Second. They are told that there are people in America who are interested in them and care enough to be willing to help them help themselves to make a better life for their children.

Third. They are encouraged once more to dream, to make plans, to take stock of their own resources and potentialities.

Fourth. They must be helped to do the hard thinking and constructive planning that is necessary to transform their dreams into practical action.

Fifth. They are helped to secure the technical advice and assistance that will enable them to keep their plans realistic so that they may be carried to a successful completion.

Sixth. If it is necessary to the success of their plan, they are provided with a small grant or loan as capital to meet conditions beyond their power to solve otherwise.

Seventh. They are shown how to keep simple records of income and expenditure and make reports on the progress of their projects.

Eighth. They are encouraged to reinvest part of any gains so that a chain reaction of progress will be established.

Ninth. They are expected to help others in the community by encouraging self-help and by making prompt repayment of loans so that the funds may be used over and over.

Tenth. It must be brought ever closer to them the fact that their friends in America respect them for their courage and industry and follow their progress with faith in their power to succeed.

Through such a program 113 new projects have been approved and initiated by Community Development Foundation during the past year. The spirit of the villages has been awakened. They have accomplished things they have only talked about for generations. Canals have been dug, reservoirs built, trees planted, roads opened, schools built and repaired, playgrounds created and village industries developed. All this was done by the people themselves for the sake of the future of their children. The foundation's help, measured in actual dollars expended was very small—about a quarter of a million dollars for the year ended June 30, 1962—yet the intangible help cannot be measured for it involves the sharing of our faith, the countless hours of counseling, of providing psychological encouragement, the transmitting of technical help by trained personnel, the endless hours spent in research and study of each area and each submitted project, the establishing of confidence, the arousing of enthusiasm, the support given during long months of actual labor on a project—all the infinitesimal skills, work and inspiration that contribute to ultimate success.

In Korea, where hunger is an ever-present threat, there is a preference for projects that will increase food productivity. In Suh Kan Jon Ri, deepening a canal increased rice production. In O Kum Ri, a reservoir and in Tae Chun Ri, a river dam and dike construction also increased rice production. In Il Jik Ri, repairs to a dam led to road improvements, the making of a children's playground, and the development of a livestock program.

On the barren, rocky mountain sides of Lebanon, the planting of fruit, olive and nut trees often represents the best means of increasing village income. Thousands of trees have been planted through such projects in Kfune, Shikhan, Bihdidat, and Bysour.

In Greece, village people improved the conditions of life for their children by providing new schoolhouses for Karytsa and Ellopia; new roads for Pyli and Oropos; clean drinking water for the children of Romano, Phokae, and Kyrasvrysi. An analysis of 12 projects in which the foundation actively participated during the year shows that they benefited 4,523 people.

In France, a dilapidated school in Treogan was renovated; the old tradition of handweaving was revived for the girls of Plouguerneau; on the isle of Molene a handicraft workshop made possible the production of leather goods, book covers, and ash trays, a muddy schoolyard was converted into an attractive courtyard and a recreation room was added. Rieux constructed an athletic field and playground; and an apple orchard project was undertaken by schoolchildren in Langon.

In France the value of the self-help contributed by the people was 4 times Community Development Foundation grants; in Greece, 6 times; in Korea, 17 times; and in Lebanon, 10 times. Here is a result that can be considered with rightful pride.

Far more important even than the actual benefit to the communities involved, was the bond of fellow feeling, the warm sense of friendship and empathy, the proof of America's good will that has been and will continue to be the foundation's greatest contribution to international understanding.

The fact that the foundation's programs are supported predominantly by the voluntary contributions of individual Americans, as well as by groups and organizations who recognize this Nation's responsibility to prove her good intent, is a vivid demonstration of the good will of Americans and their interest in the well-being of people of newly developed nations.

I call attention to the work and methods of the Community Development Foundation because of the conviction that here there has been a demonstration of principles and methods of far-reaching significance to the United States in its relationships with other countries.

I am convinced that the principles and methods of community development can enhance the effectiveness of the foreign aid program of the United States and strengthen the bonds of understanding forged by such programs between people of this country and other nations.

The Community Development Foundation is a nonprofit, nonsectarian and nonpolitical organization incorporated under the laws of the State of Connecticut on September 1, 1959. It is registered with the U.S. State Department Advisory Committee on Voluntary Foreign Aid, and under a Treasury ruling of July 6, 1961, contributions to its program are tax exempt.

Last year I had the privilege of acquainting this honorable body with the work of Save the Children Federation, of which I have the honor to be a member of the board of directors, and its vital contribution to the cause of international child welfare. The Community Development Foundation is a sister organization. In return for substantial support in the way of grants from the federation, the Community Development Foundation has operated demonstration projects in the United States and abroad, and has engaged in research and evaluation activities on programs initiated by the federation.

The Community Development Foundation is now preparing a training course in community development and has technical publications dealing with different aspects of community development. Further information may be obtained from the Community Development Foundation, United Nations Plaza at 46th Street, New York 17, N.Y.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 14, 1962

The House met at 12 o'clock noon.

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

John 6: 37: *He that cometh to me I will in no wise cast out.*

Eternal God, at the noon hour of this new day, we are again approaching and appearing in humility before the throne of Thy grace, where none has ever been repelled or sent away emptyhanded.

Grant that although the vicissitudes of life often overtake us, causing our feelings and thoughts to ebb and flow, we may find peace of mind and heart in Thy love and refuge from fear in the assurance of Thy divine solicitude and care.

Amid the dark and fluctuating shadows of time may we keep open widely the windows of our souls and receive a more revealing insight of our blessed Lord who is "the Master light of all our seeing."

In His name we offer our prayer of penitence, praise, and petition. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11289. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1963, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes

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of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mrs. SMITH of Maine to be the conferees on the part of the Senate.

THE LATE HONORABLE CHARLES P. NELSON

The SPEAKER. The Chair recognizes the gentleman from Maine [Mr. TUPPER].

Mr. TUPPER. Mr. Speaker, it is with extreme regret that I inform the House of the passing of a former Member, Hon. Charles P. Nelson, of Augusta, Maine.

Charles Nelson was born in Waterville, Maine, July 2, 1907, the son of former Congressman and Mrs. John E. Nelson. He resided in Augusta, Maine, most of his life, and practiced law in this city in the firm of Nelson & Nelson.

He served the city of Augusta as its mayor in 1947 and 1948.

During World War II he served in the U.S. Army Air Force, being discharged as a lieutenant colonel. He was awarded the Presidential citation, the Legion of Merit, and the Bronze Star.

He was elected to Congress in 1948 and served until 1956, when ill health forced him to retire.

Charles Nelson was a genial, scholarly man, with a dry wit, and a warm personality. Those of us who were privileged to know him as a friend will miss his helpful counsel and comradeship. Throughout a distinguished public career he always kept the common touch. His death, Friday, June 8, 1962, removes from the Maine scene a man who contributed much to the people of his community and State.

Mrs. Tupper and I extend our heartfelt sympathy to Mrs. Nelson and his daughter, as well as other members of the family.

My colleague, the gentleman from Maine, Congressman CLIFFORD MCINTIRE, is unavoidably absent today on business for the House, and I ask unanimous consent that his remarks be made a part of the RECORD immediately following my own. I also request that remarks of the gentleman from Maine, Congressman PETER GARLAND, be made a part of the RECORD, and that all Members have 5 legislative days in which to make their remarks a part of the legislative RECORD.

The SPEAKER. Is there objection to the requests of the gentleman from Maine?

There was no objection.

Mr. MCINTIRE. Mr. Speaker, it is with considerable sadness that I comment to this House on the passing of Charles P. Nelson, a former Congressman who very ably represented Maine's Second Congressional District in this House of Representatives.

Charley, as he was known to most of us, was but 54 years of age when he left us, and it is sad to ponder that destiny called him in the full flower of his life. There is, however, some semblance of consolation in realizing that it was in the nature of this man to count it better to put life into years rather than years into life.

After graduating from Cony High School in Augusta, Charles Nelson attended and graduated from Colby College in Waterville, Maine. He then went to Harvard and here earned his law degree.

For the period 1931–32 he was a secretary to his father, the Honorable John E. Nelson, a Congressman from Maine. In the years that followed he engaged in general practice of law in Augusta, Maine, and in 1942 he entered the military service, at first serving as an intelligence officer with a heavy bomber group in England and later performing as a legal officer to the military air adviser at the U.S. Embassy in London. In 1946 he was discharged as a lieutenant colonel after 2 years of service in the European theater of operations, and in his later civilian life he served as a member of the National Guard and Reserves.

After serving as mayor of Maine's capital city, Augusta, during 1947 and 1948, Charles Nelson became what his father was before him, a Congressman. He very effectively represented Maine's Second Congressional District in the House of Representatives from 1949 to 1956, serving as an important member of the House Committee on Armed Services. In 1956 he retired from Congress because of ill health.

Following his retirement from public life, Mr. Nelson was a teacher at the University of Florida, he served as a moderator for the town of West Bath, Maine, and he acted as the chief trial attorney for the State of Maine Highway Commission.

All who knew Charles Nelson respected him for his keen mind and warm personality. He was one of those who gave much of himself to others, and so it is that he will be sorely missed.

When I came to Congress in 1951, I had the privilege of associating and working with Charley Nelson, and I deem it my great fortune to have had the benefit of his wise counsel and advice in the early days of my congressional service.

Charles Nelson epitomized that combination of talent and personality that is not too often found in men, and as he will be gravely missed by his family, so will his absence be poignantly felt by those of us who were privileged to call him friend.

To Mr. Nelson's wife and daughter, Mrs. McIntire and I extend our heartfelt sympathy, and it is our sincere hope that bright memories of the past will serve to soften the shadows of sadness that fall upon them in this hour.

Mr. Speaker, I include herewith certain news reports relative to Congressman Nelson:

[From the Bangor (Maine) Daily News, June 9, 1962]

FORMER U.S. CONGRESSMAN NELSON DIES—AUGUSTA RITES SLATED SUNDAY

AUGUSTA.—Ex-Congressman Charles P. Nelson's funeral will be at 2:30 p.m. Sunday in South Parish Congregational Church.

The 54-year-old Republican, who represented Maine's Second District from 1949 through 1956, died Friday. He had been ill with cancer many months.

FORMER AUGUSTA MAYOR

His father, the late John E., also was a Maine Congressman.

Charles was a former mayor of Augusta and the first chairman of the Maine Council of Young Republicans.

A graduate of Colby College and Harvard Law School, he was a World War II veteran.

He leaves his widow, Arlene, and a daughter, Elizabeth, by a former wife who died.

WON BRONZE STAR

While in Congress, Nelson sat on the Merchant Marine and Fisheries and Armed Services Committees.

He won the Bronze Star and Legion of Merit in World War II. He served as intelligence officer with a heavy bomber group in England, later as legal officer to the air adviser in the London Embassy.

The Waterville native was a Mason, Elk, Kiwanian, and a member of the American Legion.

[From the Portland (Maine) Press Herald, June 9, 1962]

SERVICES SET FOR SUNDAY FOR FORMER CONGRESSMAN

AUGUSTA.—Ex-Congressman Charles P. Nelson's funeral will be at 2:30 p.m. Sunday in South Parish Congregational Church.

The 54-year-old Republican, who represented Maine's Second District from 1949 through 1956, died Friday. He had been ill with cancer many months.

His father, the late John E., also was a Maine Congressman.

Charles was a former mayor of Augusta and the first chairman of the Maine Council of Young Republicans.

A graduate of Colby College and Harvard Law School, he was a World War II veteran.

He leaves his widow, Arlene, and a daughter, Elizabeth, by a former wife who died.

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The Waterville native was a Mason, Elk, Kiwanian and a member of the American Legion.

REED IN TRIBUTE TO CHARLES P. NELSON

AUGUSTA.—Governor Reed said Friday he was deeply saddened to learn of the death of former U.S. Representative Charles P. Nelson, of Augusta.

"Mr. Nelson distinguished himself at several levels of Government and was widely respected for the effective representation which he gave, Reed said in a statement.

"Congressman Nelson was a capable attorney and a tireless worker for his party. Great were his contributions to the Young Republican organization and many were his friends throughout Maine and the Nation."

[From the Portland (Maine) Sunday Telegram, June 10, 1962]

MCINTIRE PAYS TRIBUTE TO CHARLES NELSON

WASHINGTON.—Representative CLIFFORD G. MCINTIRE, who served in the House with the late Representative Charles P. Nelson, said Saturday of Nelson's death:

"The passing of Maine's distinguished citizen, the former Representative Nelson, brings to a close a career of outstanding service to his locality, State and the Federal Government.

"I shall always treasure the privilege I had of serving in Congress with Charlie. His many kindnesses to me as a freshman Member, the high regard in which he was held by his colleagues, his keen perception of the

law, legislation, and the issues, were attributes conspicuous in his long service to his State and Nation, in his military, private, and public life. Mrs. McIntire joins me in expressing deepest sympathy to Mrs. Nelson, Betty Anne, and other members of the Nelson family.

[From the Portland (Maine) Press Herald, June 11, 1962]

FUNERAL SERVICES ARE HELD FOR CHARLES NELSON

AUGUSTA.—Gov. John H. Reed, two former Governors, two Maine Congressmen, and a former Senator joined other dignitaries in serving as honorary bearers at funeral services for Charles P. Nelson, former Republican Congressman, Sunday afternoon at South Parish Congregational Church.

The Reverend Martin Sargant of Bath Congregational Church officiated and the Reverend Kenneth E. Brooks assisted him.

Mr. Nelson served as Republican Congressman from Maine's Second District from 1949 to 1955.

Serving as honorary bearers were Governor Reed, Representatives Clifford G. McIntire, and Stanley R. Tupper, former Senator Frederick G. Payne, former Governors Burton M. Cross and Sumner Sewall, Chief Justice Robert Williamson, Judges Randolph Weatherbee, Harold C. Marden, F. Harold Dubord, Dr. Roland L. McKay, Alfred Sweeney, Cyril Joly, Alfred LaCasse, Alfred Toulouse, Fred Lord, Walter M. Sanborn, Harry Philbrick, Willard C. Ellis, George C. West, Henry Thyng, Richard Bell, James Acheson, Dr. Louis Johnson, Gordon Drew, Bernard Regan, Frank Farrington, Max Stoddard, Fred Scribner, Jr., James Reid, Ernest Goodspeed, Sr., Fred Marshall, Mayor Sylvio Gilbert, Roy Hussey, Sr., and Lewis Sheaffer.

Acting bearers were John Diplock, Asa Richardson, Brooks Brown, Jr., Jay Lawrence, Earle Stockman, and Dr. Alonzo Garcelon.

Serving as ushers were Harold Schnurle, Frank Southard, Jr., Arthur Tiffin, Harrison Philbrick, and Arthur Hebert.

The body was taken to Auburn for cremation.

[From the Kennebec Journal June 9, 1962]

FORMER CONGRESSMAN CHARLES NELSON DEAD

Charles P. Nelson, former Republican Congressman from Maine's Second District, died Friday at Augusta General Hospital after a long illness. He was aged 54.

He was born July 2, 1907, in Waterville, son of Congressman John E. and Mrs. Margaret (Crosby) Nelson. He was a resident of Augusta during most of his life.

