveled more than a million miles to bring the best of American and foreign entertainment to the American television public. He has filmed shows in 18 foreign countries, including programs in Moscow and Spoleto, Italy, which won the George Foster Peabody Award in 1960 for their "contribution to international understanding."

Sullivan has been responsible for numerous television innovations. "The Ed Sullivan Show" was the first program to: broadcast from outside a studio; use overhead cameras and rear-screen projection; turn its cameras on the studio audience and introduce personalities from the audience; use a split screen on an entertainment show; hide cameras in the sets and suspend cameras from booms; televise a performer in one city appearing in front of a set located in another city; use VideoScene; present an ice show; have a permanent chorus line; present television biographies of outstanding people in the entertainment world; present portions of Broadway musicals and dramatic shows with their original casts while they were still appearing on Broadway; show miniature previews of forthcoming motion pictures; take its own equipment into Moscow. It was also the first American variety show to perform in the Soviet Union for the Russian people.

The program stems from a 1947 Madison Square Garden Harvest Moon Ball which Sullivan hosted for the New York Daily News. Impressed by Sullivan's easy manner with entertainers, Worthington Miner, then manager of program development for the CBS television network, called Sullivan and arranged for a conference. "Toast of the Town" was the outcome. In September 1955, the name of the show was changed to "The Ed Sullivan Show."

Sullivan's wide acquaintance with sports and show business personalities, his former experience as a vaudeville trouper, his success as the host for many all-star benefits and his 30 years' experience as a New York newspaperman helped him get the program off to a flying start.

Sullivan first entered show business in the early 1930's when, as a master of ceremonies for benefit shows, he branched out into vaudeville and radio. His "Dawn Patrol" stage troupe played for years across the Nation and starred many leading vaudeville and nightclub performers.

In radio, Sullivan introduced to the airwaves such notables as George M. Cohan, Florenz Ziegfeld, Jimmy Durante, Gertrude Niesen, Jack Haley, Frances Langford, and Irving Berlin.

One of his most important accomplishments in radio, Sullivan feels, was in having Jack Benny make his debut on the Sullivan program on CBS radio. That great day in radio history was March 29, 1932. In 1942, on his 10th anniversary in radio, Benny honored Sullivan by repeating on his own program the script of that first broadcast.

Prior to his appearance on television, Sullivan was best known for the charity affairs which he staged, especially during World War II. His massive show for Army emergency relief grossed a record $226,500, and, a year later, his American Red Cross benefit at Madison Square Garden surpassed that figure with a gross of $249,000. During the past 11 years he has taken numerous troupes and stars to veterans' hospitals and other institutions. The Armed Forces have cited him five times for his efforts in war bond drives and hospital tours.

As host of his television program, as a columnist and as a private citizen he has worked tirelessly for many worthy causes. The numerous awards he has received for his civic efforts have made him one of America's most honored entertainment personalities. For his contributions on their behalf, he has been cited by foreign governments (Italy, France, Israel), all branches of the Armed Forces, charities (American Cancer Society, Lighthouse for the Blind, Arthritis and Rheumatism Foundation) and many other organizations. The Advertising and Allied Industries cited his accomplishments in the following manner:

"One of the great names in American show business and journalism, Ed Sullivan has devoted his talents, his energies, and his resources, for nearly three decades, to the cause of human rights and community welfare.

"His patriotic and civic efforts are matched only by his services to the cause of better understanding among Americans of all races and faiths. These services are among the most significant achievements of any public personality in the world of entertainment in our time."

A yearly high point in Sullivan's role as a showman is the annual New York Daily News Harvest Moon Ball at Madison Square Garden and his subsequent appearances with the winners in theaters across the land.

Sullivan, born in New York, lived in upper Manhattan until his family moved to Port Chester, N.Y., where he attended St. Mary's Parochial School and Port Chester High School.

After graduation from high school, Sullivan became a reporter for the Port Chester Daily Item at $10 a week. The job, Sullivan adds, included coverage of the police court, weddings, funerals, and other events of local interest.

Sullivan joined the staff of the old New York Evening Mail in 1920 as a sports reporter. He later moved to the World, the Morning Telegram, and the Graphic as a sports writer. After 12 years of writing for the back pages, he became a Broadway columnist, a job which brought him into contact with all of the important names of show business. He shifted later to the Daily News, establishing his "Little Old New York" column, which developed into one of the Nation's best known and most widely syndicated features.

In television, Sullivan merges the varied talents he has developed during his 30 years on Broadway.

Ed Sullivan has done much to improve the working relationship between the television and movie industries with his biographical sketches of such motion picture producers as Walt Disney and Samuel Goldwyn and with his salutes to the major studios.

Sullivan has been responsible for the television debuts of scores of popular personalities, including Victor Borge, Walt Disney, Bob Hope, Dean Martin, and Margaret Truman, and numerous Hollywood stars such as June Allyson, the late Humphrey Bogart, Rita Hayworth, Van Johnson, Hedy Lamarr, Burt Lancaster, Jane Powell, Lana Turner, and Esther Williams.

Despite an exhausting and hectic daily schedule, he claims he is chronically lazy. His main diversion from his program and his column is golf. He learned the game as a youngster when he and Gene Sarazen caddied together at the Apawanis Club at Rye, N.Y. He usually tries to play a round in every new city he visits on his tours.

Sullivan and his wife, Sylvia, have an apartment in the Hotel Delmonico on Park Avenue, Manhattan, where Sullivan conducts all of his business as television performer and Broadway columnist.

His daughter, Betty, who is married to Robert Precht, producer of "The Ed Sullivan Show," has made him a four-time grandfather. He has three grandsons, Robert Edward, Vincent Henry, and Andrew Sullivan, and a granddaughter, Carla.

Mr. KEFAUVER. Mr. President, I join in commemorating the anniversary of Ed Sullivan's participation in TV programs and in paying tribute to him and his great talents.

Mr. JAVITS. I thank the Senator. Ed Sullivan is a man who is more than an entertainer or master of ceremonies. He is really an outstanding public figure. I am very grateful to the Senator from Tennessee.

THE WORLD OF THE FUTURE

Mr. KUCHEL. Mr. President, the people of California are understandably proud of the efficient labor being performed in their State in the field of science and engineering. Much of it is geared directly to the efforts of the U.S.

Government in the fields of America's defense and of outer space. But much of it, also, begins to have a profound and beneficial effect upon the daily life of all mankind.

Many of the large industrial complexes located in California spend a considerable portion of their own time, their own efforts, and their own money seeking new breakthroughs in several important fields—for means to make our missiles and rockets even more reliable; and for methods of producing them for less cost. They are also striving to find applications of the new knowledge to more mundane but no less important areas.

A typical story of the progress which is being made and of the aspirations of the men of science and engineering was recently told in graphic detail by Mr. John R. Moore, president of the Autonetics Division of North American Aviation, when the Autonetics Research Center was dedicated in my home community of Anaheim, Calif.

The remarks of Mr. Moore are particularly intriguing. He speaks about the world of the future. He says that mankind has a choice: The future can be bright and alive, or it can be dark and dead. He paints a picture of hope and faith; indeed, of the hope and faith to which men who are engaged in science and engineering generally, and in his Autonetics Research Center particularly, have been so strongly dedicated.

Mr. President, I ask unanimous consent that the text of Mr. Moore's dedicatory speech be printed in the body of the RECORD.

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

ADDRESS BY MR. MOORE

The world of the future can be bright and living, or it can be dark and dead. Much of the future is right here today—within a few feet of this room. Our problem is to find it and to put it to the beneficial use of mankind.

Much of our work is guided by the stern realities of military necessity. We at Autonetics and North American are proud to be doing our share. But aside from the fundamental goal of providing true national security against any hostile force, we are inspired also by the desire to use our technology to enrich the life of the world. And, we are victims of man's ceaseless desire to conquer new frontiers, even new worlds.

To each of these goals this research and development center is dedicated. Throughout the divisions of Autonetics, and of North American Aviation, scientists and engineers are grappling with many of the same problems with which we deal here. But their goals are too often, of necessity, limited to a particular project, to a contract obligation, to an immediate and pressing problem.

The urgency of solution is no less here. But here we have tried to create an environment, assemble a team, and supply the tools whereby men of equally high motivation can project solutions of today's problems and needs into a future, measured not by months but by years.

Science and technology have undergone a major revolution since World War II. This revolution—spurred by the necessities of national defense—has seen advances on all scientific fronts at a rate which could not have been predicted, even in 1950. Our technology has moved as far in one decade as it would have moved in a century by prewar standards. Along with advances in the scientific specialties have gone the feasibility and desirability of combining the outputs of the individual disciplines into increasingly complicated interacting systems, with corresponding complications in the organizations which produce them and the society which uses them. Because of this, I feel that the era which we are now entering is not so much the space age as the age of complexity, with the glamorous conquests of space representing only one manifestation of a more far-reaching situation which extends into all avenues of human activity.

Necessary conditions for our age of complexity have been the phenomenal advances in that group of scientific disciplines often misnomered "the electronics industry." Autonetics today, with its 32,000 employees, is 1 of the 10 largest organizations in that American electronics industry. This industry, which has as its primary characteristics the extension of human capabilities to sense, communicate, analyze, remember, and control, now contributes essential elements to almost every other scientific endeavor—whether in the uncharted reaches of space or the electron microscopes of virology.

From a business standpoint, the electronics industry has reached its first plateau of maturity. But this plateau is destined to be short lived. This research laboratory—along with thousands of others throughout the world—is dedicated to the verification of this prediction.

Already we see in these laboratories developments which give promise of changing our technology far more in the next 15 years than the changes which accompanied the revolution in which the age of complexity was born. These developments are destined to have far-reaching effects on all of our lives—on how we live and travel and communicate—on the kinds of schooling our children must be given and the kinds of jobs we must learn to do.

The years to date have sponsored many ideas, inventions, and activities representing the application of the disciplines of classical physics to the interconnection of discretely valued lumped parameter elements. These interconnections have been performed by wires, mechanical elements and far-field electromagnetic waves.

As such, it was possible to understand a sharp distinction between the engineer and the scientist working in the same scientific field. The new principles open up a whole new world of controlled field phenomena, along with vast complexes of interconnected lumped parameter elements in which the coupling is fabricated at the same time that the individual elements are built—by accurately controlled electron and ion beams. In such equipment the engineer must be a modern physicists as well as a practical man. This is not meant to imply that the need for engineers distinguishable from pure scientists will not continue to exist in many fields—but, rather, to note the expanding requirement for a kind of training and capability not readily available today.

This new revolution in the electronics industry will partake of all the alarms and excursions and attritions of any revolution. It will change electronics from a handicraft industry to the most highly automated in the world. Already some of the building blocks of the new revolution have been given names, picked up by the press, "microelectronics," "grown-circuits," "functional electronic blocks," "thin film technology," "photon interconnection," "cryogenics," "Lasers," "Masers," "Irasers," "plasmas," and many more.

The invention of the transistor, a scant 15 years ago, provided a major impetus for basic research into the nature of the solid state. The aim today is not just to make possible smaller and lighter assemblies. More important, it is to provide assemblies of vastly improved reliability. This is a necessary condition to the ability of electronics to achieve its bright destiny as the greatest servant of mankind.

A home radio set may contain 50 parts. The guidance system for a missile may contain 25,000 parts. This is an increase by a factor of 500 and, if the failure of any part will cause a catastrophe, the average reliability of each individual component must be increased by a factor of more than 500 to keep the guidance no less reliable than the radio.

The high degree of automaticity inherent in the production processes of tomorrow also will result ultimately in materially lower costs. The electronic assembly line of the future can be envisioned as an extension of some of the laboratories you will see here today. Electronic assemblies will be formed under ultraclean conditions in high vacuum chambers. Processes of cutting, forming, diffusing, and interconnecting will be accomplished by invisible electron and ion beams similar to those which paint the picture on a TV tube, only much more powerful. These beams will be controlled in their action by digital computers of great flexibility. With these processes it will be literally possible to write the required characteristics into a tiny block of semiconductor material and to form the interconnections in place through the deposition of very thin layers of refractory metals such as tungsten or tantalum.

The ultimate in this process is what might be termed "invisible electronics"—circuits so small as to be invisible even under a microscope. Since the electron beam can have a resolution capability finer than one wavelength of visible light, we have at hand a tool for working on things truly beyond our capability to visualize. Our laboratory here has one such instrument called a "microprobe." With it we can literally "see" the gross structure of matter and the distribution of specific chemical elements in an alloy, a solution or a surface interface.

The realization of such tiny circuits may make possible some truly arresting results in the field of digital computers. We are on the verge of breakthroughs to relieve man of much of the burden of mental labor, just as the industrial revolution relieved him from much of the burden of manual labor.

One of the problems we face as scientific knowledge grows by fantastic amounts is simply the documentation, processing, filing and retrieving of available information. Today, we are faced in many areas with subject matter so complex that no one man or integrated team of men can know or recall everything relating to a single subject. The menial mental task of assembling information and then analyzing it is becoming overwhelming. This has led to intensive efforts on the part of the electronic industry involved with data processing. Such efforts have resulted in many applications for engineering calculation, business administration, factory information, process control and vehicle control.

However, important as these external organized equipments are today and in the future, we are now beginning to think in terms of a new type of device called the bionic machine. These electronic systems do not use biological elements as the name might imply, but, rather, attempt to simulate the operation of the human brain. In this sense they are called self-organizing—which means that they are capable of automatically adapting their internal relationships to fit situations which develop from external stimuli. Such devices were originally investigated for automatic pilots, for language translation and for pattern recognition in a more general sense—to recognize meaningful information among a maze of extraneous data.

Today you will see one such machine. It is the rudimentary predecessor of what we believe will be the instrument of the emanci-

pation of the mind: the computer which learns. The AGILE learning machine to be demonstrated is rudimentary only because it is limited in capacity by the realities of our present state of the art in component miniaturization. It has been estimated that the human mind has a memory equivalent to 2 billion bits and contains analogs of 200,000 integrators. In an era of invisible electronics, we could expect that computers would be available with a bit capacity which begins to rival the human brain.

Such computers, programed in the learning mode—crammed with every facet of information and experience in a given subject or field—would make possible what we like to call the automatic oracle. It could be interrogated at will by a person in search of knowledge. For example, if it were made an authority on the human heart, a doctor interested in an obscure symptom discovered in a patient could consult the automatic oracle for digested information to assist in reaching a prompt, accurate, perhaps life-saving diagnosis. Or a lawyer, interested in past decisions pertinent to his case, could refer to a legal "automatic attaché."

In brief, we have within sight a capability which could radically change the destiny of man by vastly expanding, augmenting and freeing his brain capacity. But to do so with today's computers might well, in some cases, require the assembling of every major computer in the Nation to handle a single intellectual field in depth. Thus, one importance which microminiaturization assumes involves the feasibility of building electronic computers of vastly greater complexity with a reliability that will make them usable and at a cost which will open up the market for them.

And, that, of course, is not the only technology currently in transition from laboratory to production line, and on which we shall work here. Another is the science of discrete energy level devices. These may be known to you under such names as Lasers, Masers, Irasers, atomic clocks, or Mossbauer devices. They have in common their ability to act as generators, amplifiers, or detectors of energy of very precisely controlled frequency and phase, through the medium of quantum effects in solids or gases. Radio telescopes use these effects. Atomic clocks so precise they would lose only 1 second in 300 years now are available. Lasers and Irasers can produce extremely intense beams of visible or infrared radiation which is coherent—that is, of the same phase—which permits extremely sharp focusing. A Laser beam transmitted from an earth station would subtend to only about half a mile at the surface of the moon, and American scientists recently were able to detect the reflection of such light from earth to moon and return.

Lasers, as potential sources of high density energy, have obvious military applications in such things as so-called death rays transmiting large amounts of energy with the speed of light. But more important to that bright and living side of our future are applications in the communications field, and in the intricate micromachining process needed with automated fabrication of future electronic systems.

Such advanced discoveries and techniques usually have their first applications in new frontiers. The most highly publicized uses thus have been coming in the field of outer space, where exploration is largely a scientific and exploratory venture, but certainly has its military overtones. Space is becoming a place to hide, a place for spies in the skies, a place for orbiting fortresses. It could become the battlefield of the future as the world's powers seek means to disarm, at least on the earth itself.

And, while outer space is the current focus of attention, so is it possible that inner space—that major portion of the earth's surface which is under water—may become a focal point within the next decade. Man has used the ocean surfaces as a transportation medium for centuries, but we know almost nothing about the ocean depths. The ocean floor covers 139 million square statute miles—and yet, except for the Continental Shelf, less than 1 square mile has been photographed and less than 3 percent has been mapped. We literally know more about the surface of the moon, even today, than we do about the ocean bottom.

What are its resources? We know we have oil in the ocean floor and drill for it from huge, cumbersome platform vessels. We see dredging for phosphorus and pumping for sulfur, miles from our shores. But what other scarce resources are there? How can we recover them economically to meet the needs of a burgeoning world population? What of the minerals to replace the depletion of surface supplies? Our ocean fishing in many ways has made no real advances from the Stone Age. How can we "farm" the fish of the seas or use the myriads of marine plant life to the benefit of mankind?

And as we can hide weapons in space, so can we hide missile-launching submarines in this inner space. But, as our potential enemies obtain this capability, how do we combat it? How do we detect it? How do we prevent other covert military use of the ocean deeps? Even in a world without national arms, what of the prospecting and policing actions required for exploiting 70 percent of the earth's surface?

Through this laboratory and the other divisions of North American we hope to make substantial contributions in the areas of the ocean sciences. Indeed, one thing you will see today is a model of a two-man vehicle capable of self-sustained, mobile operation in ocean depths to more than 3,000 feet.

It represents, in its small way, the teamwork which must go into scientific advances. Autonetics and Los Angeles divisions of North American are cooperating on design and drafting of plans. Rocketdyne division engineers are working on auxiliary buoyance tanks. The Columbus division is developing a hull of sandwich construction to withstand the tremendous pressures.

The research and development team at this new center is planning the instrumentation, controls, final assembly, and operations.

The fascination of work such as ours lies in being a part of the fantastic new world which science and technology is creating; in being part of the team at North American and at Autonetics. I am particularly delighted to work with the group which Dr. Robert M. Ashby has assembled to man this center.

Roughly one-third of the technical people here hold doctorates. All are advanced experts in their particular fields. We feel fortunate in being able to create a group, and an environment, which will grow and play a vital part in shaping the future. I hope all of you here today will view it, not just as customers or competitors, but as fellow weavers at the loom of the fabric of the future.

Dr. Ashby, it is in this spirit that we dedicate this center today, and that I present to you this dedicatory plaque which symbolizes our bit of mankind's aspirations.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. KEFAUVER. Mr. President, under the previous order, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, June 13, 1962, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 12, 1962:

U.S. District Judge

Roger D. Foley, of Nevada, to be U.S. district judge for the district of Nevada. (A new position.)

In the Navy

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Van P. Liacopoulos
John N. Luebbermann

Ernest G. Koehler (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the line of the Navy subject to the qualifications therefor as provided by law.

The following-named graduates (from Navy enlisted scientific education program) to be permanent ensigns in the line of the Navy subject to the qualifications therefor as provided by law:

Jesse W. Armstrong	John L. Mountjoy
Edward L. Campbell	William L. Newcomb
David M. Charles	William P. Tinder
Walter A. Crossman	Okey Townsend, Jr.

The following-named graduates (from Navy enlisted scientific education program) to be permanent ensigns in the Navy (engineering duty) subject to the qualifications therefor as provided by law:

John E. Handberry
Floyd G. Lecroy
William G. O'Brien

Philip G. Kesel (Navy enlisted scientific education program) to be a permanent ensign in the Navy (aeronautical engineering duty (aerology)), subject to the qualifications therefor as provided by law.

Joseph M. Moroney (Navy enlisted scientific education program) to be a permanent ensign in the Navy (special duty, communications) subject to the qualifications therefor as provided by law.

The following-named graduates (from Navy enlisted scientific education program) to be permanent lieutenants (junior grade) in the line of the Navy, subject to the qualifications therefor as provided by law:

Frederick G. Doell
Robert M. Foley
Elmer R. Grimes

Howard A. Boshers (Navy enlisted scientific education program) to be a permanent lieutenant (junior grade) in the line of the Navy in lieu of ensign as previously nominated, subject to the qualifications therefor as provided by law.

Joseph H. Freeman, Jr. (Navy enlisted scientific education program), to be a permanent lieutenant (junior grade) in the line of the Navy in lieu of ensign as previously nominated and confirmed, subject to the qualifications therefor as provided by law.

James R. Meyer (Navy enlisted scientific education program) to be a permanent ensign in the Supply Corps of the Navy, in lieu of ensign in the line as previously nominated and confirmed, subject to the qualifications therefor as provided by law.