Surviving are his widow, the former Arlene Skillins, of Augusta; one daughter, Miss Elizabeth Ann Nelson, Augusta; two brothers, Dr. John Nelson, New York City, and Attorney Atwood Nelson, Winthrop; four sisters, Miss Margaret Nelson, Winthrop; Mrs. Jeannette Hickey, Augusta; Mrs. Faith Graham, San Diego, Calif., and Mrs. Edith Kahn, Syosset, Long Island, N.Y., and several nieces and nephews.

Mr. Nelson was graduated from Colby College in 1928 and received a bachelor of laws degree from Harvard Law School in 1931. Commissioned a second lieutenant in the Army in 1942, he was discharged in 1946 with the rank of lieutenant colonel. His decorations included the ETO Ribbon with four battle stars, the Presidential Citation, Bronze Star, and Legion of Merit.

He was mayor of Augusta in 1947–48 and served four terms as Second District Representative in Congress, from 1949 to 1955. He was a member of the Elks, Masons, Kiwanis, American Legion, Veterans of Foreign Wars, and Zeta Psi Fraternity.

Governor Reed said he was deeply saddened to learn of Nelson's death.

"Mr. Nelson distinguished himself at several levels of government and was widely respected for the effective representation which he gave * * *," Reed said in a statement.

"Congressman Nelson was a capable attorney and a tireless worker for his party. Great were his contributions to the Young Republican organization and many were his friends throughout Maine and the Nation."

Following his service in Congress he returned to legal practice, in Bath, and was named director of that city's Urban Renewal Authority.

Funeral services will be held at the South Parish Congregational Church at 2:30 p.m. Sunday.

Mr. GARLAND. Mr. Speaker, I join with the members of the Maine delegation and other Members of this body in expressing my sorrow in the passing of Charles P. Nelson.

Charles Nelson served his district, his State, and his country with quiet distinction. All of those who knew him respected him and admired him for his ability and his devotion to public service.

The State of Maine has suffered a great loss in his passing, and I join with my colleagues in expressing my sincere sympathy to his wife, "Skip," and his daughter, Betty Anne.

Mr. NORBLAD. Mr. Speaker, may I join with the gentleman from Maine in expressing my most sincere sorrow because of the death of my former very close friend and colleague, Charles P. Nelson, of Maine.

Charlie Nelson and I developed a very close friendship during the years he was here in Congress and it was my privilege to visit he and his wife in their home in Maine as a guest and I have likewise had the pleasure of having the Nelsons in my home here in the Washington area.

Although we lived on exactly opposite ends of the North American Continent, there seemed to be a parallel in our lifetime activities. We were born within a year of each other and subsequently attended the Harvard Law School within a year of each other. While I was practicing law in Oregon prior to World War II, Charlie was practicing in the State of Maine. At the outbreak of the conflict we both entered the Army Air Corps and served in its combat intelligence division both here in the United States and in the European theater of operations.

Charlie was elected to Congress just 2 years after I came here and we had the pleasure of being together and serving for a number of years thereafter, both as members of the House Armed Services Committee. Charlie was a dedicated worker in the interest of our national defense while at the same time never forgetting the interest of his own State and district. Regret was expressed by many of us when he decided not to seek reelection to Congress as we felt he was a valuable Member, that neither the country, his State, nor his district could afford to lose him.

I want to again express my deep sympathy to his family.

Mr. BETTS. Mr. Speaker, it was distressing news for me to hear of the untimely death of our former colleague, Charles Nelson, of Maine. During the time that he and I served together in Congress, I found him to be a friendly, capable, and thoroughly honorable person. He was a dedicated public servant and one who left his mark in these legislative Halls. On this sad occasion, I extend my sincere sympathy to Mrs. Nelson and his family.

THE LATE HONORABLE JOHN C. SCHAFER

Mr. ZABLOCKI. 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 Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, it is my unpleasant duty to advise the House that my predecessor three times removed, the Honorable John C. Schafer, succumbed to a heart attack last weekend at his home in Pewaukee, Wis.

Mr. Schafer represented the Fourth District of Wisconsin for seven terms. He was elected to the 68th Congress and the four succeeding Congresses—March 1923 to March 1933. He was defeated for reelection in 1932 and lost two succeeding congressional elections. Mr. Schafer returned to the House in 1939 when he was elected to the 76th Congress. He was an unsuccessful candidate for reelection in 1940 and in the three succeeding congressional elections.

Born in Milwaukee in 1893, Mr. Schafer lived for years in a log house his great-grandfather built after coming to this country from Alsace-Lorraine.

He attended schools in Wauwatosa and West Allis, Wis., both cities located in the Fourth District. Mr. Schafer left high school to work as an office boy for the Allis-Chalmers Manufacturing Co. In World War I, he served 22 months in France with the 13th Engineers.

He was with the French 4th Army at Champagne and with the French 2d Army at Verdun, St. Mihiel, and Meuse-Argonne. He was discharged on May 14, 1919.

Mr. Schafer entered politics in 1920 when he was elected to the State Assembly of Wisconsin as a LaFollette Progressive. He rode the progressive wave into Congress in 1923.

In the next 10 years he became a well-known, flamboyant political figure. I am sure that many of the older Members of this body will remember John C. Schafer as a powerful-voiced and determined legislator. It is said that when he spoke on the floor of the House, he could be heard down Pennsylvania Avenue clear to the White House. His was a very colorful career.

Mr. Schafer broke with the LaFollette group in 1926 and became a conservative Republican. He remained so for the rest of his life.

Upon his return to private life in 1941, he engaged in the sale of automotive electrical equipment and insurance as a resident of Oak Park, Ill. After retiring several years ago, Mr. Schafer moved to Pewaukee where he lived with his brother. The former Congressman was 69 years old at the time of his death.

Mr. Speaker, Mrs. Zablocki and I, and I am sure many Members of the Congress, extend to Mrs. Schafer and to John C. Schafer's family, our sincere sympathy.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the passing of our former colleague.

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

There was no objection.

CLASS HELPS STRICKEN BOY

Mr. HECHLER. 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 West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, the members of the senior class of Glen Lake, Mich., Community High School worked and saved for 4 years to collect $700 to make a trip to the Nation's Capital. However, members of the class discovered that one of its members, Duane Richardson, a star on the Glen Lake basketball team, had contracted cancer, and his family could not afford the necessary radiation treatments.

Mr. Speaker, 10 days before graduation the members of the Glen Lake class voted unanimously to give the entire $700 to their classmate and thereby sacrificed their trip to the Nation's Capital.

Mr. Speaker, by their decision to sacrifice, I believe these students have done something which is more important than perhaps they even realize. They have demonstrated their devotion to American ideals which on a small scale is similar to the principles we honor here in the historic shrines of the Nation's Capital. Therefore, I believe they would understand and appreciate even more the significance of a trip to Washington, D.C. I hope many others will join with me in contributing personally toward this trip in order to enable this very worthwhile group of students of the Glen Lake, Mich., Community High School to make their trip to Washington after all.

SUPPLEMENTAL APPROPRIATIONS, 1962

Mr. THOMAS, from the Committee on Appropriations, reported the resolution (H.J. Res. 745) making supplemental appropriations for the fiscal year 1962 (Rept. No. 1822), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. THOMAS. Mr. Speaker, in accordance with the unanimous-consent agreement of yesterday, I ask for the immediate consideration of the joint resolution (H.J. Res. 745), making supplemental appropriations for the fiscal year 1962; and I ask unanimous consent, Mr. Speaker, that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMAS]?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask the gentleman when permission was granted making consideration of this joint resolution in order?

Mr. THOMAS. It is my understanding, I will say to the gentleman from Iowa, that it was secured yesterday. I was not on the floor at the time, but permission was secured by our distinguished colleague, the gentleman from Missouri [Mr. CANNON], and the gentleman from New York [Mr. TABER]. The gentleman can find that in the RECORD at page 9666, I am advised.

Mr. GROSS. Mr. Speaker, can the gentleman tell me what time on yesterday permission was asked and granted that makes this resolution in order?

Mr. THOMAS. Mr. Speaker, I see the gentleman from New York [Mr. TABER] on the floor. Can he advise the gentleman from Iowa the approximate time that request was made?

Mr. TABER. At 5:45.

Mr. GROSS. Mr. Speaker, I think this ought to be of interest to Members of the House. Yesterday afternoon, after special orders were well underway, I was assured there would be no business of a general nature transacted. I am not opposed to taking up this resolution today. What I am protesting and pointing out to Members of the House is that we have every right to assume that when special orders have started, no further business of the House of a general nature will be undertaken. What I am pointing out is that this can become a dangerous practice for Members, and I am one of them, in all the business that comes to the floor and the procedure by which it gets here.

I think we ought to have an understanding here and now that Members of the House will be put upon notice, except in the event of some grave emergency, that permission will not be granted for the transaction of business of a general nature after the special orders have started in the afternoon, following the disposition of regularly scheduled business.

Mr. THOMAS. I cannot but agree with what my able and genial friend from Iowa has said, but I understand this came up rather suddenly, so it put the gentleman from Missouri and the gentleman from New York in a rather hurried position. I am sure this will not occur again.

Mr. GROSS. I am glad to have that assurance.

Mr. THOMAS. This was rather an emergency situation, and I regret it.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such amounts as may be necessary to provide for continuation of certain activities of government for which provision would be made in H.R. 11038, the Second Supplemental Appropriation Act, 1962: *Provided,* That this section shall apply only to those items in H.R. 11038 as to which Congress has received notice from the Director of the Bureau of the Budget of an apportionment on a basis indicating a necessity for a deficiency or supplemental estimate as required by section 3679 of the Revised Statutes, as amended (31 U.S.C. 665): *Provided further,* That in case an item is carried in both versions of H.R. 11038 but at a different amount as passed by the Senate than that as passed by the House, the lower of the two amounts shall prevail.

SEC. 2. There are also hereby appropriated such amounts as may be necessary to provide for items carried in H.R. 11038, as passed by the Senate for payment of (a) claims and judgments, including "acquisition of land and building, Chicago, Illinois"; (b) the judiciary, fees of jurors and commissioners; and (c) Department of Justice, fees and expenses of witnesses.

Mr. THOMAS. Mr. Speaker, this is a continuing resolution for fiscal year 1962. I will say to my distinguished friend from Iowa [Mr. GROSS] that this bill when it left the Senate had about $560 million in it, and this joint resolution calls for only $133 million, so that cuts it down three-fourths.

Does my able friend from Iowa [Mr. JENSEN] desire any time?

Mr. JENSEN. Mr. Speaker, I only want to say that I favor this joint resolution and hope it will have the unanimous support of the Members of this House.

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

The previous question was ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed. A motion to reconsider was laid on the table.

PUBLIC DEBT LIMIT

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further 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.

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 further consideration of the bill H.R. 11990, with Mr. JENNINGS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Arkansas [Mr. MILLS] had 1 hour and 5 minutes remaining and the gentleman from Wisconsin [Mr. BYRNES] had 40 minutes remaining.

The Chair recognizes the gentleman from Arkansas.

Mr. EVINS. 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. 109]

Abernethy	Dent	McIntire
Addonizio	Dooley	McMillan
Alford	Downing	Macdonald
Andersen, Minn.	Fenton	Miller, George P.
Ashmore	Flood	Moulder
Ayres	Glenn	Norrell
Blitch	Gray	Powell
Bonner	Green, Oreg.	Riley
Boykin	Griffin	Saund
Brewster	Hoffman, Mich.	Scherer
Celler	Holifield	Shelley
Chamberlain	Horan	Stubblefield
Colmer	Jensen	Thompson, N.J.
Curtis, Mass.	Kearns	Tollefson
Davis, Tenn.	Keogh	
	Kilburn	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. JENNINGS, 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. 11990, and finding itself without a quorum, he had directed the roll to be called, when 389 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.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I think it can be said as a matter of fact, that no Member of this body on either side of the aisle likes to have to vote on a bill such as the one now pending before us.

The question that we have to resolve is what course is best for the United States of America. I fully appreciate the fact that this is a matter upon which men of equal dedication, of equal sincerity, can disagree. I do not think, however, that one can disagree with the facts that we have before us, if we will just listen to them.

Yesterday our very able and distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], very aptly defined the situation facing the House. He pointed out that this is, in effect, emergency legislation involving the credit standing of the Federal Government. It is just that, Mr. Chairman. The Congress has not only authorized, but has appropriated money for the expenditures which call for extending the Government's line of credit.

The best analogy I can think of is one we all understand and that is the situation in any American family. In effect, we have secured a charge account for our wife, let her go uptown and make purchases, and now we have received the bill from the department store and we do not have enough cash on hand to pay the bill. No one would argue that this is not a legitimate, bona fide debt.

What would any honest, conscientious American family do in such case. As a matter of fact, if this family wants to retain its credit rating, it really has no choice but to go out and borrow money or to prevail upon the department store to extend the period for payment. The analogy goes ever further. If the department stores does extend the period for payment it costs the family more interest. If too many families do this, it upsets the budgeting and financial problems of the department stores. There are other obvious repercussions that follow.

We are on the floor today faced with a situation in which the Congress has authorized expenditures, appropriated the money and pursuant to this, the executive departments have performed or planned routine and necessary functions of Government. The bills are coming in, and soon we will not have the money on hand to pay them. It was alleged yesterday that since in advance of a vote on this bill many people, including defense contractors, were alerted to what would happen if we are not able to pay our bills as they come in that there has been blackmail.

Mr. Chairman, these warnings have simply set forth the facts of life. As is often the case, many of us do not like the facts of life and all too frequently there are some who can never face them. Exactly this very same problem of deferring, stretching out and terminating our projects occurred in 1957 when our good friends on the other side of the aisle were in control of the executive branch and defense contracts. I have talked to some friends of mine in the last few hours who are in the defense contracting business. I have asked them what happened in the past when the Secretary of Treasury did not have enough money on hand nor enough credit to meet his bills. They told me exactly the same thing happened then that will happen now.

As a matter of fact, Mr. Chairman, our friends on the other side of the aisle who are screaming blackmail themselves admit that something has to give when bills come in and we do not have the money on hand to meet them. They really are not so unrealistic that they claim there is no problem here. They in effect are simply bemoaning the fact that they lost the last presidential election. Just as this is not the time or place for a so-called economy vote, it is also not the time to retroactively vote in the 1960 presidential election.

If my friends have any doubt that there will be all sorts of economic repercussions, not only for the Government, but for businessmen and taxpayers generally, if we do not give the Secretary of the Treasury enough flexibility in the debt ceiling, let them ask these very same defense contractors who are contacting them now what happened in 1957 and thereabouts when the then Secretary of the Treasury did not have the needed and necessary flexibility in the debt ceiling. I can tell them the answer as to exactly what will happen now if we do not give the Secretary the needed flexibility. It has to happen. There is no choice. You know it and I know it.

Let us get back to this charge of blackmail. Mr. Chairman, can you imagine what sort of screaming we would have heard had we not alerted the public and the Members of the House in advance as to what would happen if we do not give the Treasury this $308 billion debt ceiling, but moved in after the vote and then did the only thing possible to do, namely, cut back on contract letting, stretch out program payments, defer payments and so on. We would have really heard some screams of unfairness, politics and you name it.

Incidentally, Mr. Chairman, on the subject of politics, does anyone honestly believe that the straitjacketing of the Treasury will just be limited to districts represented by Republicans? We heard some complaint yesterday about what might happen in the State of Michigan. Certainly Michigan with its vast amount of defense contracts would very likely be affected. Have our friends on the other side of the aisle forgotten that we have Members on this side of the aisle from the State of Michigan?

How can it be politics when Members from districts on both sides of the aisle would be affected and our whole economy would undoubtedly suffer. There is certainly nothing partisan in this unfortunate situation.

I say to my friends who are yelling blackmail that to be forewarned is to be forearmed. They can call it blackmail if they want to, but I tell you what I will call a vote against giving the Secretary this needed flexibility—I will call it the sheerest sort of irresponsibility.

The past proves that this is undoubtedly going to be the situation. The actions in the past that are being so bitterly complained about, insofar as the future is concerned, took place under the administration of the gentlemen on the other side of the aisle.

And talking about responsibility, Mr. Chairman, the record of the Members on this side of the aisle speaks for itself. We hear a lot of comment on a balanced budget, debt reduction, tax cuts, and the like in reference to President Kennedy, but have we forgotten President Eisenhower's comments on these subjects? Have we forgotten that President Eisenhower asked for the very first increase in the debt ceiling since World War II, even including the period of the Korean war? Have we forgotten that his first request was to make the permanent debt ceiling $290 billion compared to our present permanent debt ceiling to $285 billion? Have we forgotten that by and large those of us on this side of the aisle gladly and uncomplainingly voted to give President Eisenhower's administration the type of debt ceiling flexibility which he requested on each and every one of the many occasions when he asked that there be either permanent or temporary increases in the debt ceiling?

Mr. Chairman, I repeat that a vote against giving the Secretary of the Treasury the needed flexibility to responsibly finance the operations of our Government is the sheerest sort of irresponsibility and we all know it. Call it whatever else you may.

Let us talk about the national debt. Certainly we all wish we had no national debt. But those who talk glibly about

the debt do not tell the whole story. Let me give you an example of what I mean. The national debt ceiling was $300 billion in 1946. The gross national product in 1946 was $210 billion. Translated into terms of an individual, this meant that we owed in 1946 about one-third more than our total income. That would mean that a man made roughly $200 in 1 year and owed $300. In this year of our Lord 1962, again the national debt is approximately $300 billion. But on the other side of the coin, the gross national product for this fiscal year is estimated at about $570 billion. Translated again in terms of an individual, whereas in 1946 the individual owed one-third more than he earned in that year, in this year he will owe about one-half of what he will earn in the fiscal year 1963. So that the net of the changed situation is a plus of many, many billions of dollars.

So the management of the national debt, which is the business of the Committee on Ways and Means, is a much easier problem now than it was in 1946 because, as I said a moment ago, the only way to understand this debt is to translate it in terms of income, just as the only way to understand the debt of an individual is to translate it in terms of what that individual makes.

Now, is there anything novel about what we are trying to do here, and do we have any further guideposts that might point the way to what happens if we adopt the substitute to be offered by the gentleman from Wisconsin? No. 1, there is nothing novel about it; and No. 2, we have some guideposts that point the way clearly and emphatically.

I will deal first with the initial point. As a matter of fact, President Truman went through his whole administration, including the Korean war, without increasing the national debt ceiling. As a matter of fact he decreased it. But all through the Eisenhower administration we had one increase after another. We had a temporary increase in 1954 of $6 billion. We had an increase in 1955, a continuation of the $6 billion ceiling. In 1956 we continued an increase of $3 billion. In 1957 there was no increase, and I will come back to that in a moment. In 1958 there were the two biggest increases in peacetime history, one for $5 billion in February and another one for $8 billion in September of that year. In 1959 there was another increase—$2 billion in the permanent ceiling and $10 billion in the temporary ceiling—for a total of $295 billion. In 1960 we cut it back to $293 billion. In 1961 we upped it to $298 billion, and in 1962, as you know, we took an action here in March of this year setting it temporarily at $300 billion.

This brings us to the present debate and the vote which will come in a few minutes between the Ways and Means Committee plan and the plan advocated by the gentleman from Wisconsin. All of the experts who know anything about debt management tell us that to adopt the plan of the gentleman from Wisconsin is a dangerous thing to do. In 1957 the question was presented as to whether or not we would increase the debt ceiling. Congress took no action. Throughout the year there was a running controversy, if I may use that expression, between the distinguished chairman of the Appropriations Committee in this body and the executive branch of the Government. As a matter of fact, in April 1957 the President of the United States, in response to House Resolution 190, wherein the Congress requested that the President indicate what expenditures must be cut, wrote back and said that the Congress would have to determine what expenditures would be cut.

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

Mr. BOGGS. I yield to the gentleman from Missouri.

Mr. KARSTEN. We have heard a lot of talk about this blackmail operation. The gentleman also referred to it earlier. In that same year, 1957, I might mention, the President did order the closing of a great many installations over the country. I have in my hand a copy of a St. Louis newspaper dated September 13, 1957, with the headline, "Navy To Close Air Station Here—Economy Reasons Cited for Surprise Act." The cutbacks were limited to operating funds, so actually there was not just a blackmail operation by the previous administration, they actually went in and closed them.

Mr. CURTIS of Missouri. If the gentleman will yield on that point, I would say this: that if the gentleman from Missouri had followed through the actual facts instead of just a news article he would have found that that had nothing to do with a cutback.

Mr. KARSTEN. I disagree with the gentleman because we were both present at that time and that was the result of budgetary cuts which were necessary.

Mr. CURTIS of Missouri. The gentleman and I are in complete disagreement. Let us have the record made straight.

Mr. KARSTEN. I have made the record straight by citing the facts.

Mr. BOGGS. I also am trying to outline the record as things actually happened—and of course the record speaks for itself—and it is not my intention to take part in any disagreement that may occur between the two able gentlemen from the great city of St. Louis.

As a matter of fact, we did pass, in April of 1957, a resolution asking the President of the United States to tell us where to cut. The President of the United States wrote back and told us that was our responsibility and that we had to do the cutting. We did not do the cutting and all through the fall months of 1957 we had something that approached a fiscal crisis, if not something much worse. As a matter of fact, as I have indicated, the administration had to resort to all sorts of techniques in order to avoid just what could happen if we adopt the Byrnes amendment now.

Let me outline some of the things they had to do. They had to sell $100 million in gold to meet cash requirements. They sold $1,600 million in Fannie Mae notes. They moved Commodity Credit notes back and forth in a fiscal juggle in order to stay under the limit and they did slow down and postpone defense procurement and cut back on defense installations all over the United States.

I have here the Wall Street Journal which contains a story by John A. Grimes who was then a very distinguished correspondent for the Wall Street Journal and I think he still is, possibly in another assignment.

In October 1957 that headline read: "'Pentagon Will Pay Defense Firms' Bills as They Come Due,' McElroy Says, Answering Claims of Payment Lag."

What happened was that they had defense contractors go out and borrow at excessive rates of interest and they had to hold up paying them for a given period of time.

Then here is another one from the Wall Street Journal for October 28, 1957: "McDonnell Aircraft Lays Off 600 Workers, Cites Revised Schedules."

"Production of Demon Fighters Believed Cut Again; Employee Total Drops to 26,000."

Here is another item: "Cutback Blow Is Relatively Light on Some of Basic Industries."

This is a story which appeared in the Washington Post on October 23, 1957.

Here is another one from the Washington Post of October 22, by Mr. Elton C. Fay: "Impact of New Defense Cutbacks Being Felt in Many Communities."

Here is another item from the same paper of October 20: "Research Funds Cut—Obscure Order Reveals."

Now I do not know whether the use of a word like "blackmail" is right or wrong. The facts are, as we get them, that if the Treasury Department and the Defense Department do not have the proper flexibility in this area, they are going to have to cut somewhere. Now the place to do the cutting is not through this device but right here in the Congress. We have 50 members of our Appropriations Committee in the House of Representatives. We have a distinguished Appropriations Committee in the other body. What we really are saying, what the very people who complain about the delegation of power from the legislative branch to the executive branch are saying, is: "Here we give you this meat-ax approach and it is up to you and you tell us—you tell us, the Representatives of the people, where you are going to cut." This is our responsibility and function—not that of the executive department.

Let us see what some of the other implications of such a thing are. I mentioned to you in 1957 there was nothing done about the debt ceiling. No request was made. But, in 1958, a few months later, we had to raise the debt ceiling not $5 billion, not $6 billion, not $8 billion, but a total $13 billion—to a temporary total of $288 billion. Why was that done? Because we moved into one of the worst recessions we have had since the conclusion of World War II. Our revenues were way off. Why were they off? Not because of what the Congress had appropriated, but because business activity had declined. Anyone who thinks that there is not an intimate connection between good business and the revenues of the Federal Government just does not understand the economics of the era in which we live.

It has been estimated that the effect of the unemployment of a million men makes a difference in Federal revenues of $3½ billion. That means that if a million people who are employed today are not employed tomorrow, in a 12-month period there will be $3½ billion less collected by the Government of the United States for the operation of all of the various establishments and programs maintained by the Government. So the connection is there intimately. Some say that the recession of 1957 did not have such an impact upon the economy by reason of that. Maybe it did not, but let me call your attention to a statement by William McChesney Martin, a distinguished man, incidentally, from St. Louis, I think, and Chairman of the Federal Reserve Board, a man known for his conservative approach to the fiscal policies of our Government. Here is what he said, in 1958, and I quote from his testimony as reproduced in the Federal Reserve Bulletin:

> In this country, the unexpected curtailment in defense payments and changes in procurement policies that were inaugurated during the summer, to avoid breaking through the debt ceiling, had an unsettling effect on business.

And speaking again in 1958 after we were in the middle of this recession he said, and I quote from the May 1958 issue of the Federal Reserve Bulletin:

> This occurred as Government defense orders, which had been expanding in the spring, were cut back in the summer and fall to conform to the budget program and the ceiling on [the] public debt.

The crucial question is, Did we save anything? Did we save $2 billion? Did we save $3 billion? Did we save $5 billion? No, we had to come back in January and again later and raise the debt ceiling during that year by $13 billion because the business impact was so severe that the revenues of this Government fell to such a point that we had to raise the debt ceiling beyond anything that anyone had contemplated.

But some say, "Well, that cannot happen again; it happened then but it will not happen again, and after all, you can have a selective cut." Let us look at that for a moment—and, incidentally, I was pleased to hear my good friend from Wisconsin direct some inquiries to the Secretary of the Treasury as to when he was going to put into effect the accelerated depreciation in order to help business move ahead. I think the Secretary announced that he would put it into effect July 1 of this year. I think the budgetary loss estimated is something over a billion dollars; I believe about $1.5 billion.

It may very well be that that would be one of the items that some would say should be deferred, although I am not saying that it is. The point is that unless those of us whose responsibility it is to legislate tell the Executive where they must cut, they will be forced to cut a little here, there, and elsewhere. The net effect upon the economy could very well be disastrous at this sensitive point in our economy.

Let us take a look at the economy now, and I say this as a Democratic Member of this body, I am not at all pleased with what the economy is doing. I think it shows some evidence of stagnation. I think that it may well need stimulation. I do not see inflationary pressures; as a matter of fact, what is happening in the stock market, which should concern us all, would not indicate that there were inflationary pressures. On the contrary, it now appears that there may be deflationary pressures; it indicates that many of the investors in this country are concerned that there will be no further inflation for some time to come. So this debt ceiling squeeze is not inflationary in our country. It can be just the reverse. If anything, we need something to stimulate business, to move it ahead.

It is going to be said, if we make the wrong move, that at a time when business seems to be uncertain we are suddenly embarking on a different policy of cutback, which will have a most unsettling and unstable effect upon the economy. That is the issue that is involved here. We hear various arguments as to the effect of placing the national debt ceiling at $306 billion rather than $308 billion. Past evidence as to too tight a ceiling should settle the case for us.

I know it is pretty hard to translate and articulate the effects of this upon this vast country of ours of 185 million people. But if ever we had a yardstick which shows the effect of the failure to give flexibility to the Treasury Department in the management of this debt we had it in 1957. And here it is proposed by Mr. BYRNES that we invite it all over again.

Our position generally is pretty good. Certainly we should not knowingly worsen it.

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

Mr. BOGGS. I yield to the gentleman from Tennessee.

Mr. EVINS. Did I understand the gentleman to say that in 1958 we raised the national debt ceiling by $13 billion at one time, or was it on two separate occasions in the Congress that we did it?

Mr. BOGGS. On two separate occasions in the year 1958.

Mr. EVINS. The Congress acted twice in raising the debt ceiling that year?

Mr. BOGGS. That is right.

Mr. Chairman, I have an article here which appeared in this week's U.S. News & World Report, which I consider a rather objective journal, the title of which is "United States Versus Russia: Who's Winning?"

I invite some of you to read that article. Among other things it talks about the amount of spending on national defense. The United States is spending 10.1 percent of its yearly national output on national defense. And, incidentally, we are spending $54,700 million, according to these calculations. The Soviet Union is spending $45.3 billion, according to these calculations, but this amounts to 18.9, almost 19 percent of its gross national product.

To go ahead with the analogy, they claim that we are operating at only 80 percent of capacity, which may be true. They are operating at full capacity. They have crises in agriculture, in housing, in defense competition, and in other things.

So I say to you that on the whole we are doing very well in competition with the Soviet countries, according to this.

One of the things that is pointed out in this article is the fact that the Soviets are concerned about the upcoming Common Market in Europe. Again, this concerns us in our efforts, because while in 1957 we had about $19 billion in gold, today I understand it is down closer to $16 billion. So the problem of managing the debt now is more difficult than it was then, so that the impact could be equally as great now as it was in 1957, if not greater.

Mr. Chairman, in closing I say, without belaboring the point, that obviously if $2 billion is to be cut without direction by the Congress, somebody downtown is going to have to make the determination. Where is it to be made? How is it to be made? They will determine that, and not us, if we do not face our constitutional responsibilities.

I say finally and in conclusion that those of us who serve on the Ways and Means Committee do not have the responsibility of appropriating funds, we do not authorize most of these funds, but we do have the responsibility of managing the debt and providing the revenue to operate the Government. It is a much more difficult responsibility, perhaps, than appropriating money. It seems to me that the Committee on Ways and Means, which has discussed this matter, that has looked at it, that has listened to the Federal Reserve Board, the Treasury Department, and the other people charged with debt management, should be given a vote of confidence here. Responsible and economical debt management requires that the program offered by the chairman of the Committee on Ways and Means should be adopted, and the program offered by the distinguished gentleman from Wisconsin should be defeated.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. SCHADEBERG].

Mr. SCHADEBERG. Mr. Chairman, in referring to our national budget and debt limit we speak in terms of billions of dollars, which are not clearly understood or comprehended by the average citizen. Since many persons are deeply interested in what is taking place here today and will read about it in the RECORD, I will attempt to clarify the issue and in so doing I want to tell you about my uncle.

Year 1938 was a year I shall never forget.

It was the year I was graduated from college; it was the year I entered seminary; it was the year I was united in marriage; it was the year in which I had an annual income of $1,050; and it was a year also which closed with my financial books balanced.

My very-well-meaning uncle, on the other hand, began that same year with a $3,643 debt—I will not include the cents after the decimal point. His annual income was $559. His many

nephews and nieces—my cousins—had a sort of power-of-attorney and with it had access to his bank account. With what result? He spent that year $117 more than his income, so he closed the year 1938 with a debt of $3,760.