The following named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

Richard F. Ambur	John C. Gibson
Jack R. Brewer	Richard M. Monihan
Stephen T. Bush	Surl L. Nielsen
Robert B. Fitzgerald	James Z. Taylor
John W. Garden	David L. Wishart

The following named (Naval Reserve officers) to be permanent lieutenants in the

Medical Corps of the Navy, subject to the qualifications therefor as provided by law:

John C. Folusiak
Donald M. Phillips

The following-named officers of the Navy for permanent promotion to the grades indicated:

To be captains, Medical Corps

Judson H. Jenkins
David Minard
James P. Semmes
David B. Rulon
George W. Taylor, Jr.
Newton W. Allebach
Edwin F. Aune
William B. Ingram
James C. Hodges, Jr.
Oscar Gray, Jr.
Albert D. Nelson, Jr.
Orville F. Nielsen

To be captains, Dental Corps

Joseph S. Hurka
Thomas J. Hanson
Donald C. Hawkins
Frederick W. Brigance
Joseph J. Hoyt
Charles W. Folkers
Justin F. Stolitsky
Peter C. Conglis
George A. Pfaffmann
Alva A. Wheat
Walter E. Ralls
James J. Brown, Jr.
Leon G. Suehs
Thomas H. Mayo
Fiore A. Papera
Joseph G. Hancock
Richard T. Sochowski
James W. Sedlacek
Gordon H. Rovelstad
Edward G. Hutton
Henry T. Mumme, Jr.
John H. Smith

To be commander, Medical Corps

Roger F. Reinhardt

To be lieutenant commander, Dental Corps

James E. Corthay

To be lieutenants, line

Samuel F. Keller, Jr.
Patrick J. Cusick
James A. Mares
Walter F. Behrle
Henry P. Woodcock, Jr.
John H. Miller
Nestore G. Biasi
Rodney W. Couser
Robert E. Daley
James W. Holmes, Jr.
Grant G. Gullickson
John Popp, Jr.
George W. Pearson
Eugene T. Knight
Lewis M. Popplewell
Julian L. Raines
Charles E. Cogswell
James F. Barkley
Charles B. Rose
Francis W. Lannon
Henry C. Rodgers
John J. Muniz
George Bernier, Jr.
John W. Welsch
George M. Langford
Archie G. DeRyckere
William A. Rose
Louis A. Downey
Clarence A. Devine
Kermont C. Brasted
Harold S. Kimbrough
John F. Gildea
John J. Teuscher
Harry H. Ferrier
Norman L. Spry
Ray Goodson
Allan A. Porter
Perry F. Creighton, Jr.
James E. Tassell
Edward J. McLyman, Jr.
Lee R. Craig
Harry E. Thompson
James G. Hill
John E. Bilderback
Albert J. Scoles
Albert A. Wood, Jr.
Clyde E. Waldrop
Robert H. Willyard
Joseph H. Fegan
Raymond P. Tennison
Gordon F. Siljestrom
Harold W. Fisk
Leonard Leo
Leonard J. Abbott
Robert A. Crozier
Thaddeus F. Chiz
Henry L. Monroe, Jr.
Sam A. Ferguson
John D. Santivasci
Oscar W. Benefiel, Jr.
Roy W. Asher
Anthony Janus, Jr.
Clarence R. Lake
Joseph F. Turpel
Ralph R. Huff
Frederick J. Richey
Isom L. Brown
James W. Alexander
Charles L. Smith
Thomas E. Bower
Frank R. McCoy, Jr.
Raymond Perry
Willard B. York
Victor A. Baglioni
James L. DeLozier
John B. Powers
Jack A. Offins
Louis H. Marcoux
Mike Manso
Roger L. Graham
Robert M. Donovan
William H. Rush
Roger M. Exon
Charles D. Grundy
William J. Summerville, Jr.
Robert W. Ullman
Albert J. Lacklen
Walter D. J. O'Toole
Gerard P. Brunick
Orris V. Clark
Richard J. Wear
Melvin E. Chapman
Bill R. Allen
John F. Craven
Donald Kear
John E. Tucker
Frank C. Conerty
John H. Ulrich
Richard J. Deisher
Calvin M. Weil
Joe A. Hudson
Lawrence G. Hoppenjans
Clarence A. Hicks, Jr.
Robert W. Lane
Vernon E. Petranek
Warren H. Crawford
Russell R. Gill
Ross G. Ostlund
Neil "S" Pruden
John S. McClure
Wallace E. Trelford
LeRoy C. Laine
Ellis F. Green
Faber W. McCartney
Bobby G. Henderson
John W. Hughes
Fred A. Feakes
William F. Shand
Alexander J. Jansen
Robert C. Brown
John J. Berrier, Jr.
Ronald D. Brogden
Clifford A. Lowrey
Ernest T. Thompson
Calvin C. Epple
John W. MacDonald
Alfred L. Poe, Jr.
Francis L. Stephens
Clinton H. Young
Harold L. Bridenstine
Edward A. Johnston
Harry C. Martin
Charles W. Myer
Charles H. Morgan, Jr.
Joseph A. Corsi
Jack F. Sousae
Russell C. Beltz
Peter F. Allen
Olen E. Naylor, Jr.
William A. Follard
Robert A. Hampton
Travis D. Nations
Paul M. Windham
Charles J. McCarthy, Jr.
Donald F. Hebert
Jack Hagen
John L. Dwyer
Gerald C. Kelly
Miles T. Graham
Archie D. Borden
Garvey A. Blanc
Richard I. Mixon
Roy E. Battles
George H. Nourse
Charles A. Allen
Frank Parker
William R. Chadwick
Joseph D. McCann
Roy V. Hall
John A. Brecheen
Edmund W. Heath
Monroe W. Barker
Edward J. Augustyniak
William H. Campbell
Gordon B. Shupe
Jerry T. Middleton
Robert H. Cookson
Stuart J. Mason, Jr.
Kenneth R. Rebello
Donald S. Foltz
Clifford V. Robinson
Richard C. Eller
Kenneth E. Smith
William J. Leach
Wallace A. Skelton
Arthur L. Schelling
Willie R. Myers
Robert J. Shanley
Robert W. Cameron
Wilber B. Swaim
Frank E. Lyle
William C. Reed
Kirby P. Hunt
Harry A. Wagner
Walter E. Nolan, Jr.
Victor A. Decesare
Charles W. Phillips
Eugene Rogers
Edward R. Crawfoot
Earl F. Day

To be lieutenants, Supply Corps

Robert E. Cotton
Robert W. Lawrence
William H. Trenkle
Paul G. Zoller
Albert A. Manson
Eugene V. Coleman
Warren "M" Sweet
Herman D. Beach
Joseph L. Bilka
Robert E. Murray
Charles E. Griffiths
William P. O'Donnell
William H. McInnis
Allen F. Smith
Cary F. Wright
Alfred I. England
Harry W. Leftwich
Joseph W. Stok
Robert D. Lang
Herschel J. Bonnett
Ralph L. Holland
Winston L. Martin

To be lieutenants, Civil Engineer Corps

Fred Moore, Jr.
William F. Monnier
Murray L. Brooks

The following-named officers of the U.S. Navy for permanent promotions to the grade of lieutenant (junior grade), in the line and staff corps as indicated, subject to qualification therefor as provided by law:

LINE

Bell, John M.
Borde, Paul P.
Davis, Grady W., Jr.
Depew, John N.
Fox, Vern H.
Hammer, Robert C.
Hark, Donald L.
Higbee, Gerald M.
Inman, Walter E.
Klappenbach, Edward W.
Lawson, John W.
Lee, Linda M.
Liles, Don K.
Mundy, Jerome J.
O'Hara, Charles W.
Ross, Lawrence T.
Scrader, Marianne W.
Stanley, Walter L.
Turkington, William W., III
Wallis, Constance M.
Williams, Windell V.
Winthrop, Griffith J.
Wright, Perry W.
Youngmann, Kenneth C.

SUPPLY CORPS

Evans, Steven H.
Francis, Thomas M.
Goodman, Jack R.
Jewett, Grey R., Jr.
Lee, Richard H.
Mazurek, Stanley F.
McAdams, William M.
Ray, Harold L., Jr.
Selgelid, Larry C.

CIVIL ENGINEER CORPS

Butler, David E.

NURSE CORPS

McCollum, Dolores E. K.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Bobby D. Chambless
Charles W. Gibson, Jr.
Clifford H. Greisen, Jr.
Richard A. Heath
Harold E. Itchkawich
Poindexter M. Johnson
John J. Kaplafka
Robert F. King
William T. Ridgeway
Michael W. Sayers
Leonard K. Slusher
George E. Turner, Jr.
Paul S. Weathers, Jr.

The following-named officers of the Marine Corps for temporary promotion to the grade of first lieutenant, subject to the qualifications therefor as provided by law:

Thomas V. Barrett
David M. Beinner
William D. Benner
John P. Brickley
Richard T. Brophy
Ralph D. Burns, Jr.
Charles W. Cobb, Jr.
Thomas L. Cusick
Stephen C. Durrant
Frank W. Evans
Joseph A. Galizio
Constantine Gofas
William S. Goodman
Clifton W. Guthrie
Phillip L. Harrington
Claire L. Hayner
John D. Hess
Ralph E. Hines
Richard W. Hooper
Carl J. Horn
Kenneth D. Johnson
Thomas E. Jones
David M. Kenworthy
Paul S. Marcani
Roland E. Monette
Robert A. Nargi
James S. Needham
Martin H. O'Connor, Jr.
Robert J. Paterson
Joel N. Peterson
Glen L. Severson
Cloyce E. Sinclair
William F. Snyder
Frank W. Tuckwiller
William R. Warren
Donald M. Weller, Jr.
William H. West, Jr.
Arnold G. Whittelsey
Ronald N. Wilson

The following named for permanent appointment to the grade of second lieutenant for limited duty in the Marine Corps, subject to the qualifications therefor as provided by law:

John F. Angil
Mordecai R. Arnold
Richard T. Beitel
Paul J. Bevers
Kenneth L. Bourgeois
Richard A. Brentlinger
Charles R. Bridges
Edward V. Cox
Ted O. Dickson
John F. Drummond
James E. Eastman
Harold A. Erwin
Frank Ferrante
William R. Filo
Roland T. Geddes
Gerald L. Gill
Eugene M. Glass
John A. Goehring
D'Arcy E. Grisier
John A. Hadley
James D. Hardaway
Robert F. Harrington
James B. Hickok
Howard W. Higgins
James H. Holbrook, Jr.
John "L" Jenkins
Harold B. Jensen, Jr.
James G. Kolb
Eugene L. Kratcoski
Charles T. Lamb
Theodore P. Lingenfelter
Louis A. Link
Robert E. Lorch
Arville D. Martin
Patrick L. McDermott
Paul V. McNutt
Richard P. Miller
Charles G. Mulford
Donald R. Muncie
Karl L. Myers
Kenneth E. Noland
Carroll K. Obert
Donald O. O'Dell
Vernon J. Perz
Herbert M. Sanchez
Edwin E. Schreck
Richard W. Schulz
William J. Selwitschka, Jr.
William W. Stumpf
Igor R. Valentine
Forest N. Varn
Dellie A. Vick, Jr.
James E. Wells
Morgan L. Wilkinson
Carl R. Yale

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1962:

U.S. ARMY

The following-named officer for appointment in the Regular Army of the United

States, to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3307:

Brig. Gen. Achilles Lacy Tynes, O18916, Medical Corps, U.S. Army, to be major general, Medical Corps.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Maj. Gen. James Hedges Forsee, O18265, Medical Corps, U.S. Army.

Brig. Gen. Chester William Clark, O41908, U.S. Army.

Brig. Gen. Frank Thomas Mildren, O21992, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. James Abner Richardson 3d, O29906, U.S. Army.

Brig. Gen. Richard John Meyer, O19147, U.S. Army.

Brig. Gen. Thomas Heber Lipscomb, O19371, U.S. Army.

Brig. Gen. George Allen Carver, O19122, U.S Army.

Brig. Gen. Ferdinand Thomas Unger, O20734, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. William Hutcheson Craig, O19526, U.S. Army.

Brig. Gen. George Stafford Eckhardt, O19766, U.S. Army.

Brig. Gen. John Joseph Lane, O19021, U.S. Army.

Brig. Gen. Achilles Lacy Tynes, O18916, Medical Corps, U.S. Army.

Brig. Gen. John Frederick Thorlin, O19067, U.S. Army.

Brig. Gen. David Parker Gibbs, O19189, U.S. Army.

Brig. Gen. Roland Haddaway del Mar, O29917, U.S. Army.

Brig. Gen. William Allen Harris, O18976, U.S. Army.

Brig. Gen. Harry Lester Hillyard, O19524, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank Joseph Sackton, O30553, Army of the United States (colonel, U.S. Army).

Brig. Gen. Hugh McClellan Exton, O19780, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frederick Carlton Weyand, O33736, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Norman Basil Edwards, O19936, Army of the United States (colonel, U.S. Army).

Brig. Gen. Eugene Albert Salet, O30790, Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert George Fergusson, O20267, Army of the United States (colonel, U.S. Army).

Brig. Gen. Austin Wortham Betts, O19373, U.S. Army.

Brig. Gen. William Pelham Yarborough, O20362, Army of the United States (colonel, U.S. Army).

Brig. Gen. Douglas Phillip Quandt, O20605, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Edward Leon Rowny, O23744, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Arthur William Oberbeck, O20569, Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Samuel Edward Gee, O19251, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Jacob Lemley, Jr., O19756, Army of the United States (colonel, U.S. Army).

Brig. Gen. Charles Billinslea, O20367, Army of the United States (colonel, U.S. Army).

Brig. Gen. Harry Herndon Critz, O19786, Army of the United States (colonel, U.S. Army).

Brig. Gen. James Howard Skeldon, O20831, Army of the United States (lieutenant colonel, U.S. Army).

To be brigadier generals

Col. Donald Gilbert Grothaus, O20221, U.S. Army.

Col. Allen Thomas Stanwix-Hay, O51759, U.S. Army.

Col. John Daniel Hines, O38900, U.S. Army.

Col. William Leslie Calhoun, O42664, U.S. Army.

Col. John Arthur Goshorn, O31465, U.S. Army.

Col. Lawrence Pierce Jacobs, O31556, U.S. Army.

Col. Kelley Benjamin Lemmon, Jr., O20816, Army of the United States (lieutenant colonel, U.S. Army).

Col. Allen Douglas Hulse, O21238, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank Carter Norvell, O19471, U.S. Army.

Col. Robert Hall Safford, O20244, U.S. Army.

Col. John David Torrey, Jr., O20217, U.S. Army.

Col. George Madison Jones, O19965, U.S. Army.

Col. Thomas Nelson Sibley, O21277, Army of the United States (lieutenant colonel, U.S. Army).

Col. George Edward Pickett, O21938, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Bernard Markey, O38826, U.S. Army.

Col. John Gottfried Gramzow, O30735, U.S. Army.

Col. Michael Shannon Davison, O22051, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Bradford Smith, O22113, Army of the United States (lieutenant colonel, U.S. Army).

Col Steve Archie Chappuis, O20899, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eads Graham Hardaway, O20855, Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth Joe Hodson, O43268, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald Vivian Bennett, O23001, Army of the United States (lieutenant colonel, U.S. Army).

Col. B J Leon Hirshorn, O51762, U.S. Army.

Col. Kenneth Irwin Curtis, O19790, U.S. Army.

Col. Roland Bennett Anderson, O21108, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lawrence Edward Schlanser, O19886, U.S. Army.

Col. Robert Runyan Linvill, O40305, Army of the United States (lieutenant colonel, U.S. Army).

Col. Stanley Lauriston Harding, O32134, Army of the United States (lieutenant colonel, U.S. Army).

Col. Patrick Francis Cassidy, O32809, Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank Milton Izenour, O21263, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Gilbert Turner, O31414, U.S. Army.

Col. Gordon Talmage Kimbrell, O20851, Army of the United States (lieutenant colonel, U.S. Army).

Col. Clarence Carl Haug, O19736, U.S. Army.

Col. William Braden Latta, O21119, Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles Robert Meyer, O20762, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Kenneth McCormick, O31982, Army of the United States (lieutenant colonel, U.S. Army).

Col. Justin William Stoll, O30483, U.S. Army.

Col. Bernard Sanders Waterman, O19746, U.S. Army.

Col. Melville Brown Coburn, O19973, U.S. Army.

Col. Fillmore Kennady Mearns, O21106, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Thomas Corley, O21325, Army of the United States (lieutenant colonel, U.S. Army).

Col. John Clifton Dalrymple, O31509, U.S. Army.

Col. Raymond John Harvey, O20116, U.S. Army.

Col. Walter Edward Lotz, Jr., O21090, Army of the United States (lieutenant colonel, U.S. Army).

The following-named officer for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

Col. Robert Ludwig Schulz, O42115, U.S. Army.

U.S. AIR FORCE

The following-named officers to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10 of the United States Code:

To be generals

Lt. Gen. John K. Gerhart, 525A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Dean C. Strother, 591A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Mark E. Bradley, Jr., 552A (major general, Regular Air Force), U.S. Air Force.

To be lieutenant generals

Maj. Gen. William S. Stone, 1059A, Regular Air Force.

Maj. Gen. Richard M. Montgomery, 1025A, Regular Air Force.

Maj. Gen. Thomas P. Gerrity, 1613A, Regular Air Force.

Maj. Gen. Charles B. Westover, 1351A, Regular Air Force.

Maj. Gen. David A. Burchinal, 1936A, Regular Air Force.

The following-named officer to be placed on the retired list in the grade indicated, under the provisions of sec. 8962, title 10, of the United States Code.

To be general

Gen. Laurence S. Kuter, 89A (major general, Regular Air Force), U.S. Air Force.

U.S. MARSHAL

Luke C. Moore, of the District of Columbia, to be U.S. marshal for the District of Columbia for the term of 4 years.

IN THE ARMY

The nominations beginning Warren G. Cosby to be major, and ending Walter Youngblade to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 24, 1962.

EXTENSIONS OF REMARKS

A Bill To Reopen NSLI For 1 Year

EXTENSION OF REMARKS
OF

HON. FRANK KOWALSKI

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. KOWALSKI. Mr. Speaker, I introduce, for appropriate reference, a bill to amend title 38 of the United States Code to permit, for 1 year, the granting of national service life insurance.

Several bills are presently pending in the House Committee on Veterans' Affairs to restore the right for insurable, and service-disabled veterans of World War II and of the Korean conflict to pick up their national service life insurance protection. This right was abruptly discontinued on April 25, 1951—Public Law 23, 82d Congress—without adequate notice to permit World War II veterans to protect their interest. Veterans of the Korean conflict, for the most part, had only 120 days after separation from the service to purchase NSLI, and this right was discontinued effective January 1, 1957. In addition to readjustment problems, few Korean veterans chose to take out the very limited type of NSLI then offered them since it was nonparticipating and nonconvertible at that time.

We are all familiar with the impasse that has developed between the Senate Finance Committee and the House Committee on Veterans' Affairs with reference to reopening NSLI for a limited period, and a bill approved by the House on April 2, 1962—H.R. 10743—to provide a very modest increase in the compensation rates for war veterans suffering from service-incurred disabilities.

I firmly believe that this impasse should be eliminated at the earliest possible moment. One way of breaking this logjam would be for the House Veterans' Affairs Committee to hold hearings and vote an NSLI reopening bill out of committee. I am convinced that the large majority of my colleagues in the House would welcome the opportunity to be permitted to vote in favor of such a proposal. I am sure that the some 16 million veterans who might be affected would welcome such a move.

I, therefore, take this means to ask the chairman of the House Veterans' Affairs Committee to seriously consider the plight of our war-disabled veterans and their dependents who are being penalized, through no fault of their own, simply because the full membership of the House is not being given an opportunity to vote on this wanted and needed legislation. If the House is given such an opportunity, I am sure the result will be to break the existing logjam and thus speed Senate action on the sorely needed compensation increase legislation for the service disabled, and reopening of national service life insurance for the protection of families of World War II and Korean veterans at premium rates these veterans can afford to pay.

Based upon information that has been available to all Members of Congress—page 8296, CONGRESSIONAL RECORD of May 14—it is my understanding that neither the President nor the Administrator of Veterans' Affairs is opposed to this reopening legislation.

Progress of Major Legislation in Congress

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, June 12, 1962

Mr. WILEY. Mr. President, in a weekend address over Wisconsin radio stations, I was privileged to discuss the progress of major legislation in Congress. I ask unanimous consent to have excerpts of the address printed in the RECORD.

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

PROCESS OF MAJOR LEGISLATION IN CONGRESS

During this get-together, I would like to review the progress of legislation in Congress.

Frankly, this has been a slow-moving session. Now, well past the usual midway mark, despite a tremendous workload of legislation, the record of accomplishment is nothing to write home about.

For example, of several major appropriation bills—for Treasury, Interior, Post Office, legislative branch, Defense Department, Health, Education, and Welfare, and other agencies—on which action is needed prior to the beginning of the new fiscal year on July 1, only one has been enacted into law.

In addition, there is a heavy agenda of other legislation, much of which is strongly controversial, including proposals for revision of our tax laws, liberalization of reciprocal trade agreements, medical care for the aging, a changed farm program, revision of postal rates, mutual security for strengthening free-world defenses, and other measures.

Despite 1962 being a campaign year, the outlook is not only for longer than usual, but also an extraordinarily busy session of Congress.

The challenges are too great and the times too critical, for just political expediency. Consequently, we will need to stay on the job until the work of the Congress is effectively finished.

CHALLENGES AROUND THE GLOBE

Around the globe, also, we are confronted by great problems and challenges, the outcome of which may well affect us individually and as a nation.

Significant among these are the following:

1. Confrontations with the Communists, on all fronts, where right or wrong moves can mean peace or war;

2. The creation of a common market in Western Europe (a) which not only is an economic bulwark against communism, but (b) requires substantial, and some, including the United States, will participate in or be frozen out of the market;

3. Strengthening free world alliances; and

4. Maintaining a strong, solvent, forward-striding country.

In a globe of shrinking horizons, then, the creation of sound policies in these and other areas, will be necessary to maintain peace, to promote U.S. progress and security and to fulfill promise of a brighter future, here in Wisconsin and around the Nation.

Address by Hon. Homer Thornberry to the Conference of Executives of the American Schools for the Deaf, Austin, Tex., April 1, 1962

EXTENSION OF REMARKS
OF

HON. JOHN W. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. JOHN W. DAVIS. Mr. Speaker, I should like to call to the attention of the membership of this body the very excellent address which was delivered by the gentleman from Texas [Mr. THORNBERRY] to the Conference of Executives of the American Schools for the Deaf at Austin, Tex., on April 1, 1962:

ADDRESS BY MR. THORNBERRY

Dr. Edgar, Mr. President, Mr. Grace, members of the Conference of American Schools for the Deaf, my friends of long standing who are and have been members of the faculty and of the alumni of the Texas School for the Deaf, I appreciate the very generous introduction which Dr. Edgar has been good enough to give me.

Dr. Edgar is one of our State's outstanding leaders in the field of education. As commissioner of education in Texas he has been a warm friend of the deaf and of the Texas School for the Deaf. It has been my privilege to have known him as a friend when he first came to Austin as superintendent of the Austin Schools. I am grateful that he would take the time here tonight and present me to you.

May I acknowledge the presence of the fine people with whom I am privileged to be associated at Gallaudet College. We have a splendid delegation from Gallaudet and I know you will enjoy knowing them better.

One of the great privileges I have is serving with unselfish, public spirited men on the board of directors of Gallaudet College. I am particularly pleased that Dr. Boyce Williams is with us here. He is an outstanding alumnus of Gallaudet and is the alumni member of the board. He renders a valuable service to Gallaudet as a member of the board and to the deaf in his important capacity as consultant, deaf and hard of hearing, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare.

Dr. Leonard M. Elstad, president of the college, is here for the conference. He is making a splendid contribution not only to Gallaudet in its program of higher education for the deaf but he is also doing an outstanding job of public relations for Gallaudet and the deaf of the Nation. It is most fortunate that we have Dr. Elstad's leadership in this field. I have great personal confidence in his administration and in the work he is doing.

According to the program and the invitation from Mr. Grace, my assignment is to deliver the keynote address of the conference.

I must confess that this is my first experience with a keynote address to be delivered to an important conference such as yours. I am somewhat familiar with keynote addresses which have been delivered to political conventions. I have never been sure that some of those I have heard made much of a contribution to the success of the particular conventions to which they have been delivered. And I hasten to point out that my degree of enthusiasm for such speeches has not depended entirely on which political party was holding the convention.

I am told that such keynote addresses are necessary to arouse the enthusiasm of the rank and file members of the political convention and to exhort the faithful.

Certainly those of you who are here for this conference must be counted as the faithful in the great, important, and little-noticed program of the deaf. I hope that in some small way I am able to make some contribution which will start this most worthwhile conference on the right road.

When Mr. Grace asked me last fall to be with you at this conference I was glad to accept. I was glad to accept not only because of my lifelong interest in the deaf and their education, but because I wanted the opportunity to meet with those of you who have the great responsibility of providing the leadership in the education of the deaf, and to express my appreciation to you for the dedicated service you are rendering not only to the deaf of this Nation but to all of the people of this country.

I am the product of the education of the deaf. After all, what my parents knew and learned came from those like you who are dedicated to the teaching of the deaf. In turn, they became teachers of the deaf.

As has been indicated, I am the son of deaf parents. Here at this school where we meet tonight my mother and father came many years ago for their education. Later, both of them devoted a major part of their lives in helping to teach deaf children. Here they met, married, and made their first home just across the avenue on which this campus fronts. I was born in that home and spent many hours in play on this campus.

I used the sign language before I learned to talk vocally. The first friends I ever knew were deaf. Some of the oldest and most loyal friends I ever had were deaf. While there are few of them left on this earth, my family and I never had better or more understanding friends than those with whom my father and mother were assoicated at this school for more than half a century.

I believe I have had as good an opportunity to observe deaf people as anyone. I have known the deaf as parents. I have had an opportunity to observe them as teachers, and I have also seen them engaged in almost every type of vocation known to man, and I know them as patriotic and honorable citizens.

I need not tell you that the deaf possess more determination and perseverance than the average. As you know, they seem to have a fierce determination that their children shall grow up as upright and honorable people and receive the best education possible. I am proud of my heritage as a son of deaf parents.

You know one can never tell what might happen because of background and association. Dr. J. W. Blattner was a long time teacher of the deaf and administrator in this field. Some of you may have known him. He taught here at this school, was its principal, and later served as superintendent of the Oklahoma School for the Deaf. My mother thought he was one of the greatest men who ever lived. Many times during our lifetime she would tell me what Dr. Blattner had told her about some given experience and would quote what he said as "doctrine."

After he retired, he and Mrs. Blattner moved back to Austin. After I had first been elected to the Congress and Mrs. Thornberry, the children, my mother and I were getting ready to go to Washington, Dr. Blattner came out to our house. He came walking down the sidewalk to our door, telling me that he expected me to go on the board of directors of Gallaudet College. I was not at all sure that I understood him. I had heard, of course, of Gallaudet, but I had no idea that I could be a member of its Board. He explained to me that two Members of the Congress and one from the U.S. Senate served on the Board. As soon as I came to Congress, I called Dr. Elstad but I found there were already two Members of Congress on the Board. A short time later, in 1949, a vacancy occurred. I went to my dear friend, the great and revered Speaker Sam Rayburn, who readily agreed to appoint me to the Board where I have been proud to serve ever since.

Many of you here at this conference are extremely interested in Gallaudet College and know of the progress which we have been able to make in the building program at Gallaudet. Perhaps some of you have visited the campus recently and have seen the great change which has been brought about in the last 10 years. The first new construction, I believe, was in 1952 and 1953 when the Congress appropriated $131,000 for the construction of an annex to Kendall School. Incidentally, this was the first new construction on the campus of Gallaudet College since 1917 when the girls' dormitory, Fowler Hall, was completed.

After the annex to Kendall School was completed, the new library was constructed in 1955. You may recall that the alumni of Gallaudet College furnished the inspiration for this building by giving $141,000 for this purpose. To this amount was added $250,000, the amount appropriated by the Congress.

To show you what has happened at Gallaudet since 1949, I would like to point out that in 1949, the Congress appropriated $393,805 for salaries and expenses. In the appropriation bill for fiscal year 1963 which the House has just passed, is provided the sum of $1,410,000 for salaries and expenses.

Again, in 1949, enrolled in Gallaudet were 200 students and 9 graduate students. Enrolled now are 464 students and 28 graduate students. Anticipated for next fall are 593 students and 40 graduate students. I am sure you will agree with me that Gallaudet has made great progress.

Along with this has come, of course, more budget control by the Bureau of the Budget. The college has been required in order to obtain these funds and these buildings to change its method of scholarships to students. Properly, the Bureau of the Budget feels that the college should require parents of these students to contribute to their children's education to the extent they are able.

From your program I note that you will spend tomorrow afternoon in a review of research. It seems to me that this is important. I am glad that at Gallaudet a great deal of emphasis is being placed on research into deafness and I know Dr. Frisina will give you a good report on what is being done in this field. Let me also call attention to the Counseling Center for the Deaf which was established by Gallaudet College under the terms of a U.S. Office of Vocational Rehabilitation demonstration project.

Those of us who have a direct responsibility for Gallaudet College are proud of what has been accomplished, but we are not satisfied. We want to accomplish even more for the deaf in the days to come. We want your help and your support. After all, neither the college nor your school exists for the benefit of board members, administrators, faculty, or the alumni. They must serve the welfare of the deaf children who are to become like those who have gone before them, useful and worthwhile citizens of our Republic.

While you will spend time Thursday morning in a discussion of Public Law 87-276, which authorizes grants for the training of teachers for the deaf, I would like briefly to refer to it here, if I may.

All of us realize the great need for trained teachers of the deaf. The enactment of this law will certainly help to meet this need.

You will be glad to know that the Congress has already appropriated $1,500,000 to be allocated during this fiscal year ending in July 1962, for use during the school year, 1962-63. This week the House provided an additional $1,500,000 for the next fiscal year. I do not believe it is necessary for me to go into the procedure which will be followed in making grants for scholarships and for support to those schools which will train these new teachers since that will apparently be discussed next Thursday.

At the same time it must be heartening to you to know that the Congress has recognized this great need and that there is now at last a program which can meet that need.

I could not close this speech without paying a deserved tribute to those of you who have dedicated your very lives to the education of the deaf of this Nation.

Of course, it seems at times that your efforts receive little recognition outside of the institutions which you serve. Too often, the pay is not commensurate with the tremendous tasks you perform.

Yet, when we see the tremendous progress which has taken place in the field of the education of the deaf in the last few years and when we know that we will see greater opportunities for research and improvement in methods of education of the deaf in the coming years, the challenge to you must seem inspiring indeed.

As you proceed in your deliberations in this conference, I hope you will accept the challenge—an acceptance which is required if we are to serve our beloved country in this day and time—the challenge to rise above the temptation to be satisfied with mediocre education of the deaf. This is a luxury which our Nation can no longer afford whether we talk about education of the deaf or the education of the hearing.

This seems to be a time when trouble and turmoil exist throughout the world.

One cannot look at a newspaper without recognizing that in many parts of the world people are uneasy and in conflict. What happens in Laos, in West Berlin, in Africa, in South America, yes, and even in outer space, affects you and me and our children.

Sometimes each of us is tempted to say that we cannot do anything about these problems—that the deaf child cannot do anything about these problems. There is one thing each of us can do—and that is—to do the best we can in our job—in our individual sphere—in the performance of our own responsibility.

This Nation and the free world are in great need of the talents of every person.

And in times when you feel discouraged by the obstacles, the problems, and the difficulties with which you are faced in your responsibilities in the field of education of the deaf, let us not forget what the Master said about how we would be judged on His return to this earth. You will remember we are not to be judged by the power we obtain, the prestige we achieve, or the wealth we accumulate. You will recall that He will come in all His glory with His holy angels and sit on His throne. Then we will be gathered before Him and we will be separated as a shepherd divides his sheep from the goats. And on His right will be gathered the sheep and on His left the goats. And He will bless those on His right and say they are to inherit the Kingdom prepared from the foundation of the world because when they fed the hungered, gave drink to the thirsty, clothed the naked, took in the stranger, and came to the sick and those

in prison, the least of His brethren, they did it unto Him.

This is the judgment to which you and those associated with you in a noble cause are entitled and certainly will receive if you carry out the challenge which is yours.

May this conference serve to inspire you in your answer to that challenge.

Thank you.

U.S. Senator Robert S. Kerr Honored by Salem College With Degree of Doctor of Humanities

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 12, 1962

Mr. RANDOLPH. Mr. President, our colleague, ROBERT S. KERR, the senior Senator from Oklahoma, was awarded the honorary degree of doctor of humanities by Salem College at commencement exercises in West Virginia on Friday, June 8.

It was my privilege to present Senator KERR for this honor, serving in my capacity as a member of the board of directors of the splendid institution of higher learning with a student enrollment of more than 750 young men and young women from our State and several other States and some foreign countries.

President Duane Hurley and T. Edward Davis, president of the governing board, assisted in the impressive ceremonies of degree granting. Col. Paul G. Benedum, president of the Claude Worthington Benedum Foundation and a leader in the oil and gas industry, spoke at the graduation exercises and also at the dinner in Clarksburg, on the evening before, at a dinner in recognition of the welcome guest.

Mr. President, the more than 800 citizens present at commencement were appreciative of the Senator's remarks. That others, including the Members of Congress, may read this challenge, I ask unanimous consent to include the speech, and to have printed in the CONGRESSIONAL RECORD my words in presenting Senator KERR for the degree.

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

UTILIZING HUMAN AND PHYSICAL RESOURCES

(By Senator ROBERT S. KERR, of Oklahoma, Salem College, Salem, W. Va., commencement exercises, June 8, 1962)

Senator RANDOLPH, President Hurley, honored guests, facutly members, graduates, and degree earners of 1962, ladies, and gentlemen, thank you.

To be present at a commencement exercise is always a great privilege. I am sincerely grateful for this opportunity to meet and visit with this handsome and impressive assemblage, the 1962 graduates of this fine college and their families and friends.

I am grateful because it gives me an opportunity to gain inspiration and to renew my hopes and my faith in the future.

This is a proud and unforgettable hour for those of you who earned the degrees being awarded today by Salem College. It is a proud hour, also, for your loved ones and for the faculty and patrons of the college. To me, you are more than a graduating class. You are part of that gallant throng, the countless thousands of this year's college and university graduates. You are about to move into the mainstream of life, into the bloodstream of this Nation's existence. You will add much to its reservoir of mental, physical, and spiritual resources. You will be a mighty transfusion of imagination, vitality, and power.

To reach this point of departure, this station of achievement and opportunity, required great devotion and great effort on your part. Only the diligent and dedicated drink fully at the fountain of knowledge. Here at Salem, the fountain flows freely. Diligence and dedication are here in great abundance.

Yes, this college has grown and developed as the needs of the community, the State, and the Nation have grown and developed. The record, in this instance, goes back to 1886. The founders of Salem College saw it as an instrument to attain the best possible utilization of the human and physical resources for the development of the community, the State, and the Nation.

The productive and creative character of the faith of the founders of Salem College is evidenced by you who are graduating today.

There have been many changes on this campus down through the years; changes in curriculum, changes in emphasis, changes for the better. The philosopher Heraclitus in 513 B.C. said, "There is nothing permanent except change."

To organize and develop human and physical resources for the betterment of our world, the inevitability of change must be taken into account. Physical resources change. Human beings change—constantly for the better, we hope. But the basic resource which God made available to man does not change.

The Apostle Paul summarized our spiritual resources in three enduring and cherished words: Faith, hope, and charity.

True, the great apostle named three human manifestations—hope and charity, in addition to faith. And he told us, "The greatest of these is charity." Yet we know there would be neither hope nor charity without faith.

Faith blesses no creature save man. Therefore, I would pay tribute to faith and particularly the strongest and most vital faith—that of the human being in God. Of such faith is born courage; undying and immutable courage.

The most deadly enemy to human happiness is fear: Fear of the present, fear of the future, fear of the known, fear of the unknown. Faith smashes the shackles of fear, frees us from its imprisonment, replaces its paralysis with unlimited power.

Yes, I am grateful for the unexcelled blessing of faith—in our God, in our country, in our free institutions, in ourselves.

Reinforced and fortified by faith, we can live safely and happily amid the astonishing realities of today and face the fabulous predictables of tomorrow. We can also anticipate the astounding unpredictables of the unknown future with unshakable serenity.

Thus, priceless unchanging faith endures and enables us to live on in a world of constant change.

Throughout all history those beings and things which have resisted and refused adjustment to change have been destroyed or have vanished.

Animals and vegetation which could not adjust have become extinct. The mighty mastodons, the fearsome dinosaurs which once majestically roamed and dominated the earth, ceased to exist eons and eons ago. Why? They could neither change nor adjust to an environment which required change. Many instances of known decline and extinction of animal species include the Arizona elk, the great auk, the Labrador duck, the passenger pigeon, the Carolina parakeet, the Eskimo curlew, and the health hen. Species which have a perilously low level are the sea otter, the ivory-billed woodpecker, the white-winged dove, the trumpeter swan, and the California condor. At one time in the early years of this century the American bison came close to extinction, because man brought changes to its environment, specifically, the high-powered, long-range rifle, with which it could not compete. Man himself changed his rules and laws to protect the buffalo. In more recent times, changes in public policy designed to protect the majestic whooping crane have been put into effect.

Our scientists have found, through the study of fossils, that many types of plant life have vanished, and others have flourished and multiplied, because of changes in climate or other environmental factors. Among plants, the most famous example of a living fossil is the ginkgo tree, the only remaining species of the once widespread order of Ginkgaloes abundant in ages long past. The ginkgo would probably have been extinct in recent centuries were it not for the protection of man in the temple gardens of the Orient.

Governments which have failed to meet the changing or expanding requirements of people have been defeated, overthrown, or destroyed.

Perhaps it would not be too facetious to point out that, as a U.S. Senator, I try to keep this in mind. Principles do not change, but policies do, and I change my approach to the problems of Government sometimes, lest the people of Oklahoma decide to change a Senator.

In West Virginia, I am sure, the same rule holds.

In Washington every day we see changes in policies and approach proposed which would have far-reaching consequences for us all. Our system of government is built upon a philosophy of constant change and improvement.

The story of ancient Egypt, 4,000 or 5,000 years ago, may be taken as the classic model of a government incapable of change. The god-Pharaohs, by the very nature of their attitude toward their office, could not be reasoned with, nor enter into negotiations as equals with other powers. Compromise in any form was the one thing a Pharaoh could not accept. Hence, the great Egyptian rulers, able as they were, were shackled by an outlook on life that ultimately proved their downfall. They were mighty military conquerors, but their governments were built on blind force.

Thousands of years later Napoleon made the same mistake. He should have known that the basic essential ingredient to national unity and strength is brotherhood and mutual tolerance. Napoleon did consolidate much of the gains of the great political revolution of 1789; he left his people a fine code of law, but he failed, in the words of another great French soldier, Foch, to perceive that man is not above his Creator, and in the end his countrymen turned against him like a Roman mob on a wounded gladiator, and his empire is now one with Nineveh and Tyre.

The bough which cannot bend is broken, the vessel which cannot adjust to its freezing contents, bursts.

We will all agree, I am sure, that the world of today changes with awesome speed. The advancement of science and technology proceeds at ever-increasing speed, creating pressure and strain on statesmen and political philosophies geared to a slower pace. More efficient machines of transportation and communications bring us new comforts and conveniences. They also create more complicated political and moral problems.

This past 16 months, since I became chairman of the Senate Space Committee. I have come to understand better the great forces for change that are at work in today's world. The President's special message to the Congress in May of last year pointed up the situation. Who would have dreamed, only a few short years ago, that a President of the United States would urge us all to join in a national effort to send a manned expedition to the moon in this decade? Who could have understood then, though we all understand him well today, had he said in 1952 that such an effort would mean "in a very real sense, it will not be one man going to the moon—it will be an entire Nation. For all of us must work to put him there."

What a challenge we face. What an exciting adventure. Already we have been dazzled by the amazing achievements of our scientists, not only those engaged in manned space programs, but by the researchers who have developed new medicines and medical techniques, new products designed to make our food more plentiful and more enjoyable, our clothing more serviceable, our homes more comfortable. I predict that the greatly expanding research in the life sciences now underway on many fronts will result in a 10-year extension of the average lifespan of the people of this country, within your lifetimes.

Consider our food production for a moment. Here in this great country, only 1 worker in 10 is now engaged in producing food, feed, and fiber, yet we have vast surpluses of many commodities. Behind the Iron and Bamboo Curtains the picture is far different. Regimentation and brute force are no substitutes for the freedom which gives our farmers initiative and enterprise. Simple statistics prove this, for in the communistic world 7 out of 10 workers are engaged in agriculture, yet food is short and millions starve. Escape seems their only salvation.

It has become crystal clear that many of the research projects underway in connection with space exploration will lead to creation of new industries, businesses, products, and services. Certainly, this new age of discovery will have profound effects upon our educational system. Learning must be emphasized more and more, and you who receive diplomas here today are aware, I am sure, that your learning must and will continue throughout your lives.

To meet the needs of our complex economic system, plus the burdens this Nation has assumed as the leader of the free world and the protector of the peace of the entire world, many of you will continue your formal education. Highly specialized, highly trained people are needed in many fields. Just how complex and demanding our needs are was spelled out for the Congress recently by Dr. James Van Allen, the famous Iowa physicist who discovered the radiation belt around the earth that bears his name. Dr. Van Allen said that the graduate schools of the universities of this Nation now are training only about a dozen persons a year who qualify for doctor's degrees covering the entire range of the space sciences.

I have spoken much about science and technology and how it affects our future, but I would not want to leave the impression that I consider science and technology the highest or even the ultimate goals of mankind.

Look about you, young friends, and observe yourselves. Each of you, each scrubbed and shining individual, represents a glorious combination of science and art. I look into the lovely faces of the young women of this graduating class, and into the handsome faces of the young men, and am reminded once more that the art of Christian living remains our basic and ultimate objective. Science is the willing handmaiden of all art, including the art of living. What young man and woman among you, I might ask in an impersonal vein, did not use the old reliable chemistry of soap and water to spruce up for this big event? Even now, the people of the United States, with the help of their scientific experts, have launched a project to preserve—and to spruce up, so to speak—the remnants of ancient Egyptian art and artifacts that are about to be inundated by the huge new reservoirs on the upper reaches of the Nile.

But it is the art of Christian logic, the fundamental truths derived from faith in God, that will save and preserve this Nation. This is the art of thinking and feeling which, if we are fortunate, we learn from infancy from God-fearing mothers and fathers. The art of brotherly love transcends all other, it finds constant expression in the friendly smile, the warm handshake, the understanding word.

This art, then, the art of Christian living, has reached an alltime high in our Nation. Never in the recorded history of mankind have human values been held so high as they are held today in the United States of America.

We take pride in the loving care with which we conduct our civic campaigns for our numerous charitable institutions, our youth organizations, our cultural activities. Our churches are at the core of our society, and the political institutions which protect our freedoms, our rights as individuals, and our opportunities for development, could not exist without their fundamental, spiritual ingredient.

The most stupendous physical struggle in all history is now being waged between the two most powerful nations of all times. Soviet Russia and the United States are spending tens of billions of dollars each year building more deadly engines of human destruction—what an awesome tragedy. What a glorious world we could build if these billions and this effort could be used, under God, for the betterment of mankind instead of for his possible destruction.

The good scientist knows better than the artist, perhaps, that scientific roots of the tree of knowledge would rot and die but for the spiritual blossoms that grace its branches. The English biologist, Thomas Huxley, listed the changes that would have to occur before we could dispense with art. He said: "When men no longer love nor hate; when suffering causes no pity, and the tale of great deeds ceases to thrill, when the lily of the field shall seem no longer more beautifully arrayed than Solomon in all his glory, and the awe has vanished from the snow-capped peak and deep ravine, then indeed science may have the world to itself, but it will not be because the monster has devoured art, but because one side of human nature is dead, and because men have lost the half of their ancient and present attributes."

These are reassuring words. Man does love justice still, and despises injustice and tyranny. Tales of great deeds do thrill us, and the lily of the field still charms us more than the glitter of manmade chromium. Beauties of nature, the snowy peak, the majestic prairie and the quiet ravine, these and all other evidences of God's artful grace, were never in greater demand. The beauty of nature is the chief delight of man, be he or she a scientist in a laboratory, a worker in the field or mill, the professional or business man or woman, or the homemaker.

The unchanging nature of man with his resource of faith, and the unchanging truth of his God in heaven, give us a yardstick by which to measure the constant changes wrought by nature and by knowledge. My father used to paraphrase a verse or two from Proverbs: "By knowledge, God created the heavens and earth."

By knowledge, linked to his unshakable faith in God, man will marshal his physical resources and man will inherit the earth. The knowledge that enables us to utilize our resources may change, but the rock of ages—faith—changes not at all. I bid you: Keep the faith—faith, the one resource that gives value to all resources.

REMARKS OF SENATOR JENNINGS RANDOLPH, DEMOCRAT, OF WEST VIRGINIA, IN PRESENTING THE HONORABLE ROBERT S. KERR, U.S. SENATOR FROM OKLAHOMA, FOR THE HONORARY DEGREE OF DOCTOR OF HUMANITIES AT COMMENCEMENT OF SALEM COLLEGE, SALEM, W. VA., JUNE 8, 1962

President Hurley, members of the board and the faculty, men and women of the class of 1962, and cherished friends, we live in a world beset by tension and change; yet there are also challenge and faith. Perhaps never before have we faced such far-reaching problems or been threatened by such awful consequences should we fail. In the span of 60 years we have seen transition from a horse and buggy, gaslight economy to one of moonshots, orbital flights, and vast technological growth. And the need for continuing expansion has never been more pronounced.

We are locked in an international struggle with Communist forces, and therefore cannot afford a lapse in our development. To do so would be to encourage some other nation to attain economic or technological superiority, thereby placing us at tremendous disadvantage in the cold war, and threatening our national security. As a consequence, this is the time to use the capabilities with which we have been blessed.

The theme of this week of commencement activities is "Utilization of Resources for World Betterment." The Member of the Senate of the United States who well personifies that worthy aim is the forthright senior Senator from Oklahoma. His life, embodying service to citizen and country, success in business and public affairs, and depth of character and personal conviction, bears eloquent testimony not only to his own talent and initiative—which are truly unmeasurable—but also to the yet free society in which we live, and the opportunities its holds for the individual.

ROBERT S. KERR once was a magazine salesman, but now he has reached an eminent position in the world of industry. This stalwart American was born in a log cabin and reared on a farm, but today he is among the most respected and influential leaders of this Republic. He is wisely utilizing his resources.

The man whom we hood this morning with the degree of doctor of humanities has ably served his State and Nation in positions of challenge and responsibility for more than two decades. After a term as Governor of Oklahoma for 4 years, he was elected to the Senate of the United States in 1948, and reelected in 1954 and 1960. Senator KERR is respected by his colleagues for his demonstrated ability to develop a penetrating analysis of legislation—a quality which is an aid to sound consideration and solution of entangling problems. Likewise, he is known as one who has no peers in debate. His colleagues admire him as an astute and highly successful manager of legislation in committees of the Senate and in the forum of the Senate.

Throughout his courageous career in public service Senator KERR has demonstrated a rare understanding of the vital importance of conservation, and has promoted vigorous action to insure that natural resources are not wasted, but are placed to the best possible use. He brings this same conscientious awareness to his chairmanship of the Senate Committee on Aeronautical and Space Sciences—a group which will have mounting influence upon this Nation's participation in the enlargement of known environmental frontiers. He is the ranking majority member of both the Finance Committee and the Committee on Public Works. No other legislator holds such high rank on three major

Senate committees. Senator KERR is recognized for his regular attendance at committee meetings. It is added testimony to his genius that he is able to fit so many exacting activities into a demanding schedule.

Meaningful as have been the accomplishments of our noted and influential guest, a simple story from his personal life will reveal the true force of character and insight which he so richly possesses, and for which Salem College honors him. It illustrates BOB KERR's regard for his fellow man, and his firm belief that ultimate success lies in the development of our own personal resources.

While Governor of Oklahoma and on a tour of the State prisons, Senator KERR learned of a Negro murderer who was seeking parole. The man had established an outstanding conduct record in prison, and had taken up the ministry, attempting to bring the words of God to fellow inmates. Convinced that the prisoner was worthy of an opportunity to serve the community, and to repay in more positive terms the debt he owed society, the Governor became instrumental in securing his parole.

When released, the man was offered employment in the Governor's house with truly heartwarming results. Not only did this rehabilitated individual loyally serve until his death, but he continued in the ministry, rising to a position of responsibility in his denomination and exerting a worthwhile and lasting influence for good.

Because BOB KERR envisioned in this human being a dedication, a determination, a potential, a resource—the man became, not a bitter reminder of life within prison walls, but a constant beneficial force in the lives of his neighbors. Surely this is utilization of resources at the highest level.

And so, with knowledge of his conscientious service to his country, with respect for his courage in upholding the sacred ideals of our democracy, and with gratitude for his example as friend and humanitarian, and Christian statesman, we welcome the senior Senator from Oklahoma into the Salem College family.

It is a personal privilege and an official obligation joyfully embraced to propose U.S. Senator ROBERT S. KERR for the degree of doctor of humanities.