Twelve years later, in 1950, his debt had increased from $3,760 to $25,277. His annual income had increased from $559 to $3,642. In other words, his income in 1950 was equal to the total amount of his debt 12 years earlier. Despite an increase in annual income of 600 percent, he spent in 1950 $312 more than his income, and closed the year with a debt of $25,736.

Another 12 years passed, and by 1962 his debt had climbed from $25,736 to $28,897. His annual income had risen from $3,642 to $8,210. But again, in 1962, $698 was spent in excess of his income, and he will close the year with a debt up to $29,537.

Today, because of the wanton recklessness and fiscal irresponsibility of his large family of nephews and nieces, my uncle has come before his banker and has asked that he be allowed to increase his borrowing by another $800, for a total debt of $30,800, even though he has succeeded in living within his means in only 6 of the past 24 years—indeed in the past 31 years.

Ladies and gentlemen of the House, if you were in charge of the bank responsible for loaning money entrusted to you, would you be willing to allow my uncle, on the basis of his past record of increasing indebtedness, to borrow up to another $800 and become indebted to the tune of $30,800? Do you not think it is about time my uncle learned to insist that his household live within his income? Will he do so if he is provided with further loans?

Mr. Chairman, add seven zeros to the figures in the financial statement as outlined, and you who are entrusted with the tax dollar of your constituents have a picture of the financial status of our Uncle Sam. Cousins, it is up to us. Let us call a halt to this procedure of making it possible for our good uncle to commit fiscal suicide.

Mr. THOMPSON of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I did not have the remotest thought of injecting myself into this debate. The fact is I had thought of voting against increasing the debt ceiling, and I would still like to do so if I could reconcile such action with my responsibility as a legislator.

Mr. Chairman, I have been preaching in Washington and in my district for years that we should pay as we go, and if we want benefits and programs, we ought to raise the taxes to pay for them; that if we do not want to pay for them, then we ought not to vote for them.

Mr. Chairman, I have a very homespun philosophy as to fiscal matters of the Government. I, for one, would not be in favor of cutting taxes in order to spur business activity.

I find myself, however, faced with a problem which troubles me. If you share my views, this problem will trouble you. I might say that some of us who have voted against many costly programs in the past have become a little weary with those who seemingly vote for all expenditures, and then establish a resounding record for economy by voting against increasing the debt ceiling.

Mr. Chairman, I would point out that the debt ceiling increase is merely a procedural matter reflecting that which has been brought about by our authorization and appropriation bills. So, we do not save money by reducing debt ceilings, as I see it. I wish we could somehow shock ourselves into the position of not voting for appropriations and authorizations unless we propose to go along with the financial requirements thus entailed. I think we ought to reduce, and reduce rather drastically Government spending in some areas.

Mr. Chairman, the chairman of the Rules Committee, the gentleman from Virginia [Mr. SMITH], yesterday quoted me as having said that since about the period of the end of the Korean war through fiscal year 1963 defense spending will have gone up an estimated 12 percent and nondefense spending will have gone up by 94 percent. It sounds very good to say that we should reduce nondefense spending and not touch defense. Certainly we should cut nondefense spending. Well, the Secretary of Defense called me a couple of days ago and he said:

> Mr. MAHON, in view of your interest in the defense program, I thought I ought to give you certain information.

I must say if there has been an abler Cabinet member in the last 10 years than Secretary McNamara, I do not know his name.

He said: "I must tell you, for whatever it may be worth to you, that if this $2 billion cut in the debt ceiling is made, it will mean a scaling down of our defense programs; it will mean that we cannot spend as we had planned the money which you have made available, and which you propose to make available this year. There will have to be a scaling down and any scaling down planning will have to take place to a very large extent by December 15." My quotes are not word for word but they are substantially correct.

Well, Mr. Chairman, that was his estimate. I checked with Mr. Gilpatric, the Deputy Secretary of Defense today, and he confirms it. I have also checked with others who have confirmed it.

Now, Mr. Chairman, the question arises, "Shall I carry out my original hope and vote against this debt limit increase?" I have not voted against debt ceiling increases in recent years because, as I have pointed out, it is procedural. Then there is the question, "Shall I vote for it?" I am compelled to say that I will have to vote for the Mills bill as proposed. I do not see how, knowing what I know, I could do otherwise.

That is the reason I am sharing these views with you, after conferring with the chairman.

I know very well what a debt limitation ceiling can do to national defense. Mr. Chairman, back in fiscal year 1956 we spent about $36 billion on defense. It was proposed that we would spend that much for fiscal 1957 also. But the Defense Department exceeded this figure. Defense expenditure rates were increasing rapidly in the latter half of fiscal year 1957. It appeared then that expenditures were going up to $42 billion for the next year. What did the Defense Department do? It began to slash and slash in order to live within the debt limit. It was necessary to slash programs planned for fiscal year 1958. The Eisenhower administration made up its mind, for good or bad, that it would not ask for an increase in the debt ceiling and, in planning not to ask for an increase in the debt ceiling, the Eisenhower administration began a series of cutbacks. The sum of $500 million, or a half-billion dollars, was cut out of major procurement, airplane programs were cut out, missile programs were cut out, the delivery of aircraft was delayed, and there was a stretchout which made the program actually cost more. That is what was happening from the period of May to October in 1957.

You do not have to take my word for that. If you go to the Library and get the CONGRESSIONAL RECORD of September 3, 1957, which, incidentally, I now hold in my hand, you will see it all laid out very well. Drastic cuts were made in defense as a result of the debt limit which was to be $275 billion during calendar year 1958. In the CONGRESSIONAL RECORD of September 3, 1957, you will find the result that was brought about discussed in great detail. Under an extension of remarks entitled "The Battle of the Budget in Defense Programs"—volume 103, part 12, page 16805—is a list of these cutbacks. This is only a partial list, but they are significant and important reductions. There were other reductions in program.

Mr. McNamara says that if a $2 billion reduction is made in the bill offered by the gentleman from Arkansas [Mr. MILLS] some reductions will have to be made in defense. I have heard the estimate of about $1 billion.

If the whole cut were all taken out of nondefense items, I would be more or less inclined to be for it. But my study of this matter convinces me that it cannot all be taken out of nondefense. So, having resolved, as I did, to vote against this bill, I find myself unable to do so, as much as I would like to build a record on paper for economy. I first owe a responsibility here to my colleagues and then to my country in this matter.

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

Mr. MAHON. I yield to the gentleman.

Mr. BARRY. Mr. Chairman, I think the gentleman knows that I have a great respect for his voting record so far as economy is concerned, but I would like to call attention to the gentleman's opening statement when he said that this is only a procedural matter, so far as increasing the debt limit is concerned. Then he proceeded to read a letter from the Secretary of Defense in which the Secretary said that he would have to cut back on certain items of defense were the debt limit not increased. This is a

direct contradiction. Either the Secretary is wrong or the gentleman is wrong. I should like to say further, if I may—

Mr. MAHON. Let me answer that question first, and then we can go to another. No; it is a procedural matter. The basic, substantive action was taken by Congress when Congress authorized the appropriations and appropriated the money for defense. If we did not want this money spent, that was the time when we should have cut the pattern and withheld the money. So I still say that in a larger sense this is a procedural matter. The time to build economy records and show fiscal responsibility in government is when authorization and appropriation bills come up and not when this kind of bill confronts us. It is a little late. We have already provided the executive branch with the money to spend.

Mr. BARRY. Mr. Chairman, if the gentleman will yield further, I would like to say that this is an opportunity, by direct admission of the Secretary of Defense, to cut some of the fat, even off the Department of Defense. I will admit to the gentleman that there are many areas in the Department of Defense where not 1 cent should be cut. But there is also room in the Department of Defense and in all branches of Government, where some of the fat could be cut.

Mr. MAHON. The gentleman has made plain his philosophy. But the Secretary of Defense further tells me that some of these cutbacks would have to be in procurement of important items. He might be confronted, as were Secretary Wilson and President Eisenhower in 1957, with having to cut major procurement programs, slow down aircraft deliveries, eliminate some missile programs, and so forth. We would all like to cut out, of course, any fat and waste.

So this is the kind of box we find ourselves in. We as members of the Subcommittee on Defense Appropriations, including the gentleman from Michigan [Mr. FORD], the ranking minority member, tried to eliminate unnecessary defense programs wherever we could. We were effective, I believe. I think in both the Republican and Democratic administrations there has been considerable improvement in these programs. Let us hope there will be more. If I thought by the remotest stretch of the imagination this would be cutting out the fat, I would gladly vote for reductions. Some defense costs are based on so much per man. Do you want to cut the number of Marines or the size of the Army, Air Force, or Navy? These costs are more or less fixed. If you want to cut the subsistence, okay, but there is not much room to cut. We, in Congress, are not willing to cut the National Guard and the Reserves. So if you are going to cut very deeply you are going to have to cut something vital, some of the real defense.

What I rise for today is to say to my colleagues that if you want to reduce the debt ceiling and later regroup and all get together and all vote for the increase for which we are all in one way or another responsible, that is a different matter. But I warn you that in my judgment, and I think there will be no reasonable doubt about it, if the $2 billion cut goes through, probably half of that would be applied to defense and would slow down programs. That would not be wise.

I do hope that we will resolve today that we will not be faced with this kind of situation come January or March or a year from now. We will not be if we will be more restrained in voting for appropriation bills and authorizations, which are not absolutely necessary. So we face the necessity of doing a very unpleasant thing, and so far as I am concerned, I know of nothing to do except to do it.

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

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

Mr. BOGGS. The gentleman has a distinguished record in defense matters, one that is known throughout this Nation. The gentleman heard the statement I read from the U.S. News & World Report relative to the comparable position of the United States vis-a-vis the Soviet Union at this time. Would it not be logical to assume that if we slow down the defense program now this would give the Soviets a breathing spell that we should not give them?

Mr. MAHON. I certainly feel it would be unthinkable at this period in our history to slow down the defense program. I do not think anybody in this House wants to slow down the defense program. I think that we will slow down the defense program if we do not pass this bill. I regret to say that and I had not expected to say it, but I am inevitably led to that conclusion after investigating the facts of the case.

I will say that this history I am referring to here with respect to previous years is available in the RECORD of September 3, 1957. The sputnik went up on October 4, 1957, and everybody was looking for a scapegoat. That year we had cut the appropriations, and some at first thought that the Appropriations Committee and the Congress would be the scapegoat. We went back and found that while we had cut the program $2 billion, the scaledown, the cut in the appropriation, did not hurt. It could have been cut further because certain funds were made unnecessary by the reduction of defense programs by the Defense Department in order to live within the debt ceiling. The Comptroller of the Defense Department, Mr. McNeil, wrote me a letter which appears in the RECORD of September 3, 1957, pointing out that the cut in appropriations by Congress was not responsible for the reduction in defense programs by the Department. Somebody said, "Why didn't you raise the debt limit?" We did not have an official request to raise the debt limit; at least, it was not voted on. It was an honest effort on the part of the Eisenhower administration to save money and that, of course, is a laudable thing to do, when such action can be safely taken.

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

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

Mr. WRIGHT. I should simply like to say to my distinguished colleague from Texas that he has made the most persuasive argument I have heard in favor of voting this increase in the debt ceiling. As the gentleman knows, he and I having discussed it privately on numerous occasions, I have shared many of his misgivings about the proposition of continually increasing the debt ceiling.

I do want to say to the gentleman, he has made a very valid point and one which gives those of us who have been voting against debt ceiling increases a lot of opportunity for some serious soul searching. I do not know yet how I am going to be able to resolve that question.

Mr. MAHON. I will say to my friend, if we can sleep well at night and relax with a reduction in our defense program, then we ought to vote for the $2 billion cut.

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

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

Mr. GROSS. The gentleman has been dealing almost exclusively with the Defense Department.

Mr. MAHON. That is right.

Mr. GROSS. Why? Is this the only place where economies, and very substantial economies, can be effected in Government? How about chopping the $3 billion out of the foreign giveaway? Would that not be helpful?

Mr. MAHON. I would say this. To some extent, the foreign aid program has been in the interest of national defense. For example, the great work of the U-2 aircraft was made possible by foreign aid.

A better job could have been done in foreign aid, but I think it has been an integral part of our defense. We are spending about 4 percent of the defense money or the equivalent of that on foreign aid.

If this reduction could be made out of nondefense spending, then you would not see me in the well making these remarks. But I am told that while some of it can be made in nondefense spending, perhaps half of it and I hope more, nevertheless I am absolutely convinced that a considerable cut would have to be made in defense. If we are to carry out that defense program which we originally thought we had to support, I do not think this is a time that we can fail to support the increase in the debt ceiling.

Mr. GROSS. If the gentleman will yield, this House is continuing these huge expenditures for multiple-purpose dams. Only this morning, with this bill on the floor of the House, this demand for an increase in the debt, an administration spokesman was before our committee advocating a billion-dollar increase in pay to Federal employees. This kind of business just does not make sense. If you are going to vote for economy, you should vote for economy.

Mr. MAHON. The time for any of us to go to the mourners' bench and become economy minded is when the spending bills are before the House. I have voted against many large spending measures and shall continue to do so, but as long

as the majority supports them, we have to pay the bills when the commitments have been made. This ought to be a day of real soul searching.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, between the 1st and 2d sessions of this 87th Congress, I had occasion to walk into an airport in one of our great Southern States. I noticed on the table in the restaurant in the airport a little card that said, "How to avoid picking up the check." Of course, this ought to be of great interest to most Members of the Congress. I picked up this card and looked inside and it said, "Get a credit card." That is just exactly the way we have been operating our Federal Government for a great period of time. We are continuously spending more than what we are taking in by all forms of taxation. We are operating Government by credit card. We are not facing up to our responsibilities during our generation. We are willing to buy the things today and charge them to the children—to our own children and the children of future generations not yet born.

In answer to the remarks of the respected Member from Texas [Mr. MAHON], I picked up on my desk this morning a report from the Tax Foundation which said this:

> From fiscal year 1954 until fiscal 1963 [which commences in about 2 weeks] our expenditures in defense have increased by $6 billion.

Yet, on the other hand, our expenses in all other Federal spending during the same period from fiscal 1954 to 1963 have been increased $19 billion. So I do not think anybody in this House believes that if there is a failure to increase this national debt ceiling by either $6 or $8 billion today it will all be reflected in the defense area. It seems to me there is a continual emergency in Government and it is always the defense angle that is emphasized when we have such a measure before the Congress.

The chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], for whom I have the greatest respect, was required to take the well here yesterday, as he did 4 months ago, on February 20. I have been in Congress slightly less than 4 years, but I think this is the fourth occasion on which we have been requested by both administrations to increase the national debt ceiling. The same arguments are always given, and the ceiling is increased. Then a few months pass and again we go through this exercise in futility.

Frankly, if there is any question about my position, I intend to vote against the $308 billion and the $306 billion.

The Federal deficit last year was $3.9 billion. Our deficit this fiscal year which will end in 2 weeks is going to be in the neighborhood of $7 to $10 billion, and for fiscal 1963 it is now estimated, based on information at hand today, that it will be between $3 and $5 billion, a total of more than $15 billion in 3 years—credit card Government.