Memorial Day, 1962

EXTENSION OF REMARKS

OF

HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. GOODLING. Mr. Speaker, each year members of the Red Lion, Pa., American Legion and Veterans of Foreign Wars posts combine efforts in arranging a commemorative program for Memorial Day.

Following a street parade, appropriate services were conducted this year in Red Lion Park where a beautiful and well-kept memorial has been erected in honor of those from the community who gave their all in two World Wars and Korea.

Raymond R. Smith, Esq., was master of ceremonies.

Dr. Oliver Kirk Maurer, pastor of the United Church of Christ, offered this invocation:

Eternal God, the Father of our Lord Jesus Christ and our Father, we pause and turn to Thee on this Memorial Day. We thank Thee for memory and for the vital part it plays in life. As we remember the yesterdays, we are mindful of the faith of our forefathers and their willingness to risk all, that here we might have a land of freedom, where everyone might worship God according to the dictates of their conscience.

As we pause to remember those who have gone before, we are mindful and grateful for their devotion and the efforts they put forth to give us this great and wonderful country of freedom and opportunity. We remember those, O God, who have struggled and died on fields of battle to protect and preserve those things which have contributed so much to make this a great, grand, and glorious nation. Help us, O God, to hold aloft the torch they have handed us. We pray, O God, that we may give ourselves with might and main, devotion and untiring effort, to prove ourselves worthy of that which we have received from those who have gone on before. Help us, O God, to give ourselves in untiring effort and with every devotion to keep this country great and to pass the torch of freedom and opportunity, burning brightly, to those who will follow after us in the tomorrows.

O God, bless the speaker of this hour. Help him to bring to us that truth which will make us more grateful, more loyal, and more helpful citizens of this great and glorious Nation. May the ceremonies of this hour be a fitting tribute to those who have helped to make this country great, an honor to Thee, O God, and a blessing to all who have assembled. This we pray in the name of Jesus Christ, our Lord. Amen.

My remarks made on the occasion of this Memorial Day follow:

MEMORIAL DAY 1962

One of the bloody conflicts of the Civil War was the Battle of Shiloh. It was fought April 6–7, 1862, and pitted 37,000 Confederate troops against 55,000 Union soldiers. It was in this battle the Confederate general, Albert Sidney Johnston, lost his life. On the afternoon of the second day General Beauregard, who was then in command, ordered his troops to withdraw.

The Battle of Shiloh was a vital link in the chain of victories which won the Mississippi Valley for the Union. It was, however, won at a terrible price. The Union Army lost 13,047 men while 10,699 Confederates fell in battle. Many of the fallen Confederates and a few Union soldiers were carried across the State line and buried in Mississippi.

In April 1863, the agony of Shiloh was a year old. A group of women, led by Miss Matt Morton, started placing spring flowers on the graves of their southern soldier dead. Two Union graves were discovered and they, too, were decorated.

The site is now known as Friendship Cemetery and is probably the cradle of our Memorial Day observance.

In 1868 Gen. John A. Logan, commander in chief of the Grand Army of the Republic, issued an order designating May 30 as the day graves of soldiers should be decorated. Special services at Arlington constituted the first official observance of the day.

Memorial Day 1962 holds a special significance for all Americans. It is well that we pause and renew our pledge of allegiance to this Nation and to the countless numbers who made the supreme sacrifice in order that we may enjoy the liberty and freedom we have.

Today we are living in a time of unprecedented unrest, danger, and peril. Nothing is secure. The world is sitting on a powder keg and a war could be triggered in seconds.

By the same token, we are living in times of unprecedented challenges and opportunities and it becomes our grave responsibility to see to it that our technical and scientific knowledge is used constructively and not for the purpose of destroying others and ourselves also. Lieutenant Colonel Glenn expresses it beautifully in these words: "As our knowledge of the universe in which we live increases, may God grant us the wisdom and guidance to use it wisely."

Universal peace is the goal toward which all must strive. It is essential, however, that in a democratic society we remain free and to maintain that freedom we must fight and die if need be as did those millions of valiant Americans to whom we pay tribute on this Memorial Day. As we pause to do this, may we not merely make it another holiday, but a day of rededication for all Americans. The price of preserving freedom in the past has been appalling, yet all would pale into insignificance should the existing armed might of the world be brought into action.

Out of World War I came this clear call to you and to me:

"We are the dead.
Take up our quarrel with the foe.
To you from falling hands we throw
The torch, be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields."

Almost one-half century has passed since we received that command. We have had two terrible and devastating wars. The veterans of World War II and Korea replied in these words:

"Sleep on ye brave
Your flaming torch aloft we bear.
With burning heart an oath we swear
To keep the faith, to fight it through
To crush the foe or sleep with you
In Flanders fields."

It is our grave responsibility to see to it that never again shall more sleep "in Flanders fields."

Do we actually and sincerely appreciate the freedom we enjoy or the heritage that is ours?

Gen. Omar Bradley defined it in these words: "Freedom; no word was ever spoken that has held out greater hope, demanded greater sacrifice, needed more to be nurtured, blessed more the giver, damned more its destroyer, or comes closer to being God's will on earth. May Americans ever be its protector."

Another has said: "Freedom is America's most cherished possession." It will survive only if you and I and Americans everywhere become more gravely concerned about that force seeking to destroy it—communism. It is a great privilege to enjoy freedom. It is your responsibility and mine to preserve it for the next and succeeding generations.

What does the flag of freedom mean to you? I heard John Glenn say recently: "I know I still get a hard-to-define feeling down inside when the flag goes by; and I know that all of you do, too."

Dr. Daniel A. Poling tells this story: "Years ago, in Smithfield, an Ohio village made famous as the home of the five fighting McCooks of the War Between the States, I addressed a Memorial Day service, entertained in the home of the Presbyterian minister, the Reverend Mr. Love, I was seated with the family at the breakfast table when, in response to a knock at the front door, the pastor brought into the room a small boy who lived in the coal mine town—the tipple town—just under the hill. The miners were all foreigners and only the children who had enjoyed the advantages of our schools spoke our language. This boy was timid and half-afraid. Said he: 'My father has a band and the band would like to play for your parade. They would like to play patriotic music and follow the flag. My father doesn't speak English but he sent me to ask whether you would grant his request and to

say that he and his friends would be very proud. Very grateful and very happy to march and play.' The boy's voice trembled then as he concluded: 'My father loves the flag, too, sir, and he wants to be a good American. I am an American, sir, because I was born under the flag.'"

Many of us might well reaffirm our faith in the freedom we enjoy lest those to whom Doctor Poling referred and who lived under other flags but are now enjoying what we take for granted, show greater devotion than do we. Do we as individuals understand and work for the preservation of good government? Are we familiar with our traditional ideals and practices of the past which we want to preserve because we believe they are right and worthwhile? Are we true to the spirit and devotion of our Founding Fathers and Mothers? They would not allow others to do for them what they could and should do for themselves. They did not look to government to supply their every need. They understood and practiced individual responsibility. Are we today forgetting the basic principles which are our heritage?

Memorial Day 1962. What about Memorial Day in 1972, 1982, 1992?

We face grave threats. Not all are nuclear. Listen to the words of a young girl student who wrote a colleague of mine: "In my history class we have been learning about the beginnings of communism and the tactics Communists use in their search for world power. Even though I am not of voting age, I wanted to let you know that I want you to do all you can to stop the Communists from taking over our country. I don't want to live under these tyrants. I love my country and would sooner die than see it taken over by Communists.

"America is their No. 1 target. We stand for everything they hate. I try to do my part in bringing up the standards of patriotism here by hanging out the flag on all legal holidays. Could you, please, see if you could do something to make people hang out the flag and play the national anthem. If we don't show we love our country how will the rest of the world know we love America. Our country is the greatest on the earth. We should do everything we can to stop communism's spread and display to the rest of the world Americans love their country and would rather die than live under communism."

Here, then, is a threat that is very real and presents a serious challenge we cannot ignore. Will you join with this young girl in raising the cry, or sit complacently by and allow our heritage to deteriorate?

The threat from within is just as real and just as serious as that from without. For obvious reasons I shall not discuss it here.

There are forces in the world who would destroy us. As those we honor today gave their last full measure of devotion, we, too, must face the foe with grim determination. May we always hold high the ideals for which brave men sacrificed. We can do no less than see to it that our honored dead shall not have died in vain.

Bow low, fair clouds, and kiss the earth,
Where human freedom had her birth,
Where heroes struggled in the fight,
And patriots died for human right.
Bow low, and rainbow glories shed
Above a nation's gallant dead,
Then bear the news o'er land and sea,
Earth's fettered millions may be free.

Fly low, bright birds with painted wings,
And join the song a nation sings,
A glad, and sacred jubilee,
For God has set his people free.
Sing of the flag with starry field,
Sing of the eagle and the shield,
Sing of the victories of peace,
Sing of the time when wars shall cease.
Bloom on, sweet flowers, thy perfume shed
Above each soldier's lowly bed,
Kind nature's fairest tribute bring,
And clothe each mound with flowers of spring.
Look up, with loving, dewy eyes,
Into the blue recording skies,
And pledge in red, and white, and blue,
That May flowers ever will be true.

Let all the people gather near,
And bow themselves with reverent fear,
For God with mighty, outstretched hand
Has graciously redeemed our land.
Come, peace, and spread they sheltering wing,
Come, love, thy sweetest tribute bring,
Come, all, and join a sacred lay
To celebrate Memorial Day.

ANNIE IBITTENMEYER.

Cadet John H. Fagan, Jr., of Northampton, Mass., Tops 1962 Military Academy Graduating Class as No. 1 West Point Cadet

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. BOLAND. Mr. Speaker, the citizens of Northampton, Mass., in my congressional district, were indeed as proud as I was last week when their native son, Cadet John H. Fagan, Jr., whom I appointed to the U.S. Military Academy, received his diploma from President Kennedy as the No. 1 man in his class at West Point.

Cadet Fagan had been a 4-year honor student at the Military Academy and he topped his class in 3 of the 4 years at West Point. As the No. 1 man in the 1962 graduating class, he received the Francis Vinton Greene Memorial Award. He is the son of Mr. and Mrs. John H. Fagan, of 21 Fifth Avenue, Northampton. During his 4 years at West Point he was a member of the Rig and Crest Committee, secretary of the French Language Club, a Roman Catholic chapel acolyte, and a member of the staff of the Pointer, the cadet magazine.

Mr. Speaker, I was unable to go to West Point last Wednesday for the commencement, but Cadet Fagan was told of my pleasure in his achievement by President Kennedy himself as he presented the Northampton cadet with his diploma. Under unanimous consent I include with my remarks a letter from Maj. Gen. W.C. Westmoreland, Superintendent of the Military Academy, my letter to Cadet Fagan, and a letter from Lawrence F. O'Brien, special assistant to the President:

OFFICE OF THE SUPERINTENDENT,
U.S. MILITARY ACADEMY,
West Point, N.Y., May 31, 1962.

Hon. EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.

DEAR MR. BOLAND: I am pleased to inform you that Cadet John H. Fagan, whom you appointed to the U.S. Military Academy, will be presented an award during June Week. As the No. 1 man in the graduating class, he will receive the Francis Vinton Greene Memorial Award, a set of books, presented as a memorial to the late Maj. Gen. Francis Vinton Greene, class of 1870. General Greene was the No. 1 man in his class.

Cadet Fagan will be graduated on Wednesday, June 6, and will be commissioned in the artillery branch of the U.S. Army.

Sincerely,

W. C. WESTMORELAND,
Major General, U.S. Army,
Superintendent.

WASHINGTON, D.C., *June 1, 1962.*

Cadet JOHN H. FAGAN, Jr.,
U.S. Military Academy,
West Point, N.Y.

DEAR JOHN: I want to take this opportunity to congratulate you on your coveted achievement in being selected as the No. 1 cadet in the general order of merit in the U.S. Military Academy 1962 graduating class.

I write to you with a feeling of profound gratification that I appointed you to the Military Academy at West Point. Needless to say, I am genuinely proud of the 4-year honors record you have established with the Corps of Cadets at the Academy.

You will graduate next week and receive your commission in an Army that the free world looks to for inspiration and leadership in the fight for liberty against Communist aggression for some years to come. I am sure that the citizens of Northampton will agree with me that you are destined, because of your West Point record, to become one of the great future leaders of the American Army.

Again, I want to offer you my sincere congratulations and best wishes for success in your Army career.

Sincerely yours,

EDWARD P. BOLAND,
Member of Congress.

THE WHITE HOUSE,
Washington, June 9, 1962.

Hon. EDWARD P. BOLAND,
House of Representatives,
Washington, D.C.

DEAR EDDIE: You are undoubtedly now aware that the President made direct reference to your pleasure in the achievement of Mr. John Fagan when he presented his diploma to him at West Point.

With kindest personal regards,

Sincerely,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

San Antonio: Mother-in-Law of the Services

EXTENSION OF REMARKS

OF

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. GONZALEZ. Mr. Speaker, there is a saying among members of the Armed Forces, the professional fighting men of America, that San Antonio is "the mother-in-law of the Army." It is a saying that stems from the days the Quartermaster Corps set up its depot in the Alamo before that building became recognized as the shrine of liberty it now is.

The saying applies as aptly to the Air Force and Navy as well as the Army, for San Antonio has long been sought as a duty assignment, as a place of residence,

as a place where military men wish to spend the leisure of retirement.

San Antonio has earned this appellation by being a good host and a good home for military installations and the men and women assigned to them. But more than that, the citizens of San Antonio have time and again demonstrated that they cared about the welfare and interests of persons in the Armed Forces.

Recently, a new demonstration of this feeling has been made known. It comes in the form of a nonprofit organization chartered as a fraternal, social, educational, and patriotic organization for the noncommissioned and petty officers throughout the Armed Forces. Its name is the NCO Association of U.S.A., and its national headquarters is in San Antonio.

This is the only organization of this character that I know of which is open to the NCO's, specialists, and petty officers of the Nation's five branches of service—Army, Navy, Air Force, Marines, Coast Guard, National Guard, and participating Reserve.

It sets for itself some eight objectives at the outset, and these are: Establishment of an NCO employment service, a credit union, an endowment or relief fund, aid with oversea banking, improved insurance, legal aid, social activities, and a study of legislation and benefits affecting the NCO.

San Antonio is proud that this enterprising organization has been found in its midst, and it is my hope that through its work San Antonio will earn even better its nickname of "Mother-in-law to the Services." In so doing, it can continue to be a place of hospitable service to some of the constituents of every Member of this Congress.

Jobs, Cargoes, and Goods: The United States and the Common Market

EXTENSION OF REMARKS

OF

HON. THOMAS H. KUCHEL

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 12, 1962

Mr. KUCHEL. Mr. President, on May 22, 1962, I had the honor to speak before the Propeller Club in Los Angeles, Calif., on the subject of the "United States and Its Relations to the Common Market." I ask unanimous consent that a partial text of my comments on that occasion be printed in the RECORD.

There being no objection, the partial text of remarks was ordered to be printed in the RECORD, as follows:

JOBS, CARGOES, AND GOODS: THE UNITED STATES AND THE COMMON MARKET

Western Europe, once economically separated by steep trade barriers and politically divided by ancient rivalries, is a thing of the past. In its place has emerged a united, spectacularly booming, aggressively competitive Europe whose long-range prospects are that it will become the world's greatest economic and industrial force—greater than the Soviet Union, greater even than the United States.

Our shores are no longer inviolate. And, unless we move boldly into foreign trade, we will be driven from the world marketplace and relegated to a secondary role. Our choice is not whether to join or not join in a trade association. Our choice is whether to bargain effectively or ineffectively. The Common Market is an accomplished fact—we must learn to deal with it and we must learn to live with it.

Who would have believed 10 or 15 years ago, that Europe, torn and bleeding from a long and devastating war, would ever have moved so far toward economic and political unity? Indeed, it was only 5 years ago that six European nations joined to sign the Treaty of Rome and form the European Economic Community—what we call the Common Market. To bolster needed economic strength and to attain prosperity, this handful of European nations agreed to knock down trade barriers among themselves, so that goods could move freely across the borders and so that their businessmen could plan and build a much larger group of preferred buyers. It was a start toward a United States of Europe, a realization of a dream dating back to the time of Charlemagne.

Now, Great Britain desires to join this emerging economic bloc—perhaps signaling an end of a 500-year-old independent economic grandeur. Her choice was not easy—but she too has access to the thriving markets of Western Europe.

Norway and Denmark are negotiating for membership also. Austria would like to join. Sweden is interested. Their neighbors contemplate moves in that direction.

Within a few years, the Common Market will include at least 11 European nations. Their population will total 244 million—compared to 185 million in the United States and 214 million in the U.S.S.R. Their steel output will be as large, if not larger, than ours. It will dwarf the Soviet Union's. Auto an electrical production will be much larger than the U.S.S.R.'s and second only to ours.

Common Market success has already been dazzling, and its momentum is quickening. In the years since 1957, the Common Market nations have reduced tariff levels among themselves by an average of 35 to 40 percent. By July, it is likely to reach 50 percent—well above the 30-percent goal foreseen for that date. And since the tearing down of trade fences the member states have been gaining economic strength by leaps and bounds: Their trade with one another has soared 25 percent; their industrial production is rocketing at 8 percent a year (ours is about 3 percent); their living standards are rapidly approaching ours; their wage rates are also keeping up with the accelerated pace. Since 1955 wages have increased 67 percent faster than ours with West Germany and France averaging well over 8 percent in annual increases (our annual average rate has been about 3.5 percent).

This peaceful European evolution has immediate meaning for America. It is not remote, as particularly you in the transportation and shipping industry know. It is already affecting each one of us—our jobs and the prices we pay. Moreover, it will affect us increasingly in the future.

America is a great consumer of goods but even a greater producer of goods. Europe and the other rapidly growing nations of the free world are great producers of goods and, potentially, even greater consumers. If we bring these two equations together—by reduction of arbitrary and other burdensome restrictions on trade we have a potentially advantageous situation for our country. The powerful demands of growth markets abroad can and should mean net added sales, added jobs, and added profits for American business for years to come.

Europe, however, is not the only potential. The concept of the European market opens the possibilities of a Common Market for Latin America, Asia, and Africa. The fact is, some of our neighbors to the south have taken some first steps in this regard. It was the promise of my Republican Party platform to encourage "appropriate regional groupings" of the countries of these areas and "that such groupings adopt means to attain viable economics following such example as the European Common Market. And if from these institutions," the platform went on to say, "there should follow stronger economic and political unions, we would welcome them with our support."

As far as the shipping industry is concerned, an expanding trade program would be both an opportunity and a challenge.

Today, less than 12 percent of our Nation's trade goes in the U.S. bottoms—a paltry achievement compared to, say, the British merchant marine, which handles 70 percent of the United Kingdom's exports. American flag liners have a considerable amount of excess capacity. The goal must be to increase not only the annual tonnage of our commerce carried, but to improve our relative standing among the merchant marine of the free world.

To boost revenues American lines are engaged in the most ambitious peacetime vessel replacement program ever undertaken. This program, approved by both the legislative and executive branches of the Government, though sometimes, I regret to say, pushed aside in Washington, is designed to replace obsolete merchant ships of the Second World War with modern, fast, efficient vessels—vessels we must have if our merchant marine is to meet our essential defense and economic needs. The total cost of this program is in the neighborhood of $4 billion, covering 300 ships. About one-fourth of these qualify for construction subsidies.

It is difficult to overestimate the importance of this issue to California. And it is easy to confess its difficulties to our State. We, as Californians, have a tremendous stake in foreign trade. In 1960, the Pacific coast exported $2.7 billion worth of agricultural and manufactured products, 14 percent of our country's total exports. California exported $1.8 billion. We are No. 1 in the Union. Illinois is second with $1.7 billion; New York is third with $1.5 billion.

Unless our exports remain at a high level, we will be faced with the hazard of a worsening deficit in our balance of payments. Last year our trade earned us a surplus of almost $5.4 billion, helping to offset a deficit of $7.9 billion in all the other component parts of the balance-of-payments ledger. The American merchant marine, despite the relatively small share of our foreign commerce which it carries, has actually earned or conserved between $600 million and $1 billion annually toward a payments balance.

Through increased trade and correspondingly increased American-flag shipping participation in that trade, American liner earnings will undoubtedly increase. By their increase, the operating differential payments, paid by the Government to give our vessel operators a measure of parity with low cost foreign operators, will be returned to the Government. Whether they are returned in whole or in part, the cost of maintaining the merchant marine will nonetheless be reduced.

California leads the Nation with over $478 million worth of agricultural exports—about 10 percent of all U.S. agricultural exports. We rank third in the export of manufactured products—valued at over $1.3 billion—close after New York and Illinois with $1.4 billion each. Our transportation equipment industry in 1960 exported $476 million; chemical and allied products, $123 million; petroleum and coal products, $113 million; followed by electrical machine industries at $45 million.

Other machinery manufactured in California was exported in the amount of $85 million.

Direct employment in ocean shipping, shipbuilding, stevedoring, insurance, foreign trading and a host of satellite industries is well over the 125,000 mark on the Pacific coast. When added to the jobs partially, or indirectly, affected by exports and imports, it has been estimated that 1 person out of 6 in the Pacific coast States derives a significant part of his livelihood from a healthy two-way foreign trade.

Having said all this, the trade policy question, now before the Congress, poses some specific conundrums for our State. Ever since the end of World War II, our people—Californians—have had some specific difficulties, especially our farmers, with many of our friends in Europe. We have tried to recapture our traditional and historic share of the European market. And we suffered some grievous rebuffs, in England, France, and Germany, among others. We do not propose to be anybody's patsy. We want to be free of all mean selfishness, and we want our friends to apply the same decent rule. And in considering trade policy legislation in the Congress, we, as Californians, do not propose to be deemed irrelevant nor inconsequential in any negotiations which new Federal legislation may contemplate. I am not isolationist, neither is America. But who speaks for the multiplicity of California agricultural or industrial questions if a California Senator declines to do so?

We seek, as Californians and as Americans, a free-world trade policy which will be fair, and will be profitable, to all who participate in it. We do not propose to undercut nor bankrupt our own. What we urgently desire is an increasing economic strength of every liberty-loving nation all around the globe. And specifically with respect to the Common Market, I am prepared to clothe our Chief Executive with the tools, and with the authority, to negotiate mutually profitable agreements which will help all of us without destroying any economic segments in any nation. Hurts there will be, and I hope we may deal with, and ameliorate them. But selfishness is not indigenous to any nation. We seek to treat our friends as we would have them treat us. We want our friends to give the same consideration to our difficulties as we do theirs. And in the forthcoming Senate debate on H.R. 9900, I shall attempt to represent the best interests of California, as well as those of the Nation.

The world has never been in this position before. Communication around the world is instantaneous, and transportation outdistances the speed of sound. Mankind has discovered the secret of our awesome, even obliterating, power, which is readily available for good or for evil. And in this divided globe, both the free societies of free peoples and the imperialistic Communist society of dominated peoples possess nuclear might, and share the capacity for circling our planet in minutes and in reaching out to the stars.

Free nations have long since seen the danger to their way of life from the disciples of Marx and Lenin. That is why they have striven to stand closer together, in the interest of their own security, their own perpetuation, and their own defense. Their multilateral defensive agreements have, perhaps irresistibly, tended to bring them together in considering, and in attempting to solve, their common problems in fields of economic welfare, in trade and commerce and in culture. And I must say that, as an American, I applaud the creation of a Western Europe Economic Community, although it poses new and difficult economic problems for our own United States. To the extent that the free peoples of Europe stand together as competing partners as well as comrades in the defense of freedom, the security of our own beloved America is given added strength and is rendered more sure.

And why should we not, as friends, deal with them to improve our own lot, to increase our own trade surplus, to raise our own exports, and to assume—here at home—the responsibility to be competitive in foreign trade? The grand design is to keep our own liberty and to advance the course of a just peace. And within that context, a viable American economy must enjoy its rightful share of the free world's free markets. It is an exhilarating chore for all of us, management and labor, industry and agriculture, to contemplate.

It can be translated, also, into one more kind of firmness against communism. The Soviet Union trade policy is political. It seeks to destroy the Western alliance and uses political prices to dispense its merchandise in dealing with free countries when that technique suits its purpose. Not very long ago Soviet Premier Khrushchev wrote Chancellor Adenauer painting a rosy picture of expanding West Germany trade with the Red orbit if only Adenauer would recognize the economic cost of its Western ties.

There is an interrelationship between many of the questions which plague us in our relations with the rest of the world. Trade policy, transportation policy, balance of payments, military and mutual security expenditures overseas, the strength of our own economy are all integral parts of a complex picture of enormous dimensions.

As we attempt to solve these problems, we must remember that we deal with our country, and our own people, their welfare and their life; and that our solutions, or our attempted solutions, shall be grounded on the welfare of our own country, and our own people and on the never-to-be-forgotten truth that human freedom will survive only if America remains strong, and being strong, continues to enact her role of honor along with those who, like you and me, treasure liberty foremost.

The Human Way Out

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. ROOSEVELT. Mr. Speaker, my attention was recently directed to an address delivered by Mr. Lewis Mumford at the University of California. The address and the correspondence regarding it is set out below. I believe this material will be of interest to my colleagues, for it is indicative of the well-meaning and certainly sincere desire on the part of many who desire peace, but who nevertheless fail to take into consideration the practicalities of the situation. Many so-called liberal views are sometimes distorted. By the presentation of this material I hope to contribute something to a better understanding of both points of view:

MAY 16, 1962.

Hon. JAMES ROOSEVELT,
Old House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ROOSEVELT: I take the liberty of bringing to your attention the enclosed address delivered by Mr. Lewis Mumford at the University of California.

Perhaps you will agree that we have arrived at a point in history when the establishment of a genuine peace; i.e., the ending of the East-West cold war, has become a prerequisite to any kind of satisfactory life on this planet, if not mandatory to the survival of the human species.

I do not know whether it is as clear to you as it is to me that the responsibility for the prolongation of the cold war lies heavily with the West, and especially with our own foreign policy. Were it not for the incessant prosecution of the cold war from our side, I am convinced there never would have been a resumption of Soviet bomb testing.

Where will the initiative arise to bring an end to the cold war, if not from those few liberal Congressmen and Senators on Capitol Hill?

Any comment you may wish to offer will be most gratefully received.

Sincerely yours,

MATTHEW P. HYLAND.

THE HUMAN WAY OUT

(By Lewis Mumford, visiting professor at the University of California, Berkeley; address delivered at the university meeting, September 28, 1961)

The subject of this morning's talk, "The Human Way Out," is not of my choosing; it has rather been thrust upon me by current political events and reactions. At this critical moment in human history, I have no other course but to speak openly and freely about the situation in which we find ourselves, and to explore what means we still have at our disposal to curb the forces that our own leaders, from 1945 on, all too confidently and carelessly set in motion. I regret that President Kennedy's address to the United Nations Assembly has not lightened my task nor absolved me from its performance.

If I flinched from taking on this duty I should be unfaithful to my vocation as a teacher. There is no disaster shelter for the mind, in which the American scholar can take refuge, to cower in darkness and shameful silence, protected from the poisonous fallout of public error. The worst dishonor possible would be to remove our minds from the full light of day, and to withhold from our countrymen our most valuable human resources: not merely our specialized critical intelligence, but our imaginative insights, our moral evaluations, our historic perspectives, our prognostic anxieties.

The public task that has fallen to me is one I would gladly have evaded, if peace of mind could be purchased so cheaply. More than once during the last 16 years I have found myself wryly sympathizing with the Biblical Prophet Jonah, who fled from his unpleasant duty of announcing to the people of Nineveh that, unless they altered their conduct, they were headed for destruction. And I am still envious of Jonah's good fortune, not just in escaping the tempest and the belly of the whale, but in living to see the words he so reluctantly addressed to the inhabitants of Nineveh heeded by everyone, from the king and nobles down; so that "great city," though it contained six score thousand people who couldn't tell the difference between "their right hand and their left," was saved, along with much fine cattle.

The only thing that lightens my burden today, my sole support and consolation, is the conviction that I shall be uttering, to a far larger degree than anyone would suspect from reading the newspapers or listening to the radio, the thoughts that millions of other people, our own countrymen and our neighbors all over the world, are now thinking in anguished silence, still unheeded by their leaders. All this last month, I confess, I have been going about my work from day to day, haunted by a few lines that come near the end of the most heartbreaking of Shakespeare's tragedies, "King Lear": "The

weight of this sad time we must obey: Say what we feel, not what we ought to say."

And in that mood I face you this morning.

Let us go back to the beginning. Half a generation ago, our country found itself in sudden possession of almost illimitable physical powers and potentialities, derived from scientific insight into the ultimate constitution of matter. By a chain of brilliant experimental investigations, in which this university, through Prof. E. O. Lawrence's laboratory, played a distinguished part, the technical means of transforming mass into energy were invented. Potentially, this marked a human advance comparable only to that which the neolithic domestication of food plants and animals had brought in. But instead of being applied, like that older technical triumph, to the enhancement of human life, the new powers of nuclear fission were directed at once to a negative function: large-scale human extermination. The permission to use atomic energy turned into the compulsion to use atomic weapons, against present or future enemies. This fixed idea still dominates us.

Unhappily for mankind, the release of nuclear energy had been preceded by an even more devastating kind of liberation: a release from moral inhibitions and salutary taboos it had taken civilized man 4,000 or 5,000 years to build up. Three years before the atom bomb was invented, our own country, along with our democratic partner, Britain, had adopted the totalitarian strategy of attacking, not only identifiable military targets, but numerous inhabitants of whole cities, doing what the Germans had done, to our own well-justified horror, in their assaults on Warsaw, Rotterdam, and London. This willful breakdown of mankind's well-established safeguard against insensate violence, this transformation of war into genocide, turned every country into a potential extermination camp. Though we covered our actions with the specious excuse that such wholesale extermination would shorten the war and thus save precious human lives, our Government actually placed every human life on this planet in jeopardy, as soon as atom bombs went into mass production. We must now face the consequences of these tragic errors.

I do not propose to examine the many sins of commission and omission that have, from this starting point, brought us into the present desperate situation. Suffice to say that massive errors were committed—and are still being committed—by both our own country and Soviet Russia, the principal offenders. Both Governments quickly became the prisoners of the absolute weapons they were creating; and these weapons in turn brought into existence a host of scientific, technical, industrial and political agencies, whose many members acquired a heavy vested interest in the strategy of extermination, and had no economic or personal incentive to seek an alternative strategy and policy. The food that most of mankind now eats has been poisoned by the mere testing of these nuclear weapons; but the moral atmosphere has been even more heavily contaminated.

In their reliance upon weapons of genocide—nuclear, chemical, bacterial—both the United States and Soviet Russia have been equally at fault. Today, in consequence, both countries symbolize the dilemma of the irresistible force confronted with the immovable object. Neither Government will yet give ground, even on trivial issues like those raised in Berlin. Each still threatens the other with unrestricted extermination and destruction, despite the fact that the same catastrophe would be visited on both sides, and would eventually do grave damage to every other people on the planet, no matter how innocent or remote. The notion that there is some neat technological way out of this impasse forms part of the strange pathology of our time. Plainly every new mechanism of death invented by either side only heightens the present tension, widens the prospective terror, and commits them more heavily to the universal catastrophe they profess to abhor but do not shrink from projecting.

Our own country has declared its readiness to sacrifice 50 million of its own citizens to our nuclear gods on the first day that genocide breaks out. We have covered over that first appeasement of these demented gods by building wholly illusory underground shelters, designed on the quite indefensible assumptions that only military targets would be hit, only nuclear weapons would be used, and—most fantastic assumption of all—that the conflict itself would last only a single day. At best, our peripheral fallout shelters would provide an extra fortnight for contemplating the traumatic horror of facing the continuance of a purposeless war, and lingering on, wracked by disease and starvation, in a meaningless world, disintegrated and permanently defiled beyond power of redemption.

To accept such an abomination of terror and desolation as even a remote possibility, much less an honorable and tolerable sacrifice, is sheer madness; and the fixed policy that will eventually lead to such an end is, by any rational criterion, a mad policy, empty of human values and unworthy of human respect: the policy of underdimensioned men with 10-year-old minds, operating within a one-generation frame of reference, with no respect for the values of human history and no concern for the future of the human race. Let us face these consequences before our leaders commit us further to this unpardonable sin, to use Hawthorne's words, this ultimate crime against mankind itself. And let us speak plainly to our leaders to this effect: We hold these truths to be self-evident, that there is no national purpose, however ideal, no practical urgency, however pressing, that would justify the risk of bringing about the irretrievable mutilation of the human race and the nullification of human history.

From this it follows that we must swiftly change our minds and alter our rigid policies. There are no alternatives to our present course that our own Government should not be prepared to examine, no lengths it should not be prepared to go, no humane proposals it should be afraid to make lest they be treated as a confession of military weakness—in order to forfend even the bare chance of such a fatal terminus. If we are to overcome the irrational factors that are increasingly driving us into a corner out of which they threaten to break only by a final irrational act, we ourselves must take the lead in rebuilding the moral foundations we ourselves thoughtlessly demolished, and challenge the premises that have brought us to the verge of accepting this gigantic aberration as a normal intelligent choice.

More than that: We must not merely repair our own morals but improve our manners. At such a hair-triggered point as this, the persistent public baiting and taunting of the Russian Government and the Communist system by our leaders only betrays their incapacity to come to grips with reality; the reality of Soviet Russia's existence, the reality of the world's need for their willing consent and cooperation in the enterprise of insuring mankind's survival and continued development. The fact is that we need the help of the Communist peoples, as they in turn need ours, if we are to escape the death trap each nation has cunningly set for the other.

Only one course is now open to us: To retrace our steps and seek a human way out. What, then, does it mean to be human? To be human is to recognize, as even the most primitive tribes recognize, that we are all part of a cosmic process that encompasses and outlasts our little lives. As living organisms, we are members of a complex, cooperative society that includes species at every level of development, from the viruses and bacteria to the most fully developed human personalities, a Confucius or an Emerson, an Aristotle or an Einstein. As families or nations, we live not alone or on our own exclusive terms, but with the constant help of countless other species. Wantonly to break apart this complex web of organic life and human culture at any point is to assault the foundations of our own existence. Our security and our welfare rest upon mutual aid and mutual tolerance. And when we are fully human, the entire human past and future are constantly present in our consciousness, to deliver us from insolent fantasies based on the prejudices of our tribe and the discoveries of a single generation.

To be human, by the same token, is to recognize with humility our own inherent imperfections and limitations. At every moment, as Christian doctrine has always stressed, men are prone to sin and error, to hallucinations, self-deception and headstrong pride. All men individually, and all nations collectively, are finite and fallible beings; and they are never more open to flagrant error than when they feel smugly self-righteous and immune to any possible criticism. Traditional wisdom warns us against these flattering illusions. Though we may make our little daily decisions alone, knowing that our mistakes will hurt only ourselves, now that our leaders persist in committing us to policies that might eventually bring disaster to all mankind, we must recall them to their human conditions: they need the heroic wisdom of the race, and the criticism and correction of all other peoples, and above all they need to restore their own balance by bringing back into the picture the human factors they have blindly ignored.

Only if we operate once more from a humble human base will the problems that now seem insuperable become open, step by step, to a human solution. There are many alternatives to the course that the Western nations have been following these last 16 years: there is still an abundance of open choices, accommodations and compromises, midway between the hateful extremes of one-sided surrender and mutual extermination. But the time is late, and the dangers multiply day by day.

Since only the human way out remains, the most imperative task for us as Americans is to summon forth and patiently cultivate sufficient friendly human feeling in ourselves to evoke a similar response in our opponents. The belated proposals that both the Russian and the American Governments have made toward total disarmament will not move an inch toward realization whilst our Governments meet each other filled with hostility, suspicion, and bravado, poisonous qualities that derive directly from their confidence in the very weapons that must now be destroyed. The human breakthrough must preface every serious governmental effort; and the first changed in the atmosphere, the first melting of inflexible power into supple wisdom and humanity, must be made by each of us, opening our hearts as well as our minds, and speaking freely, as I have been speaking to you this morning.

Let us speak truth to the power that can only will its own destruction. Let us tell our leaders that this is not a time to threaten desperate, irretrievable acts, but to utter disarming words: words that will sympathize, conciliate, heal, embrace: words that will pave the way to honorable compromises, and eventually passing beyond the insurance of coexistence, will bring about positive cooperations. At this point, only the quick therapy of words, meaningful words, openly and honestly exchanged, as in a direct face-to-face relation, can free us from the grim tensions and compulsions that now have us in their grip. "The weight of this sad time

we must obey." Yes, the time has come to speak, and to say what we feel; for what we feel in the depths of our being is precisely what we ought to say: we have no commitment to catastrophe.

MAY 31, 1962.

Mr. MATTHEW P. HYLAND,
Washington, D.C.

DEAR MR. HYLAND: Thank you for your recent letter and its enclosure. I appreciate your bringing Mr. Lewis Mumford's address to my attention—which I did, indeed, find most interesting.

I do not gather from his address, however, any indication that the "responsibility for the prolongation of the cold war lies heavily with the West, and especially with our own foreign policy." Neither can I agree with the sentiments which read: "Were it not for the incessant prosecution of the cold war from our side, I am convinced there never would have been a resumption of Soviet bomb testing."

While I am not authorized to speak for the "few liberal Congressmen and Senators on Capitol Hill," I doubt very much whether there are any of us who would agree with the statements quoted above. On the other hand, I feel very strongly that while we can agree with Professor Mumford's feelings, there should be no letup in our willingness to examine and advance every responsible proposal for alternatives to the present course, and we should undertake to make every possible proposal to "forefend even the bare chance of such a fatal terminus." It must be recognized that this has to be a two-way street, and if it is to be successful Soviet Russia must give it more than lip-service, which is all she has given so far.

Further, I must emphatically disagree that the West has provided "incessant prosecution of the cold war from outside." The facts are clearly to the opposite and such statements only make it more difficult to reach a true understanding of the situation by the American people and, indeed, by our Russian friends who are encouraged by such statements to believe that they can continue their prosecution without criticism because of the existence of such opinions within the United States.

In conclusion, while our principles and hopes are largely identical, our differences seem to be that we can accomplish them in the minds of some by a unilateral course. I do not believe this is possible and I believe that the times call for bilateral efforts to a much greater degree.

Thank you again for your interest in writing, and with every good wish, I am,

Sincerely,

JAMES ROOSEVELT.

Statement of Congressman Ray J. Madden, of Indiana, Before the House Committee on Interstate and Foreign Commerce Now Holding Hearings on the Quality Stabilization Legislation

EXTENSION OF REMARKS

OF

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. MADDEN. Mr. Speaker, Congressman OREN HARRIS, chairman of the Interstate and Foreign Commerce Committee, and Congressman PETER MACK, chairman of the Subcommittee on Quality Stabilization Legislation, opened a week's hearings on Monday—yesterday.

These hearings are open and any Member of Congress is invited to testify, pro or con on this bill.

The following is the statement which I presented to the committee at the opening of these hearings Monday morning:

STATEMENT BEFORE A SUBCOMMITTEE OF THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE ON H.R. 10335, KNOWN AS THE QUALITY STABILIZATION BILL, JUNE 11, 1962

Mr. Chairman and members of the Special Subcommittee of the House Committee on Interstate and Foreign Commerce, I am grateful to the chairman and members of this committee for your decision to hold hearings on the quality stabilization bill. Your cooperation demonstrates that you are much concerned over the devastating methods of merchandising in recent years that is causing great damage to the manufacturers, retailers, and consumers throughout the country.

Basically, the quality stabilization bill offers a major step in curbing dishonest practices that are misleading the consumer in merchandise values. It spells out bait advertising, deceptive pricing, and published misrepresentations of the product as reasons why a manufacturer may protect the property rights in his brand name or trademark.

The public will be helped by the enactment of the quality stabilization law, since the established price and quality symbolized by the brand name will be a standard from which it may judge the competitive values of products. The consumer will be guarded against the loss-leader operator who uses the honored brand name or trademark to build store traffic at the expense of his more honest competitors, while recouping his loss at the same time on overpriced, inferior, and blind merchandise.

OPERATION

If the owner of the trademark elects to come under quality stabilization, the retailers and distributors must cooperate with the owner or manufacturer in maintaining the stabilized price of that trademarked product. This enables the manufacturer to continue to build quality into his stabilized brand name product. If the retailer violates the provisions of the quality stabilization law, the brand name owner can revoke the retailer's right to use the brand name. If the distributor violates the revocation order, the brand name owner (the manufacturer) can then institute a Federal civil suit for damage. The legislation will call for no Government bureaucracy or department to supervise or enforce the quality stabilization law. The law is 100 percent optional and the manufacturer, retailer, wholesaler, or consumer can choose to come under or stay out of quality stabilization. It provides a wholly meritorious and worthwhile opportunity for quality products to be distributed through quality-conserving resellers.

NOT FAIR TRADE

Since its introduction last January 1961, the merits of this proposed legislation have come to the attention of thousands upon thousands of manufacturers, distributors, retailers, and consumers.

This bill is not fair trade legislation and is not a price-fixing measure.

The quality stabilization bill has now become one of the most widely publicized and acclaimed measures that await action in this session of Congress. In our long and critical struggle against communism, the American system of free enterprise must be our major weapon. Business failures in recent years and the growing lack of protection for consumer purchases must be given consideration by this Congress. The marketplace is rapidly becoming infested with the so-called fast buck merchandisers.

OPTIONAL

In giving the manufacturer the optional right to control his trademark, safeguards are also established for the distributor, the retailer and, most important of all, the consumer. It is imperative in considering the bill, that you fully realize that its use by the manufacturer, retailer, and consumer is optional. No product can be stabilized under the proposed quality stabilization law unless competitive products are available to the consumer. And sale or purchase of a product stabilized under the proposed law is also completely voluntary on the part of the distributor, the retailer, and the consumer. It is of fundamental importance that this bill be recognized as one not aimed at harming any legitimate business, but as a measure of economic benefit to all.

BUSINESS FAILURES

The Senate Small Business Committee has reported that small business failures (bankruptcies—businessmen giving up the struggle for survival), climbed in 1960 to the highest point since 1933 and the great depression. The House Small Business Committee, in its December 16, 1960, report entitled "Status of Small Business—1948-58," 86th Congress, 2d session, made this frightening statement: "Most small retailers discontinue business without going through bankruptcy. This explains why, of the 139,000 who discontinued business in 1959, only 6,873 showed up among the business failures."

There are about 2 million retailers in America; 88 percent of them operate in only one location from one store—70 percent individually own their own businesses. These are not huge outfits, over 75 percent have annual sales under $100,000.

There are 165,000 merchant wholesalers in the United States; 91 percent of them are active owners of unincorporated businesses—71 percent operate from only 1 building.

It is the well-known brand names, brands with a reputation for a reliability, that are taking it on the chin. If these brands did not have such an excellent reputation, do you suppose they would be of interest even for 1 minute to the discounter who needs a traffic builder for his kind of selling?

We cannot permit the further degeneration of the brand-name system of distribution. We must arrest the growing rate of failure of small business in this country. We must give the incentive to the manufacturer in this country to build toward excellence, and we must protect the consumer from junk merchandise.

Quality stabilization covers specific areas in which a manufacturer can control, that is, prevent the unfair use of his own property—his trademark—by the reseller. These areas are: (1) International misrepresentation as to make, model, size, age, etc.; (2) bait and switch merchandising tactics; or (3) price.

To repeat, it is not compulsory that the brand-name owner use the law.

MECHANICS OF USING THE LAW

The manufacturer who does elect to use the quality stabilization law will publish a specific retail price at which his trademarked product must be sold. He has this right so that he may protect the quality of the product, the goodwill of his brand name, the ethical reseller, and the consumer. This is not to say that the manufacturer cannot change his specific price. Not at all. Competition is promoted, not restricted, by the quality stabilization bill, and the interaction of competitive forces will insure that the manufacturer's price represents fair value or else that manufacturer will be forced out of his business. Any price established under this law will be at the manufacturer's peril.

This is the way the free enterprise system should function.

If a retailer knowingly violates the published policy of the manufacturer by engaging in any one or all of the three specific practices named in the bill—price deviation, bait and switch tactics, misrepresentation—then the manufacturer may revoke the right of that offending retailer to make any further use of the manufacturer's name, brand, or trademark.

The quality stabilization bill is not a one-way street. It imposes an obligation on the manufacturer as well. The bill states that lack of due diligence in revoking the rights of competing resellers known to the trademark owner to be committing similar acts of unfair competition will constitute a valid defense against any action brought under this law.

With the enactment of the quality stabilization bill, the reseller and the public will know where each manufacturer stands as to policy and quality consistency. The manufacturer no longer will have the convenient excuse that he cannot protect good resellers against unfair competition.

FOUNDATION ESTABLISHED BY SUPREME COURT

The quality stabilization bill contains none of the usual fair trade language. There is no provision for contracts as the bill is wholly predicated on the owner's property rights in his good name; there is no dependence on a nonsigner clause as is the case with fair trade. The essential difference is that fair trade enforcement is to compel a dealer to raise his prices for a product, while under the quality stabilization bill, the action is one akin to trespass—to stop a reseller from abusing a manufacturer's property right in his trademark.

The quality stabilization bill simply provides that when a trademark is abused, the trademark owner may deny that unfair reseller further use of the brand name or trademark. Essentially, it is a confirmation by Congress of the unanimous decision of the U.S. Supreme Court in *Old Dearborn Distributing Co.* v. *Seagram-Distiller's Corp.*, 299 U.S. 183 (1936), that the manufacturer possesses property rights in the goodwill symbolized by his trademark. The bill describes how the manufacturer may protect his trademark as it moves along the channels of distribution.

CONSTRUCTIVE COMPETITION INSURED

The quality stabilization bill leaves the Sherman Act intact. Any group of manufacturers or wholesalers or retailers who abuse the quality stabilization bill to effect illegal collusive price fixing between themselves would be courting the same prosecution as the heavy electrical firms and their executives experienced not long ago in Philadelphia.

To underscore that the quality stabilization bill will promote competition, it must be emphasized repeatedly that the manufacturer alone must make the basic marketing decision—whether to stabilize his price, as a means of restoring and improving quality, or to rely primarily on price alone to attract customers. It is, after all, his brand and his reputation which is at stake. Only he can make the decision.

Wholesalers and retailers will be free, too, to determine whether they wish to handle products of stabilized quality or a competitive unstabilized one. They may elect to handle top brand lines which are stabilized and others on which they can vary the price. It is their decision. If they elect to handle the quality stabilized brand, they must respect the law and the manufacturer's established policy. This means that the reseller may not abuse the brand name by misrepresentation as to make, model, size, age, or other details of the quality stabilized brand, by bait and switch merchandising techniques, or by selling that brand name product at other than the manufacturer's specific price.