One of the great Senators of the South, Senator Byrd of Virginia, made some very, very outstanding remarks in connection with this overall program which I think would certainly bear scrutiny by the Members of this House. He said:

> We have been lulled into complacency by such words and phrases as: There is no harm in increasing the public debt if we owe it to ourselves; and, it will be all right if we balance the Federal budget over a cycle of years. Such statements are evil fiction, destructive of responsible thought and action by reasonable people.

He further said:

> Government economists who talk about balancing the budget over a cycle of years are now coupling the idea with the contention that Federal fiscal problems will be solved if the Government will only spend enough to raise the gross national product high enough to produce the necessary revenue; in short, spend yourself rich.
>
> At the same time they are diverting attention from the discipline incident to balancing expenditures with revenue, by indulging in academic exercises in a so-called cash budget, a so-called capital budget, so-called national income accounts, so-called Federal sector accounts, etc. Cutting expenditures seems to be a lost art.

If the majority Members of this House would demonstrate some fiscal courage for the benefit of the American taxpayers rather than in their enthusiasm to spend public funds for every hairbrained scheme proposed, we would not be faced with this continuous inflationary rush to bankruptcy.

The President's economic advisers have certainly done nothing to reverse this trend, but to the contrary have compounded it. And we must keep in mind that this Congress, now controlled by the Democrats by substantial majorities, has been in the control of that party for 26 of the last 30 years.

Finger pointing at Presidents or administrations will not necessarily place the responsibility, because it is the Congress that passes the bills which authorize the tremendous expenditures of public tax money.

Let us stop lifting the ceiling and exercise fiscal responsibility by rejecting wild Government spending.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, I want to urge my colleagues, as strongly as I can, to support the bill that has been brought to the floor by the Committee on Ways and Means, and to reject the substitute ceiling of $306 billion.

The committee bill for a debt ceiling of $308 billion, dropping during the year to $300 billion, is a conservative provision to deal with the problem. It provides authority only to manage a budget which is substantially in balance. Before the end of the next fiscal year, the debt ceiling will be no higher than it is now. Those of my colleagues who have said that they do not want to vote for continued deficit financing can vote for the bill presented by the Committee on Ways and Means.

If a debt limit bill can say to Treasury, do not incur a deficit for the fiscal year, this bill says it.

As my colleagues have made clear, the substitute that will be offered by the minority is no different at all from the committee bill so far as the overall fiscal year effect is concerned.

In a desperate effort to find something different than the reasonable position developed in the committee, they came up with nothing better than some tinkering with the provision for seasonal variation in revenue receipts. The tinkering was essentially to cut down on the provision for contingencies.

As any businessman will recognize, one of the cheapest and most irresponsible ways of cutting a financial plan is to cut the margin for contingencies. This way you do not have to come out on the record as being against anything. If you really believe that your financial resources are not adequate to properly cover the business plan, the only sensible thing to do is to cut something out of the plan and not go ahead to undertake the full plan with inadequate resources. The $306 billion substitute does not cut anything out of the Government's financial plan. We still expect the Defense Department to find funds available to continue the RS-70 program, to maintain the level of the National Guard, and to begin work on carriers for the Navy.

When the Congress finally approves appropriation bills, these contemplate carrying out certain objectives of government which have won the majority approval of the Congress. The substitute does not say which of these should be changed. As a matter of fact, the supporters of the substitute are holding up a sign to cut $2 billion with their heads firmly planted in the sand. Not only does this cutting away at the contingency allowance fail to come to grips with what is to be cut, it does not even face the problem of how much. While I have great respect for the gentleman on the other side of the aisle, I am sure that they are no more competent than I am to predict the exact level of budget receipts between now and December 15. Obviously these receipts will depend greatly upon developments in private business. The substitute is really requiring the Treasury and the Budget Bureau to look both ways at once to see how much revenue is coming in and to change the expenditures accordingly. The substitute says that if receipts are pretty good, do not spend less than our appropriations. If the receipts are not so good, spend something less but we will not tell you where to cut.

The great fallacy of all of this is that the substitute will not really have much effect on expenditures. Most of the effect will be through forcing the Treasury to use poor financing. Enough has been said about what happened in 1957 when payments to defense contractors were cut and what happened in 1953 and 1959 when financing was done through Government corporations. Let me give one very timely down-to-earth example. On December 15, a Treasury bond issue will mature in an amount of

about $1½ billion. Obviously there will be no budgetary surplus available in the first half of the coming fiscal year so the Treasury cannot simply retire this bond issue. Some new financing must be arranged.

A common way of handling a maturing issue in this situation is to sell some other security for cash to pay off the holders of the maturing bonds. An alternative way to handle the maturity is to offer the holders of the maturing bonds an exchange, their old bond for a new bond.

In sensible financial planning, you would think that the Treasury's choice between whether to sell a new issue for cash so as to pay off the old bonds or to offer the old bondholders an exchange would be decided on the basis of financial market conditions. This is what any business would do. If the prospect was that you could get a good deal by offering an exchange, you would do it. If, in the present circumstances, you could make a better deal by selling a different kind of security for cash to perhaps a different group of investors, you would do that.

From a public debt standpoint, however, these two transactions are very different. The cash exchange means that for a period, perhaps only a few days, both the new and the old bonds would be outstanding at the same time. For this period the Treasury would have more debt but also more cash by the same amount. With a tight debt ceiling, however, the Treasury is precluded from using the simple technique of selling the new issue for cash. There may not be enough debt ceiling available to have two security issues outstanding at the same time. The Treasury would have to use use the technique of offering an exchange and would have to put a high enough interest rate on the new bond offered in the exchange to assure themselves that they would get enough of the bondholders to take the exchange rather than to insist upon cash.

We have had now 2 days of opportunity for speeches about how much some Members of this House would like to see expenditures reduced. This is all to the good. I would like to see expenditures reduced myself. Now that the speeches are out of the way, let us face the fact that the two votes which are immediately before this House have very little to do with reducing expenditures. A vote for an inadequate debt ceiling provision is not a vote to reduce expenditures—it is a vote to require inefficient financing.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, the central issue behind this debate on the debt limit is first—whether Congress is willing to face up to the fiscal reduction which it is responsible for creating and second, whether we are going to meet the challenge before us to keep our domestic economy growing and expanding.

When this Congress convened, the Nation was in its 8th month of economic decline. Gross national product was down to an annual rate of $501 billion from its peak of $506 billion. Unemployment was nearly at 7 percent, and our balance-of-payments situation was serious.

As a result of vigorous efforts the recession was turned around, and by the first quarter of this year the gross national product had risen to $548 billion, the unemployment rate is now under 5½ percent, and a solution is being found to our balance-of-payments difficulties.

The business outlook today is good. Many of the economic indicators are favorable for a continued expansion in economic activity but it is also true that we have a long way to go to reach our economic potential. There is a need to move ahead. There is no excuse for a level of unemployment of nearly 5½ percent. Our gross national product is still more than 5 percent below our potential. Even on the basis of the most optimistic estimates, we will not reach full employment before the end of fiscal 1963. We will not solve our domestic economic problems until we have solved the basic unemployment problem and gotten rid of the pockets of persistent unemployment.

We are moving forward to a solution to these problems through tax reform, through revised Bulletin F depreciable lives, through area redevelopment, and manpower training, and in a multitude of other ways.

The basic philosophy in our consideration of the debt limit should be this:

A determination to meet our paramount domestic economic needs. The request for a $308 billion debt limit was based on the hope and expectation of a balanced budget in fiscal year 1963. The January budget document projected a $500 million surplus. Additional requests, particularly for a capital improvement program for distressed areas, would use the bulk of this surplus but still leave a balance. The achievement of a balance, however, depends on attaining the economic goals projected in the January budget document; namely, a $570 billion gross national product in calendar year 1962. If the upward trend of the economy slackens and this goal is not reached, then a deficit will develop and the $3 billion margin provided by the $308 billion limit will be essential.

The alternatives are these: First, reducing the allowance for flexibility by $2 billion; second, reducing the Treasury operating cash balance to $2 billion from the already unrealistically low figure of $4 billion used in computing the $308 billion ceiling; third, reducing expenditures by $2 billion before December, or fourth, some combination of these actions.

Reducing the allowance of $3 billion for flexibility would make it impossible for the Treasury to take advantage of market conditions which would allow borrowing at the least cost to the Government. In fiscal year 1958 the limitation of the debt ceiling required the use of agency financing and free gold. $1.6 billion of FNMA management and liquidating program notes were sold at a time when the debt ceiling was being approached and cash balances were low and this was estimated by Secretary Anderson to have cost the United States millions of dollars.

The $4 billion allowance for an operating cash balance cannot be reduced.

The amount of $4 billion is hardly adequate to meet 2 weeks' expected expenditures.

Public expenditures cannot be reduced without the gravest consequences since the expenditures to be made in the first 5 months of the fiscal year are based on programs already announced. This would mean cancellation of contracts and cutbacks of scheduled programs. An examination of the budget shows, moreover, that unless we are willing to cut back on expenditures for national defense that the whole impact would fall on programs for which total expenditures during the fiscal year 1963 will amount to substantially less than $15 billion. These include the programs for health, labor, and welfare, commerce and transportation, natural resources, education, housing and community development and for general government. Moreover, a $2 billion reduction in expenditures would seriously threaten the current economic recovery.

In 1957 when defense expenditures were cut back to meet budgetary limitations, this cutback was one of the most important reasons for the recession that followed.

Moreover, with many business forecasters claiming that a recession is likely to occur before the end of this year, it would be foolhardy to hamstring the administration's ability to deal with such a situation by denying the flexibility which would be provided by the $308 billion debt limit. If the most pessimistic of these forecasts should be correct it would be necessary to take even more vigorous measures than are now planned.

If we consider the situation that would arise if the economic recovery did not measure up to standard, the resulting deficit would put the Treasury under extreme pressure to adopt expensive devices to avoid the limitation of the debt ceiling, not for just 1 day, or for a short period of 2 weeks, but for a period extending from the beginning of December all the way through the middle of March and perhaps even through the end of the fiscal year.

I am not willing to take the responsibility of putting the country's finances in a straitjacket which you will do if you adopt the substitute. We cannot play a game of Russian roulette with our Nation's fiscal responsibilities.

I urge my colleagues to vote down the substitute and support the committee bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Chairman, I would like to make a couple of observations on this bill, both of which are quite general in nature. I think we have a tendency to get lost in a world of statistics and figures. We argue endlessly about estimates of income and expenditures, about gross national product and its relation to the debt, about how much deficit financing our economy can stand, and during all the hours of argument we

gloss over the plain and simple fact that we are deep in debt and getting deeper.

The last figures I received from the Library of Congress, over a year ago, established the fact that the gross national product of the United States is less than the combined gross national product of the rest of the entire free world. And yet our national debt is greater than that of the rest of the free world. In other words, we are worth less and owe more than all of our friends. I assume that the figures have not changed too much since I received this information.

To me this is frightening. As a matter of fact, it is so frightening that I think we ought to be bending every effort to reduce the debt instead of increasing it, to operate on a balanced budget or a surplus instead of a deficit. This fear is intensified by the warnings from abroad that we keep our financial house in order. At the risk of oversimplifying the issue, to me this is sufficient reason for opposing any further increase in the debt ceiling as at least a gesture toward fiscal responsibility.

I supported measures to increase the debt ceiling under both the Eisenhower and Kennedy administrations as many other Members have done. But to me that does not justify a continuance of the practice forever. There must be a stopping point and as for myself, we have reached it. The Republican views in the committee report amply support my decision to vote against this bill.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the very outset, permit me to state that we are dealing here with a very sensitive aspect of our fiscal policy. I do not take this question lightly. As I analyze the problem that faces us today, we are confronted with two basic questions.

First. As a government, are we going to be in a position to honor bills coming due on contracts for goods and services already entered into during the next 6 to 12 months, or are we going to have to default. That is one proposition.

Second. The other fact we must face is, Are we going to do something to force some degree of frugality and economy as to future expenditures, or are we going to let the spenders continue at their own merry pace? That is the second question and is also involved in this legislation.

We must face up to these two basic issues as we consider this legislation.

There have been many speeches made during yesterday and today directed to the fact that we have gone hog wild as far as Federal spending is concerned, and that we must put our fiscal house in order and start living within our means.

I wholeheartedly agree with those statements and with that philosophy.

But in spite of this fact let us recognize first that we must be honest with ourselves and the country and face up to facts as they are, not as we would like them to be or as they would be if some of us had had our way as far as authorizations and appropriations are concerned.

I certainly agree that the Congress should confess its "sin," or to make it plural "sins," in overauthorizing and overappropriating money in excess of receipts. So we should as a Congress say "mea culpa," through my fault.

Yes, and the executive department could well confess its sins in this regard and say, "mea maxima culpa," through my most grievous faults. Because, remember that the authorizations and appropriations have for the most part been as the result of urging, yes, even pressure, and we have witnessed extreme pressure since this administration has come into office, pressure by the Executive to make these authorizations and these appropriations in excess of receipts.

But, Mr. Chairman, the basic fact remains that there are bills coming due in the next year, particularly in the next 6 to 7 months, that have been legally incurred and must be paid. Mark this, if something is not done between now and June 30 about the public debt limit we will not be able to honor many of these bills. We will have to default—an intolerable situation, and I am sure no Member of this House would want to be responsible for the situation that would exist if we did nothing about the debt limit, if we just let it go by the board, and let the borrowing authority go to $285 billion on July 1, yet having bonds and notes outstanding to the tune of approximately $300 billion. I do not think there is too much to worry about as to the legality of the $15 billion that is outstanding. I do not think they will be placed in jeopardy. But, as they are cashed in—and they are cashed in every day—when they are presented for payment, no new bonds can be issued to take their place, and within a short time we will have to default on other bonds and notes as well as on bills coming due.

So, frankly, we must do something. We cannot just turn our backs on the facts that exist. We must provide additional borrowing authority to $285 billion that will otherwise be the ceiling on July 1. We have to go above that figure. Frankly, I do not see that there is any room for disagreement on that fact; it is just there.

Then we are faced with this question: How much borrowing authority must we authorize? How much additional over the $285 billion must we authorize. The administration asks for authority to go to $308 billion, and that authority will let them go their merry way, permit them to spend every single cent that they talked about spending. And, as far as going ahead with those plans and that spending, I cannot agree.

We may not be able to do anything about the past that I talked of and that many of us have talked about, that brought us into the current situation. There is not much you can do to retract it, but we can do something about future spending and we can make a start with this bill that is before us today. In fact, we must do something about future spending.

I must deplore at this point what appears to me to be an attempt on the part of this administration to engage in the business of developing and propagandizing new theories to justify its mistakes. Faced with the collapse of his promise for a balanced budget in 1963, the Director of the Bureau of the Budget now tells us that we are not spending enough money and that we ought, for our own good, to spend more. Faced with a know deficit for this fiscal year of $7 billion and the prospects of another in the next year, the President tells us that the idea that deficits are dangerous may be just a myth now, even though it was the considered opinion of his administration only a few months ago that a budget surplus was the wise Government course at this particular time. Faced with a substantial increase in the national debt, because of its propensities to spend beyond income, the President now tells us that we need not worry about the increase in size, because it has not increased as fast as the debts of other segments of the economy; in fact, the President tells us that we should not be too much concerned about the administrative budget because it is actively misleading.

Yet, to those of us who are not as sophisticated as the President, it appears to us that the reason we are debating this bill today is because the "misleading" administrative budget tells us that we have and are going to continue to spend more money than we take in, and that we have to increase our national debt limit in order to be able to borrow the funds to make up the deficit.