THE CONSUMER'S INTEREST

This legislation safeguards the consumer. This committee is not unmindful of the situation that results when an unprincipled retailer can take advantage of a product by running a loss-leader ad. For every dollar spent by the misguided customer who is brought in on account of this ad, sacrificing a brand name or a trademark of some producer, that customer spends an estimated $9 for inferior products at the regular or higher price. Now, what happens? It does not take long until that honored product loses customers. Soon the loss-leader advertiser drops the brand name product and picks up another quality product to temporarily pack his store with unsuspecting customers. It is operations of this kind that the quality stabilization bill will control by protecting the customer, the producer, and the small retail man.

We need protection for the small retailer, the consumer, labor, and for the man who invents a product or spends his adult life and great sums of money to establish a brand name or trademark.

Enactment of the quality stabilization bill will result in availability of products in which the public can have confidence—confidence in their stabilized price and in their quality. Customers can buy that which they seek: quality and price, or price alone. The retailer, by offering both quality stabilized and unstabilized brands, can give the consumer an excellent mix of durable, high-quality products and products of lesser quality whose prices fit his pocketbook or his limited needs.

I feel confident that there will be many brands, made by reputable manufacturers, which will not be stabilized even though some of their brands are stabilized. The quality stabilization bill will affect discount merchants only as to the products the manufacturers place under quality stabilization and then only as to the brand name thereof. On those products the manufacturer will have the legal and equitable right to protect his property. But the discounter is optionally free to handle quality stabilized products along with merchandise that he does not elect to come under quality stabilization.

It is not the purpose of the quality stabilization bill to put anyone out of business. Indeed, it is my conviction that it will reduce the number of small businesses whose owners find it necessary to liquidate. I predict that enactment of the quality stabilization bill will result in a drastic drop in the number of small business failures.

Obviously, the buying public will benefit from this bill. For the first time in a number of years, the consumer will have a standard against which to measure quality. The quality stabilization law will also give protection to the consumer against entrapment and unwise purchase of the loss-leader merchant specializing in bait and switch tactics.

The opponents of this legislation seem to be motivated by marketing forces who are the principal offenders against the historical retail methods and practices that have in the past, enabled legitimate retailers and manufacturers to build successful marketing economy second to none in the world. Their strategy appears to connect quality stabilization legislation by smear propaganda through identifying it with fair trade and price fixing. Anyone who reads and studies H.R. 10335 can easily determine that no provision in the bill identifies it with fair trade or even remotely with price fixing. The bill creates no Federal enforcing department and its provisions are 100 percent optional with both the manufacturer, retailer, and consumer.

HELP EMPLOYMENT

In urging speedy consideration of this bill by this committee, I direct your attention to the fact that unrestrained price slashing is rapidly disabling labor, industry, resellers, and the public. Our entire economy will continue to deteriorate at a time when leading economists and statesmen agree we need instead economic growth to strengthen our Nation for survival.

I represent the great industrial Calumet region of Indiana. In recent years purchasers and small retailers have been asking me what can be done to reestablish confidence in retail marketing. Unemployment in my area is critical.

Enactment of this quality stabilization legislation will contribute more toward restoring employment than any other legislation that can be enacted by Congress. When a manufacturer is forced to make 15 men do the work of 20, and is forced to employ cheaper and less-skilled labor as well as inferior materials, both American labor and the American consumer are injured where it hurts most. Small manufacturers of trademarked products have been forced to close their factories or downgrade the quality of their products to suit the high pressure, falsely advertising retailers, as a means of staying in business. This type of retailer may be few in number but they are powerful and heavily financed, and growing in size and number every day.

Enactment of the quality stabilization bill will give manufacturers the confidence to build better products instead of cheaper products with poor quality. This bill will give the bargain seeker an opportunity of knowing what is a bargain by placing a standard of value as a gage.

NONPARTISAN

This is strictly nonpartisan legislation. Ten U.S. Senators of both parties have cosponsored quality stabilization, and ten Members—from both parties—have introduced the bills in the House of Representatives.

I am hereby submitting with my statement the list of approximately 70 national trade and professional organizations that have endorsed this quality stabilization bill:

Quality Brands Associates of America, Inc.
National Retail Hardware Association.
National Office Machine Dealers Association.
Independent Garage Owners of America.
National Association of House to House Installment Cos., Inc.
National Sporting Goods Association.
National Association of Retail Clothiers and Furnishers.
National Retail Furniture Association.
Retail Jewelers of America.
Master Photo Dealers and Finishers Association.
National Appliance and Radio-TV Dealers Association.
National Wholesale Jewelers Association.
National Stationery and Office Equipment Association.
Wholesale Stationers' Association.
Toy Wholesalers' Association of America.
Billiard and Bowling Institute of America.
Gift and Decorative Accessories Association of America.
Marine Manufacturers Safety Equipment Association.
Sporting Goods Jobbers Association.
American Fishing Tackle Manufacturers Association.
Archery Manufacturers and Dealers Association.
National Wholesale Hardware Association.
Fountain Pen and Mechanical Pencil Manufacturers' Association, Inc.
American Watch Association, Inc.
Watch Material Distributors of America.
Automotive Service Industry Association.

National Association of Bedding Manufacturers.
The National Association of Shirt, Pajama and Sportswear Manufacturers.
National Industrial Distributors Association.
Christian Booksellers Association.
National Congress of Petroleum Retailers.
National Shoe Manufacturers Association.
Wallcovering Wholesalers Association.
National Small Business Association.
American Research Merchandising Institute.
American Retailers Association.
National Art Materials Trade Association.
National Shoe Retailers Association.
Motor and Equipment Manufacturers Association.
Northamerican Heating & Airconditioning Wholesalers, Inc.
National Association of Women's & Children's Apparel Salesmen, Inc.
American Watch Manufacturers Association.
National Bicycle Dealers Association, Inc.
National Audio-Visual Association, Inc.
National Office Furniture Association, Inc.
National Outerwear and Sportswear Association.
National Frozen Food Association, Inc.
The Automotive Warehouse Distributors Association, Inc.
National Association of Glove Manufacturers.
American Association of Small Business.
National Marine Products Association.
National Association of Retail Druggists.
Paint and Wallpaper Association of America, Inc.
Retail Tobacco Dealers of America.
National Association of Tobacco Distributors.
National Retail Farm Equipment Association.
American Pharmaceutical Association.
National Conference of State Pharmaceutical Association Secretaries.
Metropolitan Cities Drug Association Secretaries.
National Association of Chain Drug Stores.
Toilet Goods Association.
American Booksellers Association.
National Wholesale Druggists Association.
Automotive Electric Association.
Corset & Brassiere Association of America.
Proprietary Association.
The Independent Shoemen.
National Candy Wholesalers Association.

Bremerton, Wash., and the Bremer Family

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 12, 1962

Mr. TOLLEFSON. Mr. Speaker, Bremerton was platted in 1891, and occupied part of the homesteads of Warren Smith and Theodore Williams, on the north side of Port Orchard Bay. The land had been logged off and was a field of stumps with all the debris that usually followed the logger, except for such parts of the homesteads as the sturdy settlers had been able to clear. And that was not any considerable part of the total area.

But the vision which gave birth to the town was the vision of William Bremer, who had come to the Port Orchard Bay region 3 years prior to the date of platting, and who had been engaged in the real estate business with an office in the village then known as Port Orchard, located on the land which in later years became known as Charleston. Bremer saw in the strategic location of the bay region the possibility of a naval station and it was due to his efforts more than to the efforts of any other man that the present Navy yard became an actuality.

William Bremer was born in Esson, duchy of Brunswick, Germany, June 12, 1863. As a young man he went to South Dakota with his parents and in 1888 he came to the then Territory of Washington, landing at Seattle. Looking around, he saw the advantages of Kitsap County with its rich timber resources and its proximity to Seattle, which city he conceived as the coming metropolis of the Northwestern country. He soon located in Port Orchard to engage in the real estate business.

The movement for a naval station near Seattle had been started many years prior to the coming of Bremer, but it had vegetated most of that time, and it was not until the coming of Lt. A. B. Wycoff as the representative of the Secretary of the Navy for the purpose of purchasing the land for the site of a drydock, that Bremer put his plans into action and took it upon himself to aid as much as possible in the location of the plant and in the development of the region surrounding the site. It was in this way that Bremerton was born.

For years, it now seems that Bremer was about the only man in the region who saw tremendous development. For the struggling town grew so slowly that there was no form of town government until 1900, or a full 10 years after the plats had been filed. And there were good reasons for the lack of interest on the part of the people. Washington and the Northwest were in the midst of a timber-cutting tournament, and every man was interested in getting into the production of lumber in some form. The idea that the United States might develop a navy yard near Seattle, and right in the heart of the fast developing world of stumps could not find lodgement in the brain of the average man of the period.

But by 1901, Bremerton had grown considerably, and it was necessary to have some form of city control. The incorporation was completed in 1901, and A. L. Croxton was elected mayor. Croxton assumed office October 16 and served through the period ending with the 1st of January 1904.

After serving his city and the State of Washington ably and well for more than a score of years, William died December 23, 1910. His most lasting monument is the navy yard, Puget Sound, as it is, and as it shall be in the years to come.

Bremerton has one of the most picturesque settings of any city in the Northwest. Located on one of the fine, protected harbors of Puget Sound, it is the gateway to one of the greatest playgrounds in the United States—the Olympic Peninsula, where mountains, glaciers, forests, lakes, mountain streams, and the sea make an ideal recreational area. It has within its corporate limits the best equipped navy yard in the United States. Bremerton is now a thriving city of approximately 37,000 people. Its navy yard employs some 10,000 civilian workers. The ships of the U.S. Navy come and go through out each year, coming for repairs and overhauls.

The Eleanor Roosevelt Cancer Foundation

EXTENSION OF REMARKS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 12, 1962

Mr. THOMAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Mrs. Eleanor Roosevelt at the Second Annual World Peace Through World Health Award dinner held in Washington, D.C., on May 22, 1962:

Mr. ARTHUR GODFREY. The warmth and presence here tonight of you far better expresses the love and affection which we all have for our next speaker, and it is my great honor and happy privilege to present to you the First Lady of the World, Mrs. Eleanor Roosevelt. [Standing applause.]

Mrs. ELEANOR ROOSEVELT. Mr. Chairman, Mr. Master of Ceremonies, Mr. Vice President, distinguished guests, ladies and gentlemen: I think you all know by this time that the main purpose of this dinner is to honor an outstanding individual whose services have advanced the cause of world peace through world health.

Last year, when the first award of this foundation was given to Gen. Omar N. Bradley, many of us heard the Vice President of the United States make a very serious report.

Mr. JOHNSON said that over half of the world or 2½ billion people either suffer from chronic illness or become ill annually, and that this vast human suffering places illness second only to hunger.

The Vice President has not only been moved by the suffering cause of the world, but he has traveled tens of thousands of miles as a representative of our country to support the worldwide effort in the fight against disease.

He has made a 30,000-mile trip to the lands of southeast Asia and he has traveled thousands of miles in Africa. Everywhere he has represented the American people whose compassion and desire is to help those in need which is our greatest source of strength.

I am happy to present the Second Annual World Peace Through World Health Award to a distinguished statesman. So far, I have been using the notes as they were a little afraid I would forget something, you see, so they made sure to write them down for me.

I think Mr. JOHNSON has had a very deep sense of responsibility in this particular area. I know that friends of mine have given a great deal of their time and energy to trying to get our Government aware of this problem and have felt that their hands are upheld and that they have gotten the greatest help from the Vice President.

So I think my husband would have had a feeling that we must have a research and

that we must find the answers to problems as they come up, and he would be very happy tonight that a great American and humanitarian, the Vice President of the United States, Mr. LYNDON B. JOHNSON, is being given this award. [Standing applause.]

REMARKS BY VICE PRESIDENT LYNDON B. JOHNSON

The VICE PRESIDENT of the United States. Mrs. Roosevelt, Mr. Roosevelt, Mr. Godfrey, Justice Clark, distinguished Ambassadors and fellow Americans, you do me great honor tonight with this award. I am most grateful and it adds so much to my gratitude to receive this award from the Eleanor Roosevelt Cancer Foundation and to have the great honor of sharing this platform tonight with such a grand lady.

All over the world, wherever men and women yearn for freedom from disease and deprivation in a world without war, no name lights their eyes or quickens their hearts more than the name of Eleanor Roosevelt. [Applause.]

I think it is quite fitting, in her presence, that we should talk tonight about world health and world peace.

If there were a single broad highway stretching straight, swift and sure toward peace, men and nations would have traveled it a long time ago. But there is no such road and the way to peace is not an easy way. Those who seek peace must find their way across unknown, unexplored and often unfriendly terrain.

This is what we are doing tonight.

We seek peace by many roads, along many trails, up many paths. We cannot know where, or when, our search will end. But we live with an abiding faith that our searches will end in success.

So it is in this context that we explore along the roads and trails and paths of medical research. We believe that our discoveries there will help us to reach and to keep universal peace in the world.

We recognize that better health alone would not be enough. Nor would better food, better shelter, better clothing, better jobs or better education be enough alone.

None of these things alone can bring peace to the world any more than can armament—or disarmament—alone.

If we are to succeed in our quest for peace, we must concern ourselves at all times with the total condition of man.

I think it is well for us to remind ourselves that the United States today is committing its resources on a monumental scale to programs which will, as their end result, improve the total condition of man on this earth.

Over the past decade, we have made a cumulative outlay for research and development in the natural sciences of about $80 billion. This is four times the comparable amount for the preceding 10 years. It is equal to the total Federal budget for the fiscal year 1961.

Are we making our effort on this scale solely for the satisfaction of national pride? Is it our highest hope only to place a man on the moon or to have been the first to send a man out among the stars?

The answer of the American people is, emphatically, "No."

Our national purpose in supporting today's research is not to perform spectaculars among the planets or merely to win moments of national glory on this earth.

We do what we do in the search for peace.

We do what we do in the hope that our endeavor would lead the world to a day of universal justice and freedom. [Applause.]

We do what we do, not to make our Nation stand larger on this earth, but to help all mankind to stand more erect and upright together.

At this moment we live in a world of peril. Prudence requires that the focus of our efforts be directed to neutralizing that peril.

But our search for security is, I believe, producing far greater contributions to the methods of peace than to the techniques of war. Many overlook one thing: Our defense budgets are going today not to amass vast stores of arms but to amass great stores of human knowledge.

The whole concept of defense spending is changed. Instead of spending wastefully on weapons that could only be used destructively, the bulk of our defense research dollars is spent on knowledge that can only be used constructively.

Francis Bacon once said that "the real and legitimate goal of the sciences is the endowment of human life with new inventions and riches."

This objective is the real and legitimate goal of the national effort we are making today.

One of the great lessons of experience with science is that our most important discoveries often are the discoveries we least expect.

Columbus was looking for a route to the east when he discovered the New World of the west. Edward Jenner was led to discover immunization for smallpox by his observations that the disease seldom developed among milkmaids.

In an obscure London laboratory, Alexander Fleming wondered what had killed the bacteria under his microscope—and by chance established that cause was common bread mold borne through his laboratory window by the air. It was this observation that led to the discovery of penicillin.

Accidents? Yes, perhaps they were. But we recall the admonition of Pasteur that "fortune finds the prepared mind."

Tonight we do not know what trails we may find and follow out in space. But going forth with prepared minds we can believe that we will find much more there than the green fireflies seen by Colonel Glenn.

Space research is costly, but it is less than what we pay each year in cigarette taxes. But those costs will be returned to us by many great discoveries that will improve the condition of mankind throughout the earth.

These thoughts are appropriate in this year of 1962 which is being observed as Cancer Progress Year. Twenty-five years ago the Cancer Society's first nationwide Cancer Crusade began.

In that same year, the National Cancer Institute was organized. At that time one victim of cancer in four was being cured. Today, I am told, the cure rate is one in three.

This speaks much for the union of private and public resources in concerted endeavor against this killer which still strikes one American every 2 minutes.

We fight tonight against cancer through surgery, as Arthur has told you, through radiation and through drugs. We can hope that by the endeavors in which we engage the day will come when we will have in hand drugs and cures for this disease and for many others. Another 25 years will not pass before that day arrives, due to the leadership of great women like Eleanor Roosevelt and the Eleanor Roosevelt Cancer Foundation and those who support it.

Out of those efforts in this field—and in all the fields of scientific endeavor—we will be able, I believe, to assure for mankind that condition of health which is a prerequisite for the condition of peace.

We in the United States live and work without illusions about the nature of peace. We realize that peace is a condition—not an agreement.

Peace will not be assured for mankind by the stroke of a pen or the signing of a treaty. Peace will be made real only when the condition of man makes thoughts of war unreal.

We in the United States seek agreements to hasten the arrival of that condition of peace for mankind. We shall never cease to seek such agreements.

But if willful men refuse to sign those agreements, we shall not permit their refusal to deny to mankind the coming of conditions of peace throughout the world.

That is why we can believe, as we do, that if all the eddies and ripples of the moment are not on the side of peace, the greater waves and stronger tides of this century run with the free societies and bear us toward the shores of a peaceful world.

Nations may veto the agreements that control nations. But no nation—and no national leader—can veto the progress being made toward controlling those things which oppress the lives of men.

We can be proud, I believe, of the leadership being demonstrated by our country today in unifying the force of science and the force of political leadership into a new instrument for the making of peace.

Much of the credit for the course our Government has taken lies to the eternal credit of a man whose memory is very much with us today on the occasion of this Cancer Progress Year.

I refer, of course, to that great warrior for the public interest, that great servant of the public good, who fell himself last year as a victim of the disease against which we marshal our efforts now—the Speaker of the House of Representatives, Sam Rayburn.

Over a long period, his efforts and leadership did much to bring into being the program we have for medical research as well as the broader programs of scientific research in other fields to which we are now committed.

If the benefit of that research were not forthcoming in time to spare Sam Rayburn the agony of his last days, I know that his faith was not diminished in his conviction that those efforts will ultimately succeed as he expected them to succeed.

The horizons of science are much too broad—the unknowns of science are much too great—for us to presume to foretell what final victories will emerge from the research of this day.

We can be sure, however, that this grand enterprise on which we are jointly embarked will bring the human race to a time in which the creative talents and abilities of all men are liberated from the oppression of disease, poverty, and despair.

We walk the roads we walk, we search the trails we search, we pioneer the new paths of our times in the belief that it is the mission and the trust of our country to lead the world toward these high goals.

It was a great American educator, Horace Mann, who once told a group of young people, "Be ashamed to die before you win at least one great victory for humanity."

So it is in this spirit that we tonight go about our mission. Mrs. Roosevelt, you have won many great victories for humanity, but the rest of us who have not achieved so much will go home tonight remembering the words of Horace Mann—"Be ashamed to die before you win at least one great victory for humanity."

We are determined to win not one but many victories for humanity. One of those victories we are determined to win is victory over disease, to which the Eleanor Roosevelt Cancer Foundation is dedicating all of its resources, its talents, and its energy.

Thank you. [Standing applause.]

Mr. ROOSEVELT. Mr. Vice President, allow us to honor you as you, indeed, have honored us. I know I speak for all of us when I say

we are grateful to you for your wonderful remarks.

Before closing these ceremonies, may I just express for all of us our thanks to those many people, the hard working staff, to our national director, Mr. Sidney Glazier, and the great numbers of volunteers who have helped make this a memorable evening.

If I can, I would like to express one little hope and prayer of my own. My father, as you know, worked long in the cause of polio. He did not live to see the final victory that came with the Salk vaccine.

I would have a prayer, with the help of all of you who are professionals and nonprofessionals, that we may have God's blessing in trying to bring about a similar victory during the lifetime of my mother. [Applause.]

So, may I ask that as I send you away with my greetings.

I will now ask Maj. Gen. Frank A. Tobey, the Chief of Chaplains, U.S. Army, to give us the benediction.

Maj. Gen. FRANK A. TOBEY. Let us pray:

Oh God of power and glory, we share Thy creative task with mortal men. Give us insight equal to our responsibilities as coworkers with Thee in this great cause.

In every daily duty, keep us keenly aware we are laboring with Thee to make this world a better place in which to live. We are grateful for the heavily fought for and spectacular advances which have been made by medical science, but grant us vision for the future so that we may continue to advance in healing methods for all mankind and as undefeated souls we may sustain the shock of these volcanic days.

Now may Thy richest benediction crown these efforts with success. God's peace be with all of you and with all mankind. Amen.

Mr. ROOSEVELT. Good night.

(Thereupon, the Second Annual World Peace Through World Health Award dinner was adjourned at 10:30 p.m.)

Address by the Honorable Douglas Dillon, Secretary of the Treasury, June 4, 1962

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. MULTER. Mr. Speaker, it is with pleasure that I commend to the attention of our colleagues the following address given by our distinguished Secretary of the Treasury, the Honorable Douglas Dillon.

Secretary Dillon spoke on June 4, 1962, at the annual dinner of the New York Financial Writers Association, held in New York City. Those reading his address will find that he, with President Kennedy, believes that business can do more for itself than Government, and to the maximum extent possible, our Government will encourage business accordingly.

Secretary Dillon's address follows:

REMARKS BY THE HONORABLE DOUGLAS DILLON, SECRETARY OF THE TREASURY

Two weeks ago President Kennedy told a White House Economic Conference that we must distinguish between myth and reality in considering today's complex economic problems. Since an important element of your job as financial writers is to increase public understanding of economic complexities, I am most happy to have this opportunity to discuss some of them with you.

A week ago today, we witnessed a phenomenon that should give us all pause. For, during the course of that day, all vestiges of reason were temporarily pushed aside, and panic took control of the great New York Stock Exchange—touching off similar repercussions in security markets throughout the world.

In considering why that happened, I think it would be helpful to review briefly the state of our economy and its relationship to stock market prices.

The current recovery started just 15 months ago. After a midwinter hesitation, the economy picked up steam in March and has been moving ahead rapidly ever since to record levels of production and income. The latest confirmation shows up in the May employment figures: Nonagricultural employment rose beyond the usual seasonal expectations by an impressive 500,000 jobs. This means that businessmen across our country hired half a million more new employees in a single month than would normally be expected—a clear sign of continued economic expansion. Seasonally adjusted unemployment also declined—as did the overall rate of unemployment—but the major significance of the May figures lies in the sharp upward surge of new jobs.

While the hesitation of the economy in the early months of this year has made the achievement of our 1963 gross national product goal of $570 billion much more difficult, the rapid advance of recent months means that the possibility of success still remains. We will, in any event, come close to our goal, for the basic ingredients of continued progress are all at hand. As one of our Nation's leading industrialists, Mr. Henry Ford, so aptly pointed out last Friday, disposable income today is $20 billion higher than a year ago, installment debt is relatively low, credit is plentiful, and employment is rising. Because of the underlying health of our economy—and despite the decline in common stock prices over recent months—we can look forward confidently to continued economic progress. This advance will further lower our still intolerable level of unemployment. It should also bring with it a rise in corporate profits.

Profits are essential to our free enterprise system. This fact is as fully recognized by those in Government as by those in business, since Government depends on profits for a large portion of its revenues. Even more important, Government is well aware that the economic growth we all seek depends upon the ability of capital, as well as labor, to earn a fair return.

The disappointing performance of the economy in the first quarter inevitably had its impact upon profits, which, on a seasonally adjusted basis, were apparently little changed from the fourth quarter of 1961. But with the economy picking up steam—as it has during this second quarter—corporate profits can be expected to increase with it. Despite the fact that over the postwar period the share of profits in the sales dollar has declined, there is general agreement among business forecasters that total pretax corporate profits for 1962 are breaking sharply out of the narrow range in which they have moved for the past 3 years and will reach a new record high, well above $50 billion. These larger profits clearly justify stock prices higher than would have been warranted by the level of earnings that has characterized the past 3 years.

With this in mind, let us look for a moment at the level of stock prices: Based on Standard & Poor's averages, we find that in the 4 years 1954 through 1957, stocks as a whole sold at an average of between 11.2 and 14 times earnings. In 1958, this average moved up to between 16 and 17 times earnings, and remained there throughout 1959 and 1960. Last year's bull market brought this ratio up to 21 times earnings for the year as a whole, and to about 23 times earnings at the high point toward the close of the year. The drop in the market over the past few months, coupled with the increased earnings in prospect for 1962, brought this ratio back to where it is today—between 15 and 16 times earnings—slightly under the level that prevailed in the 1958 to 1960 period, but more than the level of earlier years.

I would certainly be the last one to try to pick an exact and appropriate level for the price-earnings ratio of common stocks. But one thing stands out clearly in any review of stock prices: the 1961 price rise cannot be credited solely to the prospects for improved earnings. The estimate of 1962 corporate profits contained in the January Federal budget document—which many have criticized as being overly optimistic—forecast pretax profits of $56.5 billion. But stock averages last December were about 19 times even this level of prospective earnings. Clearly, something other than the profit outlook must have been involved in last year's bull market.

We all know what that something was—the belief that inflation was just around the corner. Today, the belief has been pretty well dissipated. And that is the basic reason behind the decline in stock prices over the past few months.

Now how did stock market investors make such an error last year? Apparently, they abandoned reality in pursuit of a mirage that grew out of a myth. The mirage was imminent inflation. The myth was the belief that Government deficits are inevitably accompanied by inflation, no matter what the state of the economy may be.

The facts were far different and clear enough for those who wished to read them, but myth proved more powerful than reason. Demand inflation, the only kind of inflation in which budgetary policy plays an important role, is clearly related to the state of the whole national economy, and it is not governed by any single factor such as the Federal budget. Only when budget deficits combine with high demand to put pressure on supply, do they bring demand inflation in their wake. Last year this of course was far from the case. For our economy was just starting to pull out of recession. There were large numbers of unemployed and there was a widespread underutilization of plant capacity. The President and other members of the administration consistently stated that they intended to devote their energies to maintaining the stable price level so essential to our balance of payments.

I, myself, repeatedly pointed out that while a substantial deficit was in prospect for fiscal 1962, it would not be inflationary because of the excess capacity in the economy. The President made clear, as early as last July, that having in mind the sharp improvement in the economy forecast for 1962, he intended to submit a balanced budget in January. But, despite this, the myth prevailed. The belief that any Federal deficit would be inflationary no matter what the state of the economy encouraged speculation and pushed stock prices to dizzy heights. A reaction was inevitable, once fact prevailed over fiction—as sooner or later it always does.

I have heard it suggested that the decline in stock prices might be somehow connected with a lack of confidence in financial circles abroad in the efforts we are making to right the imbalance in our international payments. If this were true, it would be

serious indeed. Fortunately, the facts are completely to the contrary. There is one item in our balance of payments which is generally considered to closely reflect any flight of capital. This is the item known as "errors and omissions," which includes all items not otherwise recorded. Until 1960, this item had been a favorable one in our payments balance. In 1960, for the first time, it showed a substantial deficit in this particular account—a deficit which was continued in 1961. However, so far this year, this sensitive item has once again returned to its former status as a plus in our overall payments picture—a clear indication of growing, not lessened, confidence in the dollar.

The same story is told by the price of gold in the free market in London, where the gyrations of the fall of 1960 have given way to a relatively stable market at prices no higher and—more often than not—lower than the cost of buying gold in New York and transporting it overseas. All this is not surprising when we take account of the continuing improvement in our payments situation. In the first quarter of 1962, despite an increase of more than $500 million in our imports as compared to the unusually depressed level that prevailed during the first quarter of 1961—an increase that was the natural reflection of our economic recovery—our overall deficit turned out to be just a little more than $100 million larger than in the same quarter last year. Leaving imports aside, this means that there was a solid improvement of about $400 million in all the other elements of our balance of payments.

Preliminary indications for May which, mind you, would include any repatriation of foreign funds as a result of stock market sales, indicate that it will be the best month for our payments position since January, when the return of temporary, year-end window-dressing outflows brought approximate balance in our overall payments. So far this year, our overall deficit appears to be running at an annual rate of about $1.5 billion. This compares with last year's figure of $2.5 billion, and the $3.5 to $4 billion deficits that characterized the 3 preceding years. As I have often stated, we intend to work vigorously until the deficit is wholly eliminated—a result we hope to achieve by the end of next year.

Another myth that has been current in business circles in recent months is the misconception that the Kennedy administration is pursuing an overall antibusiness policy. In discussions of the recent steel price episode, the fact that the full influence of the Government had a few days before been successfully exerted to secure a noninflationary wage settlement in steel is too often totally disregarded. Disregarded also are other efforts of the administration to provide a better climate for economic growth—and thus, a better climate for business in general.

I refer in particular to the major reform in the administration of depreciation for Federal tax purposes that is now nearing completion. Depreciation reform was one of my earliest concerns upon entering the Treasury. I found then, that despite longstanding business complaints about inequities in the provisions for depreciation, little had been done to improve the situation. True, two basic studies had been initiated in the summer of 1960, studies that were scheduled for completion 2 years later, in mid-1962. These studies bore primarily on the depreciable lives of business property. Nothing at all had been done on the equally important matter of reexamining the procedures under which the guidelines for depreciable lives were being administered. And it is these procedures, as much as the lives themselves, that have been responsible for the widespread sense of frustration among businessmen in their dealing with the Government on the depreciation problems.

Early last year, we determined to tackle this problem head on. We expedited the studies of the basic data that were already underway so that we could receive the results by the end of 1961, rather than in mid-1962. And we started right from scratch in reexamining each and every one of the assumptions on which the law had been administered for the past 25 years. As we went along, we were pleased—and a little surprised—to find that all, or practically all, of the controversy that has long characterized relations between business and government in the administration of depreciation could be eliminated by appropriate changes in our approach.

Accordingly, we are now preparing new, more flexible, and more objective means of measuring the reasonableness of depreciation charges claimed by taxpayers. This will allow the taxpayer to exercise judgment in selecting depreciable lives, judgment based upon his own plans for the future, rather than forcing him to rely primarily upon historical experience. It will void haggling over minutiae by looking to the reasonableness of the taxpayer's overall depreciation, rather than to the depreciable life of each and every separate item. And it will prevent the taxpayer's judgment from being controverted except where, by an objective test, it is clearly not reasonable. No longer will a change in revenue agents bring with it—as it so often does today—a reexamination of depreciation practices. And industry will, for the first time, be certain that the law is being administered with identical results in every part of the United States.

We have now reached the point where I can be sure that a final draft of the new provisions will be ready for publication by the end of this month, or early in July. At the same time that we publish our new procedures, we will also publish our revision of the Bulletin F schedule of depreciable lives, reducing to some 75 overall categories—only a few of which will apply to any one business—the 5,000-odd items that are presently carried in Bulletin F. While we will have done our best to achieve truly realistic guideline lives, we will always be prepared to meet with any industry which feels that the lives assigned to it are not reasonable and fair, and to make such further adjustments as may be mutually agreed. In this way, we intend to keep our guideline lives fully current with future developments, so that they may never again reach their present unrealistic status.

All of this has required a tremendous effort by the Treasury. And I must say quite frankly that it is difficult for me to comprehend how an administration which is on the verge of carrying to fruition such an enormous and important reform to help the business community can be labeled as "antibusiness."

But this is not all. It was clear from the very start of our efforts to assist business that more than realistic lives and improved administration would be required if we were to meet foreign competition and stimulate the increased investment needed to spur our rate of economic growth.

First, as to foreign competition: It is a hard fact that every other industrialized country in the free world provides special incentives to investment in one form or another. We can do no less if we are to compete successfully in the marketplace of the world. We must have both the 8-percent investment credit which is now before the Congress and the full benefits of our new administrative reform if we are to match our foreign competitors.

The same is true if we are to stimulate the increased investment we must have to speed our rate of growth—an essential prerequisite to the solution of our number one problem of unemployment. Throughout the fifties, the proportion of our GNP invested in plant and equipment steadily declined. It reached a new low point last year. At the same time, our free world competitors have been raising the proportion of their GNP going into plant and equipment. By last year, some of them were devoting twice as much of their GNP to new investment as were we—and, it is important to note, that over the years, some of them have grown twice as fast as we have. Since the level of new investment has a direct correlation to rates of growth, we simply must increase our investment if we are to increase our rate of growth.

The best and surest way to obtain more investment in new plant and equipment is to improve the profitability of such investment. And it was for just this reason that we chose the investment credit to complement our administrative reform of depreciation practices. For the investment credit, through the operation of the simple concept of a return over and above original cost, is by far the most powerful stimulant to profits of any of several possible forms of investment incentive. For each dollar of revenue lost to the Government, it provides two or three times more stimulus to profits than any other practicable form of incentive.

I am well aware that some in the business community have been cool to the idea of the investment credit. This is difficult to understand since the combination of the credit and the forthcoming administrative reform will, for the first time in many years, put American industry on a comparable footing with its foreign competitors in the tax treatment of capital investment in machinery and equipment.

What has been the basic reason behind business opposition?

I am convinced that it has been misunderstanding, plain and simple. In our talks and correspondence with business executives, and we have talked to many of them, we were frankly astonished to learn that the chief source of opposition was a widespread conviction that our investment credit proposal was no more than a tactical trick designed to avoid the very reform of depreciation practices that we were working so hard to bring about. Other businessmen thought that the investment credit was merely a temporary antirecession device and seemed not to hear our repeated assurances that the credit was designed as a permanent part of the tax structure. It was another case of the triumph of myth over reality.

We have learned, however, that opposition to the credit is now far less widespread than one might believe from the positions taken by certain national business associations. Our correspondence and conversations clearly show that on this subject the position taken by these national organizations no longer accurately reflects the view of American business. For many businessmen have changed their opinion during the past year as they have come to understand our proposals better, and in particular as they have come to appreciate the fact that the investment credit is not intended as a substitute for, but rather as a supplement to, depreciation reform.

In today's atmosphere of concern over the adequacy of our rate of economic recovery, one thing is crystal clear: The uncertain fate of the credit is beyond question exerting a negative influence on business spending—just at the time when an increase in plant and equipment expenditures is badly needed to keep our economy moving. There is no appropriate action readily available that would be more immediately helpful to the

economy than prompt enactment of the tax credit, so that business could have a solid basis on which to plan for the future.

In the slightly longer term there is, of course, much that can be done. And we fully intend to do it. There has been growing talk in recent weeks of the desirability of income tax reductions as a stimulus to the economy. I, for one, am glad to hear such talk. To me, it portends a sympathetic reception to the overall income tax reform on which we have been working since last year, and which was first promised by the President in his tax message a year ago last April. This tax reform program will be ready for congressional action next January and we plan to submit its general outlines before the close of the present session. It will not be a hasty, ill-considered reaction to the gyrations of the stock market. Rather, it will be a fundamental restructuring of our income tax system, designed to promote the maximum of long-term economic growth.

Over the past year, I have frequently stated that the central element in this reform would be a proposal to readjust the rate structure of the income tax. I had not thought it necessary to spell out the fact that readjustment necessarily meant readjustment downward. But in case there is any misunderstanding, let me make clear that this is just what it means—a top-to-bottom reduction in the rates of income tax. Naturally, any reduction will cost the Government revenue, and will bring with it the need to broaden the base of our tax structure so as to offset the reductions in whole or in part.

Contrary to some crystal ball reports I have read, there have been no decisions on any of the details. This applies both to the extent of possible rate reductions and to the form and extent of possible offsetting measures to broaden the income tax base. But one fact is clear and that is we have now been at work for nearly a year on a proposal for income tax reform—a proposal basically designed to stimulate the growth of our economy—a proposal that will be ready for action at the opening of the next session of the Congress.

In conclusion, let me say that the confusion of myth and reality, of fact with fiction, when considering the complex economic problems of the day, is not in our national interest. The problems we face are not easy. Their solution requires the best efforts of all of us. We must not allow ourselves to be diverted from the difficult tasks at hand by polemics, emotion, or prejudice, unsupported by facts. There is today a clear consensus as to our national objectives—a consensus that reaches from coast to coast and includes both political parties and all elements of our society. Those goals are full employment, rapid growth so that we may steadily improve our standard of living, and reasonable price stability.

In the past 4 years, we have managed to attain just one of those goals—reasonable price stability. In 1958, the wholesale all-commodity price index of the Department of Labor averaged 100.4. Last week the same index read 100.2—no change in 4 years. But we have not been so successful in achieving our other goals. We must continue vigorously to pursue full employment and rapid growth—without impairing the price stability that we have already achieved. Success will require not only proper Government policies, but also public understanding and acceptance of these policies, as well as real effort on the part of all sectors of our society. We must concentrate our efforts on genuine problems, and not permit ourselves to be diverted by exaggerated fears or hobgoblins—be they imaginary inflation, such as that which preoccupied investors last year, or an imaginary antibusiness campaign by the administration such as I fear preoccupies too many businessmen today.

As members of the Financial Writers Association of New York, you are contributing immensely to the much-needed understanding that is required before a truly national consensus becomes possible. I ask you to continue your efforts in the sure knowledge that you are performing a public service of major proportions.

Results of Questionnaire of Congressman Silvio O. Conte

EXTENSION OF REMARKS

OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. CONTE. Mr. Speaker, many of us here in the House question our constituents from time to time on the major issues facing us in the Congress and the entire Nation. The results of these questionnaires are most interesting and useful to each Member in many ways. The tabulations of the answers to my poll of this year indicate that the people of the First Congressional District of Massachusetts are disturbed about the suggested solutions to many of the Nation's problems and the comments that were made reinforce this conclusion.

Therefore, Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tabulations of my 1962 questionnaire for the scrutiny of the House:

Results of Congressman Conte questionnaire, June 4, 1962

	Yes		No		Undecided		Blanks	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
I. Medical aid for the aged:								
(a) A compulsory, federally administered plan financed by employer and employee social security payments	817	32	1,233	48	152	6	348	14
(b) A voluntary, State-administered plan financed jointly by Federal, State, and individual contributions	855	33	996	40	235	9	464	18
(c) A voluntary federally administered plan financed by increased social security taxes	476	19	1,295	51	221	8	558	22
II. Aid to education:								
(a) Federal funds for public school construction	1,597	63	683	27	110	4	160	6
(b) Federal funds for public school teachers salaries	643	25	1,561	61	149	6	197	8
(c) Federal funds for private college-level institutions	647	25	1,500	59	206	8	197	8
III. Tax revision:								
(a) A withholding tax on income from interest and dividends	756	30	1,486	58	161	6	147	6
(b) Presidential authority to raise and lower taxes under emergency conditions	585	23	1,545	61	209	8	211	8
(c) Tax relief for families with children in college	1,530	60	712	28	176	7	132	5
IV. National budget:								
(a) A balanced budget and reduction of the national debt	2,066	81	102	4	174	7	208	8
(b) Reduction of nondefense Federal spending	1,868	73	293	12	184	7	205	8
V. Various issues:								
(a) Creation of a cabinet-level Department of Urban Affairs	836	33	992	39	420	17	302	11
(b) Federal Government fallout shelter program	483	19	1,509	59	397	16	161	6
(c) All Massachusetts Congressmen running at-large rather than from specific districts	230	9	2,004	79	205	8	111	4
VI. Foreign aid program:								
(a) Continued economic aid under the foreign aid program to nations committed as our allies	1,907	75	353	14	166	6	124	5
(b) Continued military aid to nations committed as our allies	1,870	73	281	11	181	7	218	9
(c) Economic aid to—								
(1) Yugoslavia	495	19	1,286	50	447	18	322	13
(2) Poland	564	22	1,230	48	422	17	334	13
(3) Egypt	550	22	1,158	45	499	20	343	13
(4) Indonesia	659	26	835	33	557	22	499	19
(5) India	979	38	834	32	447	18	290	12
(6) Newly independent but neutral nations	1,397	55	437	17	408	16	308	12
VII. Berlin:								
(a) The President's policy on Berlin to date	1,707	67	247	10	313	12	283	11
(b) Refusal to negotiate until Russian pressure against the West in Berlin is relieved and dropped as a threat	1,822	72	335	13	191	7	202	8
(c) A summit meeting in the near future on the Berlin problem	845	33	899	35	519	20	287	12
VIII. Foreign policy:								
(a) Tariff and quota reductions in an attempt to maintain present favorable foreign trade position with the European Common Market	1,771	70	270	10	330	13	179	7
(b) Continued economic and military assistance to South Vietnam against communism	1,893	74	215	8	307	12	135	6
(c) Continuation of the Peace Corps	1,651	65	349	14	419	16	131	5
(d) Purchase by the United States of up to $100,000,000 of United Nations bonds	1,032	40	865	34	513	20	140	6

The U.N. Bond Issue

EXTENSION OF REMARKS

OF

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. ROUSSELOT. Mr. Speaker, last January Senator HARRY F. BYRD, of Virginia, discussed the United Nations bond issue on the "Manion Forum." The "Manion Forum" is a weekly radio program hosted by Clarence E. Manion, former dean of the school of law at Notre Dame University. I think Senator BYRD's comments should be printed in the RECORD.

His comments follow:

THE U.N. BOND ISSUE: A WORTHLESS INVESTMENT AND A DANGEROUS PRECEDENT

(By Dean Clarence E. Manion and U.S. Senator HARRY F. BYRD)

Dean MANION. I want to document this discussion today with statements by one of the alltime great men of America, Senator HARRY F. BYRD of Virginia. Nearly 30 years have passed since this most unusual man turned up in the U.S. Senate after making a sensational record for economy and good government as Governor of his native State.

It is ironical, to say the least, that during this extended period of his continuous service in the Senate, the fiscal position of the Federal Government deteriorated progressively to its present point of grave, clear, and imminent danger to the value of our dollar.

We may take consolation from the probability that without Senator BYRD's persisting remonstrances in the Senate, and particularly as chairman of the powerful Senate Finance Committee, reckless, unbridled Federal spending would have forced us into national bankruptcy and centralized socialism long ago.

Five years have gone by since Senator BYRD made his first appearance on the "Manion Forum." Before we hear him speak today, I want you to listen to what he had to say at that time. Here is Senator BYRD speaking over this microphone in April 1957:

"Our country is mortgaged to the hilt at this moment. The $275 billion Federal debt that you and I owe, equals the full assessed value of all the land, all the buildings, all the mines, all the machinery, all the factories, all the livestock—everything of tangible value in the United States of America.

"In addition we have another $250 billion of contingent liabilities—the obligations which our Government has guaranteed, such as $40 billion worth of possible losses on Federal housing * * * there's a limit beyond which even a country as great and rich as ours cannot go. I think we've reached it." ("Manion Forum" broadcast No. 135, Apr. 28, 1957.)

That was Senator BYRD, in 1957, when we were already up against the borders of bankruptcy. Where are we now?

Our direct published Federal debt is no longer $275 billion. It is now up to the legal limit of $298 billion. President Kennedy insists that this legal debt limit must be raised by $10 billion to $308 billion.

He needs more borrowing power for expenditures already authorized and for other multibillion-dollar spending projects called for in his pending budget for 1963.

One of these additional expenditures is the President's proposed purchase of $100 million worth of United Nations bonds.

I have asked Senator BYRD to tell us what he thinks about this proposed investment of your taxes. I take you to Washington now for his statement.

BYRD OPPOSES PURCHASE OF U.N. BONDS

Senator BYRD. I am very proud to have a few moments on Dean Manion's program. I want to say that I shall oppose, to the utmost of my capacity, the announced proposal that the U.S. Government should purchase half of a $200 million United Nations bond issue.

I oppose this for three reasons: First, it would be financially unsound. Second, it would be participation in an international scheme to coerce United Nations membership (member nations) to pay for projects of which they do not approve. Third, it would be the entering wedge for many millions of similar bonds. These would be 25-year bonds at 2 percent interest. Their purchase would be unsound under any and all tests for prudent financial investment.

In addition, the U.S. Government itself is operating on a deficit financing basis. The present Federal debt limitation is at its statutory limit approaching $300 billion. The administration is now requesting an increase in the debt ceiling.

From the standpoint of sound financing, it does not make sense to sell U.S. bonds at nearly 4 percent interest to buy United Nations bonds, of no value, at 2 percent interest.

What nations are going to pay increased assessments, to pay the interest and redeem the bonds? Where will the purchasers of the bonds look for relief in the event of default?

The financial crisis in the United Nations has been brought about largely by the refusal of such nations as France, Belgium, Portugal, the U.S.S.R. and others to pay special assessments for so-called peace and security operations. These so-called peace and security operations include the expenses of the United Nations troops in the Congo and in the Middle East. These expenses are now running $10 million a month in the Congo and $1,600,000 a month in the Gaza Strip.

There is no penalty for refusal to pay special assessments in the United Nations. The failure to pay regular U.N. budget assessments for 2 years results in loss of voting rights in the General Assembly of the United Nations.

It is proposed to redeem these bonds and pay the interest by regular assessments. This scheme appears to be a plan for the coercion of nations, including some of our friends as well as the Communists, who oppose certain U.N. special projects of conducting wars to the extent of not wishing to pay for them.

Coercion is unworthy of the United Nations, which was intended to be an international organization dedicated to peace and good will in the world. Long-term bond issues by such an organization as the U.N., which exists only through the cooperation of more than 100 nations, are unsound under the best possible conditions. This precedent should not be established.

Dean MANION. Thank you, Senator BYRD, for this clear warning against a proposal which is both fantastic and hypocritical. Of all the ornaments on President Kennedy's new Christmas tree budget this is, by all odds, the most grotesque.

Remembering what you told us, Senator, about the desperation of our fiscal situation 5 years ago, and observing the aggravation of that condition now, it is easy to understand your apprehension when the President proposes to borrow more money at 4 percent in order to lend it to a worthless creditor at 2 percent.

My friends, coming from the President of the United States, this is a thoroughly alarming proposal and I am sure that you share the concern that Senator BYRD has just expressed. This U.N. bond transaction calls for the deliberate waste of one-tenth of a billion dollars. Of course, this is mere peanuts to the prodigal sons of socialism who have conjured up the $92 billion spending plan which the President has just unfolded, but it is very important money to the thousands of American wage earners from whom it will be withheld by the Government.

This unprecedented spending program will have to be cut drastically if we are to escape the collapse of the dollar in run-away inflation. But it is difficult to believe that Congress will cut this budget anywhere, if its statesmanship is not sharp enough to amputate this absurd appendage quickly and decisively.

U.N. BOND PURCHASE ONLY DOWNPAYMENT

Senator BYRD has stated three good reasons why Congress should refuse to stultify itself by approval of this hypocritical transaction. On the other hand, the President has given us no reason why Congress should comply with his request—except the gratuitous assertion that it is in our interest to keep the U.N. solvent, and to force its members to pay their share of the expenses incurred in such a palpable violation of the U.N. Charter as the current invasion of the Congo.

Even if these objectives were desirable, neither of them would be accomplished by this bond transaction. This $100 million of your money would be merely a downpayment on our assumed and continuing obligation to underwrite all future debts of the United Nations, even when those debts are incurred in the course of helping communism and opposing the best interests of the United States.