Mr. Chairman, I say we ought to beware of discarding the time-tested methods of measuring fiscal responsibility. I say we ought to look twice at arguments designed to persuade us that we can throw all caution to the wind and accede to the multitudinous requests of the administration for more spending.

Mr. Chairman, the spenders have never lacked for new theories as to why this Nation should continue to force future generations to pay for the spending they now propose. In fact, we listened to the distinguished majority whip, the gentleman from Louisiana [Mr. BOGGS], with reference to how we have to keep spending at the extravagant rate we are going; according to him we dare not stop. In fact, I read into it the idea, too, that we are not spending enough even as it is.

Well, Mr. Chairman, may I say to you and the Members of the House that if this theory and philosophy prevails, if the spenders succeed in convincing the American people that profligacy, irresponsibility, and wanton public expenditures are good for us and that those who protest are only spreading myths, then, Mr. Chairman, God help America. Yet, if we approve this bill as it comes from the committee, we will be giving those who espouse this theory every cent they desire, and we will be putting our stamp of approval on their spending plans.

Mr. Chairman, this bill as it comes from the committee approves 100 percent the spending plans for fiscal 1963 as proposed by the administration. That is exactly what it does. I will not be a party to rubberstamping those plans. Therefore, I say to the Members of the House that if this bill is not changed, I am not going to vote for it. I shall vote

against it on final passage. If the bill is killed, the result will be to force the Committee on Ways and Means and the House to reconsider what seems to be their adamant position, at least the adamant position of the administration and the Democratic leadership with respect to higher and higher spending. But, rather than force this alternative, I would hope that a majority of this House will take a more reasonable attitude.

Mr. Chairman, I will propose at the proper time that the $308 billion proposed by the committee as a ceiling be reduced by $2 billion.

Now, $2 billion is not an inconsequential amount. As far as I am concerned, $2 billion at this time, with this debt, with the fiscal problem that we have, is significant. I think we should make that savings by this bill, and I think it can be done and it can be done, Mr. Chairman, without affecting essential needs of the Government. Let me point this out to the membership of the House: The expenditure level for fiscal 1963, as presented in the budget—and it is those budget figures that were used by the Committee on Ways and Means in determining the $308 billion—is approximately $3.5 billion in excess of what we have spent in fiscal 1962, the current fiscal year.

I do not think there is any Member of this House who would say that as far as the expenditures are concerned in this fiscal year that we have been particularly frugal. So if we just cut back everything to the level of 1962 we could save $3.5 billion. But I am not even suggesting that, Mr. Chairman. Of the $3.5 billion increase in fiscal 1963, $1.5 billion of it represents increase in expenditures for the Department of Defense. So if we eliminate the Department of Defense completely from consideration as far as savings are concerned you can still save $2 billion purely by reverting to the 1962 basis of expenditure. If we eliminate the Department of Defense, we still have a $2 billion increase in expenditures. I am not suggesting that there is no possibility of making some savings in the Department of Defense. The Department of Defense is no "sacred cow." But eliminating them completely from our consideration we can hold nondefense expenditures to the general level of the current fiscal year; we can require the administration to do it by adopting the Byrnes substitute to the committee bill. If we do so we can get by with $2 billion less in borrowing authority than has been asked for.

Mr. Chairman, just a word about this blackmail that we heard about yesterday and have heard about again today. I was surprised to find gentlemen on the other side stand up and defend what the people in the Department of Defense have been doing within the last day or two because, Mr. Chairman, it is criminal conduct. I refer you to title 18 of the Criminal Code, section 1913.

It says:

LOBBYING WITH APPROPRIATED MONEYS

No part of any appropriation by any enactment of Congress shall in the absence of express authorization by Congress be used directly or indirectly to pay for any personal service, advertisement, telegram, telephone—

And certainly there were telephone calls going all over this Nation to defense contractors saying, "Get hold of your Congressman"—

letters, printed or written matter, and other devices intended or designed to influence in any manner a Member of Congress to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether it be before or after the introduction of any bill or resolution proposing such legislation or appropriation.

I think that language is pretty clear. It also says:

Whoever, being an officer or employee of the United States or any department or agency thereof violates or attempts to violate this section, shall be fined not more than $500 or imprisoned for not more than 1 year, or both.

Mr. Chairman, there is no question in my mind that what was done and is being done by the Department of Defense and which has been described here on the floor is blackmail; but it is also criminal blackmail. And it would seem to me that the Committee on Appropriations or the Subcommittee on Appropriations for the Department of Defense could well call these people before them and get to the bottom of the question of who is doing this and what it is all about. And I think that the House Committee on Government Operations could well look into it; and, yes, the Department of Justice, the agency responsible for enforcing the code, could well do some investigating and enforcing of the law, and get some FBI boys to find out what was done in some of these cases.

They pulled newspapermen out of bed in the middle of the night; let us find out what some of their own Government employees are doing, as far as the violation of the law is concerned.

This thing has gone too far, in my judgment, Mr. Chairman, and I think sooner or later we are going to have to put a stop to executive pressure of that kind and that kind of blackmail. We even put a provision into an appropriation bill last year prohibiting that kind of conduct, so it is not that it is an old statute. Here is what we wrote into Public Law 87-125:

No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any individual, corporation, or agency, included in this or any other Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

But let me get back, Mr. Chairman, to the pending issue and the merits of this bill. The chairman said yesterday that my substitute would not force any saving. If not, why all the fuss and the fuming by the administration? Why all the lobbying? Why the speech of the distinguished whip of the majority today?

The chairman said all it would do would be to make it difficult for them to manipulate, to manage the debt. Now we find admission that it will have an effect on spending, and that is what it is intended to do. If this reduction can be accommodated by manipulation, as the chairman seems to suggest, then I think what he probably really was saying was that I did not dig deep enough. Maybe I did not. Maybe this is not a big enough cut. Some Members on my side seem to think so. But I am trying, Mr. Chairman, to be reasonable, I am trying to recognize that these savings have to be accomplished within the next 7 months. I have tried not to be unreasonable by asking for the impossible, but anybody who will stand up here and say that you cannot make a 2-percent cut in our expenditure plans for fiscal 1963 I think is being unreasonable.

Let me address a word to Secretary of the Treasury Dillon. He said yesterday that if we do not give them the full $308 billion Congress will have to come back in December. Let me say to the Secretary here in open forum that Congress will have to come back only if he and the administration continue their spending spree. If they apply any frugality, they can live within a $306 billion debt ceiling, and it will be their responsibility, not that of the Congress, if we have to come back in December.

Mr. Chairman, the adoption of the substitute is the responsible answer, it seems to me, to the two basic questions I referred to earlier. No. 1, it will make possible the honoring of bills coming due on contracts for goods and services which have already been incurred and entered into. Second, it will force responsible revision of the spending plans of the administration. We are either going to do that or if we approve the Committee bill we will be rubber-stamping current spending plan, and that I refuse to do.

Mr. BOGGS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I would just like to read a sentence from a speech of a couple of years ago. I do this because I was a little surprised at the gentleman from Wisconsin who kept blaming the Executive and the administration for this necessity to raise the debt ceiling. This is the sentence:

The Executive cannot spend 1 cent that the Congress does not authorize and appropriate.

I think that is a true statement. I do not think anybody can argue with it. It is not original with me. This statement was made by the gentleman from Wisconsin in his speech when he was advocating one of the numerous increases in the debt ceiling that occurred in the Eisenhower administration. There was a time or two during the Eisenhower administration when I was tempted to vote against such an increase.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield since he has mentioned my name.

Mr. HAYS. In just a minute, I will yield.

But always on our side of the aisle, our leadership said—oh, this is something you have got to be responsible about and you cannot demagog on this. Well, gentlemen, you have the proof here that you can demagog about it—I am speaking to my leadership.

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

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS. The gentleman from Wisconsin made reference to my remarks. I might say that I advocate that this body control the purse strings. I pointed out that the biggest peacetime deficit in the history of this country was incurred under the previous administration and that was $13 billion, and that in that period of time we increased the debt ceiling about seven times and I think each time with the support of the gentleman from Wisconsin. So it is perfectly all right for the gentleman from Wisconsin to have his opinion—I respect it—but the record speaks for itself. I think the total deficit under the previous administration which was in office for 8 years was well over $20 billion and they balanced the budget in 1 year out of the 8 years, if I remember correctly.

Mr. HAYS. If they did, I do not remember that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. First, your quote is entirely right. I certainly agreed then and I agree today that the President cannot spend a cent that Congress does not first authorize and appropriate. I do not, however, say that the President has to spend every cent that Congress authorizes and appropriates because we know that he does not.

No. 2, I would point out and call attention to the fact that we still have half of the appropriation bills to consider for the fiscal year 1963, and the Congress can do some of this saving to bring about a $2 billion reduction in expenditures.

Mr. HAYS. That is quite right, but I doubt if they will do much about it. And the gentleman will make a lot of speeches about it.

Mr. BYRNES of Wisconsin. Maybe it will help if we adopt my amendment.

Mr. HAYS. Maybe it will and maybe not, but you did not help yesterday on the Fryingpan-Arkansas project because there was not a rollcall vote and if you wanted one on your side, you could have had it. But you had a project there that was going to help some farmers in the district of a Member on your side and so you did not make too much of a fuss about spending the money. We defeated that legislation a couple of times here when we got a rollcall vote. But it is pretty easy to blame the majority party for everything, but you do not accept much responsibility yourself.

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

Mr. HAYS. I yield to the gentleman from New York.

Mr. GOODELL. Are you implying with a 3 to 2 majority of Democrats here that you could not have had a rollcall?

Mr. HAYS. It was pretty well lobbied on your side. We had some responsibility for it—there is no question about that. But, the point I am making is that you can get up and make all the speeches you want to, but when we asked for a rollcall, you sat tight because the project was in the district of the Republican gentleman from Colorado and you did not want a rollcall. So you can go around and make all the speeches you want to, but you do not fool the people. The fact of the matter is, to show you how wrong you can be, right in this same speech that I quoted from, which was made by the gentleman from Wisconsin, the gentleman from Wisconsin was making a lot of prognostications about what was going to happen to the Democratic Party. He was blaming it all on us back in the Eisenhower administration. But the people did not buy it too much and I do not think they are going to buy it too much this time. But I did think it was significant to note that when they had to manage the debt and they came in here and asked for the necessary authority to do so—even if we were in control of the Congress—in the Eisenhower administration we gave them the flexibility that they needed and we went along with them. I think one thing that you will be doing if you do not go along with this today, you will make the interest cost a little more and you will stretch out the contracts, making them cost a little more so the net result if this were to be defeated would be to make the debt a little higher.

Mr. BURLESON. Mr. Chairman, without disparaging my colleagues or the position they take on the measure before us, honestly and candidly, much of it sounds like a broken record.

On each occasion the raising of the debt limit has been before us, the party in the majority has made substantially the same argument in support, and the minority has made practically the same argument in opposition.

I once heard it said that if you had never met an expert on fiscal policy and on our monetary system, that you would do so within the next half hour. I repeat that I do not reflect upon those of you who have been prominent in this debate, but fundamentally, we all know that we are spending money beyond our means and that this matter of the debt limitation will be before us again and again until we make up our minds that we are going to live within our means and that we do something about retiring the public debt at a time when the level of our economy is high, irrespective of the dips and the rises which occur periodically.

Mr. Chairman, it is my understanding that our Republican friends expect to submit a substitute measure, increasing the debt limit by a sum of $2 billion less than the figure which this measure calls for, and to change the time of the temporary extension. It seems to me, Mr. Chairman, that this is an effort to pretend to do something, but to me it suggests a compromise in principle. It is not my intent to go along with any proposal of this sort, but rather to oppose the increase in its entirety. Regardless of either of these figures, we all know that this same issue will eventually be before us again unless we are willing to reduce expenditures of this Government.

I recall on other occasions when it was said by many of you, and with whom I agree, that the time to think of the national debt is at the time we authorize and appropriate money for all the vast programs now in effect and the new ones which are almost constantly before us. This is the time when we should be talking of fiscal responsibility; that is the time to close the door, and not rush to slam it on an empty barn as we propose to do here today. This was the case in the previous administration and now is the case in the present one.

I have not heard the argument in this debate that the public debt means nothing, but we all know that these matters are influenced by those economists and fiscal experts whose theory is that the national debt is meaningless. If it is meaningless then why the controversy? Why not remove it entirely? I must add that these repeated measures are having the same effect and unless rejected at some point or other, a debt ceiling will cease to even have any psychological influence, much less fiscal meaning.

It may be an exercise in futility and an expression of resentment against actions which created the conditions which call for the increase of the debt ceiling, but as one who has not failed in any session of the Congress since a Member of it to vote against from $3½ to over $12 billion annually, I feel justified in casting a "no" vote. Contrarily, I would feel an obligation to vote for this request if my record were otherwise.

Mr. CASEY. Mr. Chairman, I wish to commend my distinguished colleague, the gentleman from Texas [Mr. BURLESON], whose remarks immediately preceded mine, on his able analization of this piece of legislation. He has stated with cogency and simplicity not only the cause of this continual request for increase of the debt limit but also has pointed out the very simple cure.

I not only commend him but wish to join with him in voicing concern over the lack of efforts to reduce our mammoth debt.

Mr. HARVEY of Indiana. Mr. Chairman, again for the third time within a year the Congress is being called upon to raise the national debt ceiling. The first time it was requested that the ceiling be raised to $298 billion. The second time Congress was asked to approve an increase to $300 billion. This afternoon the House will consider a proposal to raise the limit to a record $308 billion. As a matter of honesty and obligation I must vote "no" on this issue. For nearly 30 years now we have, on one pretext or another, been resorting to borrowing against the future—our own grandchildren in fact. I introduced, last year, a bill, H.R. 7857, which would provide for the orderly retirement of our public debt. Any government, even our mighty Federal Government, cannot indefinitely continue to run deeper into debt. We are already seeing the evils of our past policies with the loss in confidence abroad of our own dollars and even the possibility of a run on our gold stocks at Fort Knox. We must face up to reality and meet this issue, so I must vote "no" on raising the debt ceiling.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in opposition to the proposal now before us to raise the temporary debt ceiling from $300 to

$308 billion. Since the stock market plummeted on May 28, various suggestions have been made with respect to the necessity of rebuilding the confidence of the business community in the economic policies of the Federal Government. I believe that at this particular juncture in the history of our Nation this House has been presented with a signal opportunity to help in the accomplishment of just such a purpose. By the same token I fear that if we indicate our acquiescence in the proposal of the administration, we will in effect be putting our stamp of approval on fiscal irresponsibility. This can serve to compound the present profound uneasiness over the economic prospects of the country which has produced some of the gyrations in the stock market recently.

It is noteworthy that there are recurrent suggestions by some economists that we abolish the debt ceiling altogether. This school of economists, and they are not without representation in highly influential circles, suggests that if we only embrace the heady and intoxicating doctrine of deficit financing as fixed financial policy we cannot only avoid the annual embarrassment of raising the debt limit, but we can partake of vigorous and sustained economic growth.