The President began his state of the Union message with a reference to the Constitution, but he had definitely dropped and departed from that subject when he reached the recommendation that the American taxpayers be made to bail out the moral and financial bankruptcy of the United Nations.

The Constitution does not empower the President—the Congress, nor both together to finance the obligations of a world organization.

The powers of the U.S. Government are limited and specified by constitutional provisions which the President, along with all Senators and Representatives, has sworn to uphold and maintain. It is true, unfortunately, that Supreme Court decisions have given our international treaties a superconstitutional status which effectively repeals constitutional provisions with which those treaties conflict. But there is nothing in the treaty called the United Nations Charter which obliges the United States or any ratifying government to buy the securities of that all but defunct organization.

By the provisions of this charter, the United Nations organization is expressly prohibited from interfering in the domestic affairs of member nations (section 7, article 11), and without this provision it is certain that the charter would never have been ratified by the U.S. Senate.

But its charter to the contrary notwithstanding, the U.N. has, nevertheless, invaded the Congro and made war upon Katanga, an autonomous, responsible, and anti-Communist province of that troubled country that is trying to escape control of a central Congo Government dominated by Communist influences.

Unfortunately, the U.S. Government has openly and directly supported this illegal invasion of the Congo by the U.N., and this in spite of the fact that our anti-Communist allies in the NATO organization have refused to do so.

It was in the course of this expensive, illegal, military invasion that most of the unpayable debt of the U.N. has been incurred and this it has decided to fund with the worthless bond issue in which President Kennedy has offered to invest the taxpayers' money.

This entire transaction from beginning to end is shot through with illegality. The U.S. Government is not omnipotent in spite of the fact that constitutional restrictions and limitations upon its powers are treated as a grim and ghastly joke in many quarters of official Washington today.

The Constitution does not empower our Government to pay the debts of the United Nations, but it does direct Congress to pay the debts of the United States. The President now asks Congress to perform its constitutional obligation in reverse; namely, by increasing the debt of this country in order to pay the debts of the U.N.

No informed person has any illusions about the realities of what the President is proposing. The U.N. bonds that we will get for our $100 million are completely worthless. As Senator BYRD has said, these bonds are merely the entering wedge for more of the same.

If we buy these bonds, we will simply be paying the debts of the U.N. and establishing a precedent for repeating that performance again and again as long as the U.N. is alive, and, you may be sure that it will oblige us by staying alive, just as long as we pay the bills—but no longer.

Besides Senator BYRD, is anybody in Washington concerned about the constitutional obligation of Congress to pay the debts of our Government? Is the debt and the legal debt limit to be raised automatically and indefinitely forever?

The President promises to balance his preposterous budget with increased revenues extorted from taxpayers. Let us hope that he can fulfill this promise, but a balanced budget does not mean debt reduction, and debt reduction and ultimate payment of the debt is what is prescribed by the Constitution and what is required now unless the value of our dollar is to be scrapped by complete socialism.

Over this microphone some months ago, Congressman SAMUEL DEVINE, of Ohio, proposed a concrete approach to necessary debt reduction which he has embodied in a bill now pending before Congress. ("Manion Forum" broadcast No. 350.) This measure would require 10 percent of the Federal Government's estimated annual tax collections to be applied to Federal debt reduction.

Is it unreasonable to make such a provision for systematic reduction of our own debt before we agree to pick up the tab for all the other governments of the world and raise our own debt and legal debt limit in order to do so?

The President's answer is "Yes." But the President is not your master; on the contrary, he is your servant and so are the Members of Congress. It is not what they say but what you say that counts. Get a copy of Congressman DEVINE's bill (H.R. 2471), and send it to your Senators and Congressman along with your direction that they vote to kill the President's U.N. bond purchase proposal.

Strain in American-Israel Relations

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 12, 1962

Mr. ROOSEVELT. Mr. Speaker, my colleague, the Honorable SEYMOUR HALPERN, recently joined me in the introduction of a bill we proposed to include in the Foreign Assistance Act of 1962 to provide that the Government of the United States shall furnish no aid or assistance to any foreign nation or citizen thereof in carrying out any activity under which American citizens will be discriminated against.

Congressman HALPERN was recently honored by the Queens Hadassah in New York City as its "Man of the Year" and on that occasion delivered an eloquent speech stressing the need for and desirability of including that language in the foreign aid bill. Mr. HALPERN's address follows, and I urge its careful consideration:

STRAIN IN AMERICAN-ISRAEL RELATIONS

(Text of address of Hon. SEYMOUR HALPERN, Representative from New York, delivered at the convention of Queens Hadassah, on receiving its Man of the Year Award, Sheraton-Atlantic Hotel, New York City, June 5, 1962)

It is with great pride that I receive this honor tonight from my dear friends in Queens Hadassah. I shall prominently display this award; I shall cherish it all the days of my life and I shall always do my utmost to justify the thoughts which prompted you to give it to me.

I am honored, too, to be invited here tonight, and to participate in so fine a meeting where I see so many old friends, and hope to come away with some new bonds of friendship.

In all this joyous atmosphere and in the festive spirit of Israel's recent 14th anniversary celebration, I must admit a heavy heart. I am worried about American-Israel relations, and I am taking the liberty of discussing my thoughts here—for what more appropriate place could there be, than at a Hadassah meeting, for the instilling of ideas and for the generation of energy, which might contribute to putting the United States and another great democracy in a more positive relationship than the present course now indicates.

I tell you quite frankly that policymaking officials in Washington have embarked on a reckless pursuit of the illusion of Arab friendship at a frantic pace, and at indescribable cost. Noble words about Israel's anniversary, uttered from the highest levels in our Government, including the State Department, unfortunately leave us with somewhat of a hollow ring.

I was pleased to take the floor of the House, only a few weeks ago, to join in a tribute to Israel's anniversary. We celebrated a holiday sacred to Israel, and very meaningful to a multitude of Americans without regard to political or religious persuasion.

There is a tremendous emotional, fraternal, and national involvement—a sense of shared pride in Israel's progress. After all, America and Americans played a vital role, a saga activated and implemented by your own great organization, in the rebirth of Israel after 2,000 years of Jewish exile and suffering.

It is therefore only natural that Americans who love freedom and justice enjoy a vicarious triumph in knowing that Israel achieved another successful year. Israel marched forward, consolidating her strength, building her institutions, and obtaining growing status in the family of nations as a responsible democracy.

But I would be less than honest, here among friends whose hearts beat with mine and whose tears flow with mine, if I did not report honestly to you. Frankly, I am worried—yes, distressed—as Israel enters its 15th year.

Israel seeks only to extend the hand of friendship to America and the free world while striving to survive the cold and hot wars implacably waged against her by Communist-supported and Communist-armed Arab foes.

I returned recently from a trip to South America, where I was a delegate to the Inter-American Development Bank Conference. I came back with a measure of new hope for the program envisaged by our Government's Alliance for Progress. The difficulties we face there are tremendous, but at least something of a start has been made. I regret, however, to reflect today on our policies in another part of the world, the Near East. I must tell you that our relations with the Arab States are emerging as an "alliance without progress."

In South America, the Alliance is quite rightly linking reform and social justice with U.S. assistance. But I am dismayed to witness the United States working, at this very moment, along with West Germany and England, on an agreement to provide Nasser's Egypt with huge new sums of money. The United States, of course, would be the heaviest contributor in the consortium.

Let me make it clear that I favor the principle of international assistance. But I simply cannot understand the contrast between the Alliance for Progress philosophy of human justice in Latin America and the "alliance without progress" in Egyptian-American relations. Dictator Nasser will condescend to accept our assistance. However, Egypt shows no indication whatever of obeying United Nations resolutions against the Egyptian boycotts and blockades which affect, not just Israel, but also the United States and American citizens.

Those truly concerned with human rights wait in tense agony as the news arrives from Algeria with reports of terrorism and Arab attacks on Jews, once more the innocent scapegoats of history caught in the turbulent storm of revolution. Radio Cairo brags that Washington is about to provide Egypt with huge new assistance and dollars, with no strings attached. The same Egyptian broadcast simultaneously boasts of Moslem forces in new, independent Algeria joining with the Arab armies in a new drive to wipe out Israel.

The State Department knows very well that Algerian Arab terrorists received Soviet weapons, and even Russian training. The Department also knows that Soviet arms continue to move into Egypt, Syria, and other Moslem states.

Mr. Chester Bowles recently went to Cairo and met with Nasser, as President Kennedy's personal representative. Mr. Bowles later reported that the time had come for the United States to try to improve relations with Egypt. He also thought Egypt should concentrate on raising living standards, and not on raising huge radio transmitters to broadcast propaganda, which, I might add, is frequently irresponsible, anti-American, and favorable to the Sino-Soviet bloc. The Bowles mission presented a mammoth proposal of an expanded long-range program of economic aid to Nasser.

Yet, now, with no commitment whatever from Cairo as to a more peaceful course involving Israel as well as Egyptian designs for hegemony over her Arab neighbors, we have the spectacle of a gigantic handout in the offing.

As if this were not bad enough. But what makes matters even more repugnant is a report, by the Cairo correspondent of the New York Times, that Nasser is very cool to accepting this aid unless the United States promises to help keep Israel out of the European Common Market. Imagine that. Thus, the man who seeks to rule all the Middle East wants the United States to assist him in crippling the economy of Israel, and holds out as his price the acceptance of our foreign aid plan.

How ironic. How ridiculous. But this is the bold reality of a very serious situation which unfortunately, in the vast world

scheme of things, has not been focused into proper perspective. This is a symbol, not of progress but of regression, and I shall add, but of blatant appeasement.

Are we to reward Nasser for blacklisting American ships that dare to trade with Israel? Are we to reward Nasser for denying his own citizens due process of law? Are we to ignore the expropriations and seizures that we condemned so loudly when committed by Fidel Castro, Nasser's good friend in Cuba?

Does this mean that Israel should look on with calm reassurance when Soviet munitions, jet bombers, rockets and arms of the latest design from Russian factories, together with Soviet bloc military instructors, continue to arrive at the ports of Egypt? Through our dollars are we to indirectly finance this arms flow from the Sino-Soviet bloc to Egypt? If Nasser is sincerely concerned with improving his economy and peaceful development, why does he need jet bombers and rockets?

The same State Department that drafted the new "alliance without progress" for American-Egyptian relations also is telling us that the United States must not currently press for Arab-Israel peace at the United Nations. What happened to the high-sounding promises about the White House taking initiative for Arab-Israel peace?

When Israel defended herself in March against attacks on Lake Tiberias, the State Department rushed to the United Nations with a resolution heaping blame on one side, Israel's side, in a two-sided dispute. Was this a move to persuade Nasser to accept our money, so the Arabs could buy more Russian arms?

If what I fear is true, there is emerging in the Near East something I could not even term an "alliance without progress." I would call it an "alliance for retrogression."

The same State Department that is so upset about the Communist threat to Laos, the same officials who advised us to dispatch Marines to Thailand just a few days ago, and are terrified by Communist penetration in Southeast Asia, seem to be indifferent or blind to the continuing flow of Communist arms into the Arab States.

Am I to understand that Americans are prepared to fight and die in Southeast Asia against one faction of Communist-armed fanatics, while Israel is supposed to passively submit to attacks from another faction of Communist-armed fanatics on her borders? We recall that the Syrian troops who fired into Israel territory, killing and wounding Israelis, used Soviet guns. Soviet instructors taught the Arabs how to use those guns. Shortly after the United States denounced Israel for fighting back, Syria announced that it was obtaining even more Soviet arms.

Friends, the situation is ridiculous. The State Department feels we should fight in Southeast Asia, but that Israel has no right to defend itself in the Near East. The State Department is even preparing a loan that would permit the Arabs to bring more Russian arms into the Middle East. That is why I say that some of the so-called greetings offered Israel by the State Department on Israel's anniversary had a hollow ring.

I submit that it was diplomatically stupid and contrary to the best American interests to censure Israel for defending herself against Soviet-armed, pro-Communist Arab collaborators. It was, even in kind language—shameful. In substance, to curry the questionable favor of the Arab States we sold our free-world friend, Israel, down the Jordan.

Are we to tell the Arabs, in effect, that they can get away with murder against Israel? Will not this invite aggression that might set off a world conflagration? What sense is it to close one window in Laos, against the aggressors, but to open another in the Near East? And even provide the culprits with a stepladder and prior notice that police are off duty in that area.

Mr. Frederick Dutton, an Assistant Secretary of State, wrote me very recently in an attempt to justify the flow of Soviet arms to Syria. In an amazing reference, he whitewashed the Syrian-Soviet arms deals by stating that I must be aware of what he termed "the policy of the United States not to become a major supplier of arms in the Near East." This being the case, he said, "Certain of the Arab States have secured the bulk of their military equipment from other sources."

Now, this is insulting to our intelligence. The United States is providing military assistance to Jordan. We also find American arms in the arsenals of Lebanon, Jordan, Iraq, and Saudi Arabia. Soviet arms are piled high in the arsenals and airports of Syria, Egypt, and other Arab States. Yet to this very day, Washington authorities continue to deny military assistance to Israel to defend herself against the forces, armed by both America and Russia, who openly announce dedication to Israel's destruction by force of arms.

Arab goals are being realized in Algeria and elsewhere. The time has come for an Arab "alliance for progress" which would be peaceful and productive, which we could and should support. But, instead, we are witnessing an Arab "alliance for aggression" which we must strongly oppose. No American loans should go to a nation that uses her assets for purchase of Russian arms.

Congressman JAMES ROOSEVELT of California and I have submitted an amendment to the Mutual Security Act which would deny American assistance to any nation that discriminates against Americans on a basis of religion by seeking to impose blockades and boycotts.

As you know, in the past few years, amendments to the Mutual Security Act have expressed the sense of Congress that the President should use executive discretion in denying assistance to such nations that discriminate against American citizens and interests on any arbitrary and insulting basis of the religious faith of our fellow countrymen.

Congress has made it known that this is an intolerable situation by a number of expressions contained in various measures adopted by overwhelming votes through the years. Congress has looked to the State Department and the Chief Executive for implementing action. So have all of you, but we regret to observe, despite flagrant violations of the principle of these provisions, the sense of Congress has been ignored. That is why Mr. ROOSEVELT and I advocate legislation to make mandatory this denial of aid to violator-nations. We are convinced that Congress must move without reservation to insure respect for its expressed position on the denial of assistance to those nations that openly maintain a national policy of discriminating against Americans.

The offenders, as you know, are not our allies. They allege to be "neutrals," but most often vote against free world interests generally, and against America specifically, while repeatedly siding with the Soviet Union, at the United Nations. These Arab League States not only bar Americans of Jewish faith from access to their territory but have entered into a coordinated boycott undertaking to punish American merchant ships and manufacturers solely because these firms, regardless of the personal religious convictions of their owners, dare to trade with Israel, a democratic state friendly to America and closely aligned with the free world. This boycott even applies to doing business with American firms here, whose officers or employees are of the Jewish faith.

It has been alleged, from time to time, by State Department officials that we must appease admittedly discriminatory Arab tactics in order to serve diplomatic ends. I fail to see how much has been accomplished by such appeasement, a depressing departure from American dignity and tradition. We need only look at so many of the Arab States' votes in the United Nations. We need only to look at the treatment we received at the hand of Saudi Arabia in connection with the airfield we built there. Despite every conceivable sacrifice of principle and decency we've been kicked off this field with the expiration of the agreement this last April. We need only look at the Soviet guns, tanks, jets, and even submarines now forming the basic armed strength of the main Arab armies, especially those of Egypt and Syria, linking those countries logistically with the Soviet munitions factories and Soviet military instructors.

I respectfully submit that the time has come when we must set forth standards of conduct by recipient nations toward United States citizens as a qualification for our economic assistance. And this should be spelled out without qualification. Having a declaration of policy is obviously not enough. The executive branch has ignored the sense of Congress as we have solemnly expressed it. We owe it to the self-respect of the American public, as well as to the highest national interest, to now establish a firm position and incorporate mandatory language into the pending Mutual Assistance Act legislation.

Surely, this amendment is consistent with the President's own expressed objective, which he has made clear to Congress, but which, regretfully, has not been carried out by his own executive branch. He has said on various occasions that he wants foreign aid linked with the promotion of social justice and morality. I might add that the platforms of both our political parties make strong pledges to combat foreign discrimination against Americans, on a basis of religion, especially through travel barriers, boycotts, and blockades.

Well, if these principles are to be realized and not just remain as high-sounding ideals, then Congress should adopt the mandatory provisions of our bill.

I feel this is the only answer. This is the least we can do, at this late date, to remedy a situation that has persisted too long. It is apparent the compromise of principle has marred our national countenance. The day is gone when we can sit quietly and permit nations soliciting our assistance to discriminate against our citizens with impunity. I might add that either that day is gone or our national dignity, our heritage, are going sadly undefended.

When will we reassert our right to respect in the family of nations? The least we can do is to refuse to finance regimes that dip our flag in the dirt by intolerable demonstrations of bigotry against millions of our citizens.

Are nations to be permitted to take American friendship for granted, regardless of their conduct toward Americans?

Our historic national tradition has charted proud precedents. In 1885, the United States refused to accept protests by Austria-Hungary on the appointment of our Ambassador to that kingdom because the designee's wife happened to be of Jewish faith.

In 1911, the United States abrogated a trade treaty with czarist Russia, in effect since 1832, because of Russian mistreatment of American citizens of Jewish faith.

In 1924, we protested to Switzerland against exclusion of Americans of the Mormon faith.

Our vigorous repeated protests to Fascist Italy and Nazi Germany are also part of that history.

In 1956, our President, then a Senator of the United States, described Egypt's Nasser as "the chief provocateur against the West."

Last year, at the United Nations General Assembly, Mr. Nasser voted with the Soviet Union on 53 occasions, but only four times with America. Egypt's discrimination against our shipping, and otherwise affecting our citizens, continues unabated. But, as I said earlier, now we are giving increased assistance to Egypt.

The program for giving these new huge sums to Egypt must be reviewed at all levels and I assure you that I will do my part in Congress toward this end. The voice of Congress, and of the people, will be heard on this issue, you may rest assured. But the action and vital voice and guidance of the ZOA are needed at this dangerous moment.

I know you will neither evade the challenge nor minimize the dangers.

The State Department told me, and I quote verbatim, that "should hostilities recur in the region—the Near East—we are convinced the aggrieved party should take full advantage of the United Nations peace-keeping instrumentalities so readily available in the area."

How in heaven's name can Israel take "full advantage of the United Nations peace-keeping instrumentalities"? We just witnessed the tragic and cynical spectacle of April 9 when the United States, for misguided notions of expediency, joined with the Soviet Union, and other big powers on the Security Council, against Israel, a besieged small country that valiantly sought to defend herself.

What made this move all the more deplorable, as I pointed out in my message to the President, the Secretary of State, and our Ambassador to the United Nations, is not only did we support the censure resolution but we cosponsored it.

I wish Mr. Dutton or Mr. Rusk—or someone would explain what appears to be a lot of doubletalk. They might as well admit their decision to woo the Arabs at Israel's expense.

I believe Israel is entitled to more than empty phrases from the executive department. I believe that American citizens would be remiss if they did not challenge, in America's own interest, the tragic tendency now apparent.

America must tell Israel that, despite our recent travesty at the United Nations and despite the disquieting reports about massive handouts to an aggressive Egypt, we will reconsider and alter policies before it is too late.

Let us today renew our determination to stand by our friend and true ally, the State of Israel. We must do this in our own national interest. Let us soberly remember, and remind the State Department, that Israel is the only nation in the world which, menaced by Soviet-equipped forces, turned to America to join our military assistance program, to defend herself against communism and aggression, only to be rejected by us as so tragically evidenced by the United Nations censure resolution.

The occasion of Israel's recent anniversary will be truly significant if we now take inventory of the entire picture and generate here a new realization of the dangers, and embark on action to insure the healthy future of Israel-American relations. If this is done, I am confident that mistakes will be corrected and new paths found so that we can, in good conscience, anticipate a happy fifteenth anniversary of Israel.

Zionists know from the depths of their experience that the "watchman of Israel" must not sleep and must not slumber. It is a duty to be a watchman of Israel, it is also an honor.

The crisis of Zionism is also the crisis of Judaism. Zionism fulfilled becomes a chief source of nourishment of Judaism. Zionism, through the State of Israel, has revived all aspects of Jewish life.

At the Ideological Conference in Jerusalem, some years ago, Foreign Minister Golda Meir made a paradoxical statement. During a debate about Israel and the diaspora, she said that "when I meet my American friends, women who are my contemporaries, I am sorry for them. They worry about their grandchildren. My grandchildren are in a kibbutz in the Negev, but I am absolutely sure about them."

Her confidence is understandable. Grandchildren in the Negev may pose problems concerning health or physical safety. But there are no problems in the matter of the "Jewish" survival of the grandchildren. She might have to worry about defense, but not about the strategy of keeping her offspring Jewish.

The Zionist movement revived Israel, and continues to serve. Today, Israel is reviving the Jewish people and Judaism itself. That is the true dimension of our challenge and our reward.

SENATE

WEDNESDAY, JUNE 13, 1962

The Senate met at 11 o'clock a.m., and was called to order by the Vice President.

Rabbi David Berent, Congregation Beth Jacob, Lewiston, Maine, offered the following prayer:

O Heavenly Father, Thou Master Architect of the universe; reverently we ask Thy blessing upon the Government of the United States of America and upon all who govern by the consent of this people.

Do Thou bless these representatives of the people of this Republic. Grant them wisdom and understanding in their deliberations. Sanctify their purposes as they serve Thee and their people, and hallow their lives as they give of themselves in dedication.

Make us restless, O Lord, for Thy sake and for the sake of Thy children. Give us turbulence of mind and distress of conscience as long as men are enslaved, discriminated against, and persecuted. Let us feel offended when we want to be serene, indignant when we want to be at ease. In this world which is becoming transformed before our astonished eyes, help us to learn and to teach that we must welcome freedom and human dignity—not resist it. Help us to learn and to teach not merely that resistance to freedom is futile, but a defiance of Thine image and Thy name. Give us, O God, guided leaders, instead of guided missiles. May the words of our mouth and the meditations of our heart be for Thy sake and for the sake of all Thy children. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 12, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

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 the President had approved and signed the following acts:

On June 12, 1962:

S. 1962. An act for the relief of Kenneth David Wooden;

S. 2011. An act for the relief of Antonia Longfield-Smith; and

S. 2099. An act for the relief of Tina Jane Beland.

On June 13, 1962:

S. 107. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes.

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.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Investigations Subcommittee of the Committee on Government Operations and the Committee on Aeronautical and Space Sciences were authorized to meet today during the session of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

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

CONTINUATION OF LAND ACQUISITION PROGRAM

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on the transfer of funds from the "Salaries and expenses" appropriation for fiscal year 1962 to the "Construction of facilities" appropriation for that year to permit continuation of the land acquisition program for the expansion of launch facilities at Cape Canaveral, Fla.; to the Committee on Aeronautical and Space Sciences.

FACILITATION OF WORK OF DEPARTMENT OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to facilitate the work of the Department of Agriculture, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF SECTION 12(10) OF AREA REDEVELOPMENT ACT

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend section 12(10) of the Area Redevelopment Act (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON REVIEW OF NONCASH GRANT-IN-AID CREDITS ALLOWED FOR PUBLICLY OWNED PARKING FACILITIES, HOUSING AND HOME FINANCE AGENCY

A letter from the Comptroller General of the United States, transmitting, pursuant to