It is to this latter point that I should like to address myself briefly. It is of peculiar pertinence not only because of our current quandary about the size of the national debt but because of recent instructions issued by the President to his Council of Economic Advisers to study the factors behind the superior economic growth rate of many of the nations of Western Europe. In a not so subtle fashion some writers on economic affairs are seeking to nourish and disseminate the idea that planned deficits are behind the economic success stories that have been written in such countries as France and West Germany. In an article in the New York Times on May 13, 1962, by Edwin L. Dale, Jr., entitled "United States and West Europe Differ on Budget Deficits," this idea is treated at some length.

It is therefore doubly interesting to go back to a report on "Economic Policy in Western Europe" issued in 1959 by the Joint Economic Committee of the Congress. This report was based on a series of conferences on economic policy matters held in seven countries of Western Europe late in 1958. As part of the overall inquiry into postwar price movements and economic growth in general, the committee and its staff conferred with government and private economic financial experts in six different countries of Western Europe. The committee states in its letter of transmittal which accompanied the report that:

> These conferences were informal and covered a wide range of subject matter, with particular emphasis on public economic policies for promoting high rates of economic growth, employment, and output while maintaining stability in the general price level.

With respect to France and Italy it is true that during the postwar period the balance sought to be attained was between total capital expenditures, public and private, and total savings, public and private, rather than between budget receipts and expenditures. However, the reason for this fiscal policy becomes clear when we study the report of the committee. For it is brought out that in France a substantial portion, perhaps as much as 20 percent, of industry is government-owned. For example, the French Government is the largest single employer in the economy. Likewise, in the case of Italy they have a far higher level of government ownership of productive facilities than we do in the United States. Therefore, of necessity, public expenditures were required to expand the productive capacity of the Nation. And it was this ability on the part of these two governments to maintain investment as a high proportion of net national income that loomed as one of the large factors in their high rate of economic growth.

Again to quote from page 4 of the committee report:

> On the whole, fiscal policy appears to carry the major burden of public responsibility for providing the conditions requisite for economic growth. To a considerable extent, this follows from the relatively substantial government participation in areas of economic activity which are regarded in the United States as properly the sphere for private activity. The term "public investment" in much of Western Europe, therefore, embraces a substantially wider range of activity than it does in the United States. Because of relatively large government ownership in public utilities, transportation, and communication facilities, and many basic industries, expenditure policies are much more directly involved in the extension of total productive capacity than is true in the United States.

However, when you get to the case of West Germany we find a somewhat different picture with respect to the attitude of the Government toward budget deficits. The West German budget surplus cumulated from DM1 billion in 1953 to DM7 billion in 1956. In this regard it is interesting to read the comment of Patrick Boarman, associate professor of economics at Bucknell University, as it appeared in the New York Times on May 23, 1962, in reply to the article by Mr. Edwin Dale, Jr., to which I have previously referred:

> German budget surpluses, relatively enormous considering the size of the gross national product, were not accumulated accidentally. For years the German Central Bank struggled with the inflationary additions to the domestic money supply produced by Germany's huge and chronic export surpluses. The inflowing foreign cash was offset primarily by tight money policies.
>
> These policies, however, were given a powerful assist by the budget surpluses of the Government.
>
> The peak cumulative surplus of DM7 billion in 1956 served to offset about 40 percent of the DM17.9 billion of gold and foreign exchange accumulated by the German Central Bank up to the end of that same year. In effect, Germany's imported inflation was partly overcome by channeling a portion of German tax revenues into the Central Bank (the Government's account) and there demonetizing them.
>
> There was never any question in the minds of the directors of the German Central Bank that the Government's cash surpluses had a helpful deflationary effect.
>
> It is difficult to reconcile this historic record with the contention in Mr. Dale's report that "in Europe, governments have almost never aimed at budget surpluses." What is of significance, moreover, is that German industrial output, employment, and balance-of-payments surpluses were all reaching record levels precisely in those years when Germany was employing all the weapons at its command, monetary and fiscal, to restrain the level of domestic demand.

I definitely come to the conclusion in reading the 1959 report of the Joint Economic Committee that it was the postwar West German expansion of fixed capital investment in the private sector encouraged by Government policies on depreciation and price and wage stability that stoked the fires of economic recovery in the Federal Republic. It was not the pursuit of a policy of encouraging deficits in the Federal budget.

In the case of the Netherlands, the Joint Economic Committee says that—

> Tax policy has contributed to favorable conditions for capital accumulation.

This is significant, in my opinion, because the report makes it clear that in the Netherlands there has been no extensive nationalization of industry; and, therefore, again quoting from the report of the Joint Economic Committee—

> Investment outlays by Government are accordingly more closely limited to such objects as are usual in the United States.

In view of this conclusion it is of considerable significance to note this further finding:

> The high investment requirements of the Netherlands economy has led to development of a comprehensive program to increase the rate of saving. Governmental charges, such as utility prices, social insurance contributions, and those for special services are set at levels which leave no gap to be made up from the general budget. Beyond this, the Government seeks to run a current surplus. Government borrowing has been strictly limited to long-term financing of long-term expenditure programs of investment character. Total public debt has been reduced each year since 1949; short-term public debt has been reduced from 54 percent of the total in 1949 to 26 percent in 1957.

In summary on this point, I believe that in those countries of Western Europe where the public sector of the economy does not embrace a substantial portion of the Nation's productive facilities, their superior rate of economic growth is not predicated on a policy of planned deficits. Indeed, I would suggest that the orthodoxy of balanced budgets has commended itself to the Finance Ministers of these countries.

In a country like the United States where we believe that if we are to grow and prosper the private sector of our economy must flourish, it should be obvious that deficit financing by the Central Government on a regular basis is repugnant to that desired growth. For as debt mounts and interest charges soar, taxes must also inevitably rise. Furthermore, decisions by the Government on such matters as depreciation and other tax incentives are delayed and inhibited because of fears concerning a loss of Federal revenues. The cumulative effect of such policies is to curb expansion by business and industry and progressively curb the willingness to em-

ploy venture capital in increasing productive capacity and to improve productivity. In short, continued deficit financing by the Central Government in a free economy, free at least in the sense that major productive facilities are employed in the private sector, is incompatible with the goals of this kind of economy. This is so for the reason that it ultimately restricts investment in the private sector and then proceeds to appropriate the savings of individuals and the profits of business organizations in order to finance increased investment in the public sector because of inadequate performance in the private sector. This is the vicious circle of deficit financing in an economy like ours. The downward spiral can continue until the public sector emerges as the all-dominant factor in our production and distribution of goods and services. Then the argument as to whether or not we are living in a socialist or merely welfare state will be purely academic.

The matter of our national solvency and the strength and soundness of our American dollar is, at the very least, as important as any other single issue affecting our national security. With our constantly increasing population and because of the dramatic changes in technology which we call automation, we need to create far more than a million new jobs each year. We want those jobs to be in the private sector of our economy. Therefore, we ought to consider this proposal to once more raise the debt ceiling in the light of its possible impact on this all important national economic goal.

Mr. DERWINSKI. Mr. Chairman, responsible individuals throughout the Nation know that Federal fiscal responsibility is today—more than at any other time in the history of our country—of the essence.

If the United States is to successfully maintain and defend the cause of freedom and its way of life, then we must have economic stability in Government spending in order to preserve and make strong a domestic economy on which rests our military posture at home and abroad.

To defend our cherished freedom today from the continuous onslaughts of atheistic communism, which has already deprived many of this earth's peoples from their sacred rights and individuality, we must as a nation—as a people—as individuals—take up those responsibilities and duties becoming the dignity of freedom-blessed people.

One way to help maintain Federal fiscal responsibility is for the Federal Government to encourage the initiative of our people—the necessary ingredient that has made our economy dynamic—by not attempting to overcome those challenges which the people themselves, and the local and State governments, are better able and better equipped to handle. The more the Federal Government injects itself into matters which are the primary responsibility of the State and local governments—the greater the Federal tax burden on all citizens throughout the country with a correspondingly lesser amount of individuality enjoyed by our people. Surely, the Nation's citizens want fiscal responsibility and we have a duty to see to that.

If we are serious about our duties, let us examine and curtail those Federal programs—proposed or otherwise—which lead toward unnecessary Federal deficit spending and controls. There are many such programs. Almost all Members of Congress individually could mention at least one distinct Federal program or proposal at this very moment for which State and local governments could and should be responsible. I will comment on a recent proposal which I am familiar with, having served on the committee considering the matter. Specifically I have in mind the proposal to involve the Federal Government in a massive program of Federal grants to local transportation.

It alarms me to think that the Federal Government will—if this proposal becomes law—initiate a program which will take from the General Treasury and give to certain selected cities a total of $500 million over the next 3 years. With it, of course, will go the regulation and Federal controls that accompany programs of this type. But more important to us today as we consider the matter of debt limitation is the fact that a Federal grant program to local transportation, if carried out and made permanent, will involve billions of dollars over a period of years—crucial years in which we should be strengthening, instead of weakening, our economic base by balancing the Federal budget and lowering our debt obligations. And what makes this proposal to increase the debt to $308 billion all the more alarming is the fact that this is the first time in our Nation's history—including war years—when an administration has requested three debt increases within a 12-month period. It has never been done before.

For my part, I say let the community and State governments take care of those problems which they are better able to handle, such as local transportation; this is one very effective way of overcoming our debt ceiling and deficit financing problems.

Mr. Chairman, if we actually believe in the Jeffersonian principles of States rights, and if the Members of Congress of the majority party representing major metropolitan areas truly believe in the principle of home rule, they will cooperate in a series of legislative proposals to reduce the scope, size, and therefore the cost of Federal Government and return to the States and local communities tax and administration powers now controlled by the Federal bureaucracy. Good government begins at home; practical government begins at home; responsibility to the taxpayer and the general public begins at home.

I cannot think of a more damaging indictment of the fiscal irresponsibility of this administration than in the proposal before us of once again raising the debt limit, coupled with the fantastic wild-eyed statement made recently by Budget Director Bell who ridicules any sound approach to balanced budgets in our Federal Government. With this degree of fiscal irresponsibility in Washington, when even the Secretary of the Treasury and other key officials discontinue even paying lipservice to sound fiscal programs, the future for the American taxpayer has never been so bleak.

Mr. LINDSAY. Mr. Chairman, I have listened with great interest to this debate. I wish there had been more economics and less histrionics in this debate. I should like to commend the gentleman from Wisconsin [Mr. BYRNES] on the statesmanlike way he has handled this whole matter and the minority position particularly.

Mr. Chairman, I intend to vote for the motion to recommit which will reduce the temporary debt ceiling of $308 billion provided in the committee bill to $306 billion. The latter figure still will represent an increase of $6 billion over the present temporary ceiling. The present temporary ceiling is $300 billion. Under present circumstances it is inadequate. By voting for the motion to recommit, however, we shall indicate our intention to put the executive branch—the administration—on notice that we expect the fat to be squeezed out of the Executive budget; that we expect a lot less logrolling, and a reduction of political pork. Federal assistance should be pinpointed. And yet too often, both in military and nonmilitary spending, this administration caters to special interests and special pressures, thereby overburdening the Federal Treasury, squeezing the taxpayer, and hurting the average consumer. Economies can be made in many areas, Mr. Chairman. They are needed in the pork-barrel approach to public works programs and defense contracts. Changes are needed in the military reserve system and in what President Eisenhower referred to as the military-defense industry complex. And it is essential that we take a close look at programs that have far more public relations than they do substance, a growing tendency of this administration.

If the motion to recommit fails, Mr. Chairman, I shall vote for the committee bill on final passage. It would be easy to vote no. A no vote, we are told, would be interpreted as a vote for economy. But it is not. Economies come about in Congress by firm action by the standing committees—in authorizations and appropriations. Economies come about by administrations that give more than empty lipservice to the concept of a balanced budget. The debt ceiling in and of itself will not change this. As long as Congress goes along with measures which result in an increase in the public debt, so Congress must conform the artificial ceiling to the fact.

Mr. ASHBROOK. Mr. Chairman, it seems to me that once more we are moving in the wrong direction. Instead of endeavoring to assure the future stability of this Nation by getting our house in order, curtailing unnecessary expenditures and making some modest approach at paying the national debt, we are once more about to increase our debt and continue on our merry way.

I have voted against two national debt increases in the past year and a half. Today makes the third. In all of that time, I have consistently opposed large appropriations which have been voted by this Congress which have increased our debt and spending. To give some idea

of the magnitude of the spending binge of the Kennedy administration, consider these facts.

On January 16, 1961, President Eisenhower submitted a budget which called for new obligational authority which totaled $80,867 million for fiscal 1962. On January 18, 1962, 1 year and 2 days later than the former document, President Kennedy submitted a document which called for new obligational authority in fiscal 1963 which totals $99,303 million, or an increase of $18,436 million. Is it any wonder that we are finding the administration requesting an increase in the national debt? President Kennedy called for increases of about $4 billion in the 1961 budget which were approved by Congress for the last 6 months of that period, ending June 30, 1961—in other words, the first 6 months of his office. The budget for the first full year of his office—July 1, 1961, to June 30, 1962—will be from $7 billion to $9 billion out of balance. To vote now for this $8 billion debt increase will give all of the latitude to the wild spenders that they need in 1963. This we should not do.

Do you not think it is about time we start living within our means? Is it not time to stop living off of the substance of future generations?

When President Kennedy was in the Congress, he had different views. As a Member of this House he frequently expressed concern over spending policies of the late forties and early fifties which make his policies of today look like penny ante. One nice thing about the CONGRESSIONAL RECORD is the fact that although the views of the Congressmen may change, their spoken word remains the same. In the CONGRESSIONAL RECORD, volume 96, part 4, page 5467, there is this interesting colloquy between the then Congressman John F. Kennedy and Representative ROONEY, of New York:

Mr. KENNEDY. I would like to ask the gentleman whether or not he feels that it is more dangerous to carry a deficit of $6 billion in a prosperous year like today, or cut some of these appropriations by 10 percent? I do not see how we can go on carrying a deficit every year. I should think it would be much more preferable to cut some of these appropriations by that figure.

Mr. ROONEY. I do not believe in further cutting this appropriation, which is for a vital service, in one of our most important departments, the Department of State.

Mr. KENNEDY. How are we going to bring that deficit of $6 billion down to a reasonable figure unless we make some of these cuts? * * *

* * * * *

Mr. KENNEDY. Does not the gentleman think that a very important item in the cold war is the economic stability of our country so that we will have resources in case of war?

I am today introducing a bill, H.R. 12133, which in my opinion will come closer to pointing this country in the right direction. It calls for systematic reduction of the U.S. debt by 2 percent of our net budget receipts at the inception of the proposal and later increasing through stages to 4, 6, 8, and finally 10 percent until the debt is paid. Wartime is, of course, excluded.

In this way, we will find this generation paying for its own bills and leaving to future generations the ability to cope with their own problems when they assume the duties that we today possess. I urge the Congress to support this bill as a step toward fiscal solvency. Americans everywhere are concerned about the trend of deficit spending here in Washington. By the passage of H.R. 12133 we will then start to live within our means.

H.R. 12133

A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the requirement of the public debt

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Budget and Accounting Act, 1921 (U.S.C. 11), is amended by adding at the end thereof, the following new subsection:

"(g) Each budget submitted to Congress after the date of enactment of this subsection shall include a request for an item of appropriation equal to the following:

"(1) for each of the first two fiscal years which begin after the date of enactment of this subsection, 2 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 4 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 6 percent of the estimated net budget receipts of the United States for the preceding fiscal year; for each of the next two fiscal years, 8 percent of the estimated net budget receipts of the United States for the preceding fiscal year; and

"(2) for each fiscal year thereafter, 10 percent of the estimated net budget receipts of the United States for the preceding fiscal year.

This subsection shall not apply during any period when the United States does not have a public debt or in time of war. The item of appropriation called for by this subsection shall be used exclusively for the retirement of the public debt. No budget for any fiscal year shall be considered as balanced or as providing for estimated receipts equal to or in excess of estimated expenditures, unless such item is taken into account, and considered as an estimated expenditure for such fiscal year."

Mr. MILLS. Mr. Chairman, I yield the remainder of the time on this side to our distinguished Speaker, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the reason I take the floor today, the second time since I was elected Speaker, is due to the importance I attach to this bill and what it will mean in terms of our position in relation to fiscal responsibility, not only within the United States but also outside the United States, if the bill fails to pass. In the past when bills increasing the debt limit were under consideration they always received bipartisan support. Oh, there were differences of opinion among Members, but the great bulk of both parties supported the passage of such legislation, for they recognized that the ability of our Government to meet its obligations is a matter of primary importance. Legislation of this type has never been viewed from the angle of purely party considerations.

I sincerely hope and urge that the pending will be viewed from the same angle, from the angle of bipartisanship.

Reference has been made by various Members to increase bills of past years. During the 8 years of former President Eisenhower's administration there were several bills increasing the debt ceiling. In support of what I have said about bipartisan support I call attention to the vote on June 27, 1955, on the passage of the bill increasing the debt ceiling: 134 Democrats voted for the bill, 34 against; 133 Republicans voted for the passage, and 13 against.

The bill passed in the 84th Congress, June 21, 1956, was by a voice vote.

On January 23, 1958, a motion was made that would have killed the then pending bill, would have meant its defeat. On that rollcall 41 Democrats voted for the motion that would have resulted in defeat of the bill; 167 Democrats voted against it. On the same motion 74 Republicans voted for the motion that would have defeated the bill, 108 against it, voting to keep the bill alive and to pass it. On the passage of that bill on January 23, 1958, the rollcall shows that 186 Democrats voted for the passage of the bill, 29 against it; 142 Republicans voted for the passage of the bill, 42 Republicans voted against it.

These were under the administration of the then President, Dwight D. Eisenhower.

Again on August 6, 1958, we had a bill before us increasing the debt ceiling. It passed the House by a vote of 286 to 109. The Democratic Members voting for it numbered 156; 44 Democrats voted against it. The Republicans voting for the passage of that particular bill were 120; 65 Republicans voted against it.

Again on June 19, 1959, we had another bill before us that passed by a vote of 256 to 117. What is the breakdown of the rollcall from the party angle? That rollcall shows 168 Democrats voted for passage of the bill and 69 Democrats voted against it. The same rollcall shows 88 Republicans voted for passage of the bill and 48 Republicans voted against it.

I read that simply to support the statement I have previously made that legislation of this kind has always been viewed from a bipartisan angle because we recognize the all-important nature of the legislation and the adverse results that would flow to our country if these several bills in the past had not been passed by this body and the other body.

This is the administration of President John Kennedy. I have referred my friends on both sides, particularly my friends on the Republican side, to what Democratic Members did on the various rollcalls I have referred to. The record speaks for itself. We certainly lifted ourselves above party considerations, and I am not saying that is injected here. But a rollcall speaks for itself. The rollcalls are unanswerable in their interpretation.

I am hoping the rollcall on passage will show that same bipartisan support that we Democrats have given in past years, and that will be decided when the rollcall is taken and the results are known.

The failure to pass this bill, in my opinion, would have disastrous effects both here and abroad. It would mean that our Government in the closing months of this year, and for the remainder of the next fiscal year would be placed in a position where it could not meet its obligations.

We well remember only a few years ago when former Secretary Anderson and the Treasury Department were forced to make deferrals in progress payments on contracts of about 20 percent. We should remember the adverse effect it had on business and on our national economy at that time. It compelled companies to curtail their purchase of material in order to fulfill their contracts, the stretching out of contracts, and in many cases forced a reduction in employment, and also the necessity to borrow money due to the inability of the Government to make payment on time. This also created general fear with consumer purchasing sharply reduced.

Mr. Chairman, unless this bill is passed, the adverse results will be far more serious—the amount involved in this bill is greater—because if it is defeated we go back to $285 billion. I agree with the gentleman from Wisconsin that the Committee on Ways and Means would meet that situation, but we would go back to $285 billion, or we would come back to 303 or 304. We are going to face this situation again in the closing months of this session and the early months of the following year.

These are obligations committed as the result of congressional action. We cannot afford to compromise the credit of our Government. As responsible legislators we must recognize that responsible Government maintaining the good faith and credit of our Government is involved. The argument that defense payments would not be affected is one based on hope and not reason.

When Secretary Anderson was compelled to defer progress payments, practically all of them were in connection with defense contracts. The argument to the extent that will be necessary, that reductions in expenditures or deferral in progress payments can be made in nondefense activity is not supported by the facts. I doubt that many Members of this House believe you can bring about a reduction strictly in nondefense activities.

The result of the failure to pass this bill, I said, would be disastrous.

I rise today, not as a Democrat but as Speaker of the House, to appeal to the Members of this body, this body that I love, that I have served in so many years, that I am presiding over as Speaker, and I hope every Member will concede that I am doing it fairly with regard to the rights of all Members under the rules, respecting all of my colleagues, as I do.

Mr. Chairman, this is an American question, and I hope that on the passage of this bill the same bipartisan support that the Democrats gave during President Eisenhower's administration will be carried out during President Kennedy's administration.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposed to strike out all after the enacting clause and insert in lieu thereof the text of the bill H.R. 12026, but such amendments shall not be subject to amendment.

Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

Mr. BYRNES of Wisconsin. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the amendment conform to the provisions of the rule?

Mr. BYRNES of Wisconsin. It does, Mr. Chairman.

The CHAIRMAN. The clerk will report the amendment.

The clerk read as follows:

Amendment offered by Mr. BYRNES of Wisconsin: Strike out all after the enacting clause and insert: "That the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U.S.C. 757b), shall be temporarily increased—

"(1) during the period beginning on July 1, 1962, and ending on March 31, 1963, to $306,000,000,000,

"(2) during the period beginning on April 1, 1963, and ending on June 24, 1963, to $304,000,000,000, and

"(3) during the period beginning on June 25, 1963, and ending on June 30, 1963, to $300,000,000,000."

Mr. BYRNES of Wisconsin. Mr. Chairman, I am not going to use the whole 5 minutes. I just addressed the House on the merits of this proposal, and I attempted to do so in a nonpartisan fashion.

I recognize the need for an increase in the debt ceiling over what will be the law on July 1. I recognize we have got to face up to that issue. I spent the first half of my remarks in support of that proposition, and I believe in affirmation of a great deal of what the chairman of the committee said yesterday and what the Speaker has told us.

Mr. Chairman, the issue at this point is between $306 billion and $308 billion. Now, it has been suggested by some that that is inconsequential. Yet, in the speeches of yesterday and today we find that it is extremely important and vital. Personally I feel that it is important. I think $2 billion is a significant amount. I think we can exert an influence and save that amount of money today by limiting the borrowing authority by $2 billion and thereby force the executive to reconsider some of its spending proposals.

Let me suggest to the gentleman from Ohio who quoted me as saying that the President cannot spend one cent that the Congress does not appropriate, that I agree with the statement, I will stand by it, but I did not say at that time and I do not say today that the President has to spend every cent that Congress authorizes and appropriates.

In fact, he has every right, and I think in some cases the duty, to cut below. Perhaps we can help him or force him to cut below what Congress has authorized and appropriated. This gives the President the latitude to make the cuts where it will interfere least and so as to avoid interfering with the essential services or operations of Government.

Mr. Chairman, eliminating, as I pointed out before, the increases in the Department of Defense, the 1963 spending proposals of the President—the budget proposals—provide for an increase of $2 billion over the spending level of fiscal 1962. These changes can be made. We can live within it. Permit me to point out also that already this Congress as far as the budget is concerned, has reduced appropriations by $500 million. We have more appropriation bills coming up. One of them is the foreign aid bill which last year, if I recall correctly, we cut by some $800 million. There is nothing to prevent this Congress from also participating in these savings to the required $2 billion, and for Congress to participate in them as we consider the appropriation bills that are coming before this Congress. Half of such bills are yet to come.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. HALLECK. Reference has been made to the fact—and of course it is true—that the Congress of the United States appropriates the money. But without undertaking to inject any partisan note, may I just simply say that the Congress of the United States has been under the control of the Democrats in this now the eighth consecutive year.

Mr. BYRNES of Wisconsin. I appreciate that remark of the gentleman.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. FORD. The best recent evidence of the President's ability not to spend obligational authority is the $514.5 million impounding of money that the Congress gave to President Kennedy in this fiscal year for the advancement of the B–70 bomber program.

Mr. BYRNES of Wisconsin. Why, of course, everybody recognizes that the President has the authority to reduce below what Congress authorizes or appropriates.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Indiana.

Mr. HALLECK. When I observed that the Democrats had been in control of this Congress for this now the eighth consecutive year, there was considerable applause on the Democrat side. If they mean by that to indicate that they are the spenders, that they will continually force up the spending of the U.S. Government, then as far as I am concerned they can have it.

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us take just a brief look at the facts of the situation involving our public debt.

Mr. Chairman, it is projected that on June 30 of this year our debt will approximate 297 billions of dollars. On the basis of a balanced budget for fiscal year 1963, by the time December 15 rolls around, we will have spent, doing nothing more than approving the budget requests, $38 billion. We will have taken in cash under our tax system just under $27 billion. The facts are, Mr. Chairman, that we will have incurred a deficit at that time of $11 billion. That $11 billion, added to $297 billion, comes out at $308 billion.

To do what the gentleman from Wisconsin [Mr. BYRNES] is suggesting is to cut under the budget figure by $2 billion in the first 4 or 5 months of the coming fiscal year. He would have us reduce that rate of $38 billion to $36 billion. That $38 billion is divided between $20 billion for defense and $18 billion for nondefense. $12 billion of that nondefense $18 billion is in firm contracts and commitments, such as interest on the public debt, veterans' pensions, your salaries and the salaries of Supreme Court judges and other members of the judiciary and so on. There is about $6 billion of it that might be reduced. I am told by the Bureau of the Budget that it would be impossible to take from that $6 billion all of the $2 billion, that it would be necessary, as our friend from Texas [Mr. MAHON] pointed out earlier, that a part of that $2 billion be taken out of the defense appropriations which recently passed the House of Representatives by a vote of 388 to zero.

Mr. Chairman, I do not believe that this is the course of action that the House of Representatives wants to take as outlined in the amendment offered by the gentleman from Wisconsin [Mr. BYRNES]. Why? Because, at the end of the fiscal year, he comes back to the same $300 billion that the committee bill comes back to, the very same $300 billion which is now the ceiling on the public debt.

This bill that we have is predicated upon a balanced budget. It is not predicated upon an imbalance or a deficit. I said on yesterday that if there is a deficit, we will have to look at this matter again in the next calendar year. The gentleman from Wisconsin [Mr. BYRNES] is not allowing even for the carrying out of a balanced budget, but a retrenchment in the first 6 months of $2 billion under a balanced budget.

Do not let anybody be kidded. I can assure you, on the basis of the best information I have, that some of that is going to have to come out of the Defense Establishment. Perhaps it can, but the Committee on Appropriations has already acted, the House has acted, and the House did not find a way to do it.

Mr. Chairman, let me ask you this. I hear so much talk these days about the Congress of the United States retaining its responsibility and its authority. The one thing that is left that I know of in the hands of the Congress exclusively is the authority to appropriate money and the authority to make the determination of where cuts will be made within agencies. Do we want to abdicate that authority, or do we want to handle this matter of reducing budgets and expenditures in the way intended by the Constitution, namely: through the process of first the Appropriations Committees and the two Houses screening these matters, looking to find where reductions can be made, and not tell the President of the United States that, "We cannot do it, but we are requiring you to do it."

I am certain that we do not want to follow that course of action. I urge that the substitute be defeated.

Mr. JUDD. Mr. Chairman, during my 20 years in the House I have generally voted against initiation of new programs or expansion of existing programs which would require such substantial expenditures of public funds that it seemed to me that the increased burden on the national budget, especially if it involved deficit spending, outweighed the need for or the benefits from the increased expenditures. A lot of programs are desired and desirable that are not as essential to our national welfare and to our people, including the direct beneficiaries, as are our fiscal soundness and stability.

I have believed that next to defeat in war, the worst thing that could happen to our country is weakening of our financial position and of our currency. So, except when failure to appropriate more might endanger our national defense, I have felt the burden of proof is on the advocates of increased spending rather than on those who oppose it. It is so easy to increase the national debt—and so popular with so many; all one has to do is to vote aye. But the debt cannot be reduced by voting; that requires the paying and paying and paying of increased taxes.

Yet when the Congress by majority vote has voted for an increased expenditure, I have felt that the same concern for our fiscal soundness requires that I vote to make available the funds to pay for it, even though it means some increase in the national debt and I personally have voted against the expenditure. To have Uncle Sam's checks bouncing would be even more damaging to the soundness of our currency than increase in the debt.

But there must be a limit somewhere, Mr. Chairman. The President's 1963 budget called for spending of about $11.5 billion over the current year's budget request. Only $3.7 billion of that is for defense expenditures; $8.8 billion is for nondefense expenditures. I cannot believe the latter is justifiable when it would require an increase in our national debt from $300 billion to $308 billion. I have not once voted to reduce spending considered necessary for our national defense—but I have voted and am prepared to vote for reduction of the President's requests for nondefense spending that would require an increase of $8 billion in the national debt.

I know many oppose any increase in the debt limit. But the Congress has already voted some of the increased spending. I think we must, if we are to be responsible, vote to increase the limit to take care of the amounts that have been or must be voted in the remainder of this Congress.

I applaud the reasonableness of the gentleman from Wisconsin [Mr. BYRNES] in proposing a substitute increase of $6 billion in the debt limit. The administration can live within that, either by reducing requests for nondefense items that, however needed or desirable, are not absolutely necessary; or by cutting down existing programs that are less essential to our survival than is fiscal soundness. I hope the Byrnes substitute prevails.

But, Mr. Chairman, I must add that if the majority of the House rejects the substitute, I shall feel compelled in all good conscience to vote for the $308 million limit rather than to kill the bill and have the debt limit drop back, as it would, to $285 billion with dangers that would result to programs that genuinely are essential.

Again, let me say that if the House votes expenditures, I believe we must vote to make the necessary funds available, either by additional revenue measures, or by increased borrowing. To do less would seem to me to be as fiscally irresponsible as it is to vote for nondefense expenditures that we do not have the funds to pay for. I do not like either alternative; but to pay our bills even with borrowed money is less dangerous than not to pay them and grievously damage our Nation's credit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BYRNES].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BYRNES of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BYRNES of Wisconsin and Mr. MILLS.

The Committee divided, and the tellers reported that there were—ayes 118, noes 201.

So the substitute amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. JENNINGS, 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. 11990) to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, pursuant to House Resolution 685, he reported the bill back to the House.

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

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

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

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

Mr. BYRNES of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BYRNES of Wisconsin. The gentleman is opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BYRNES of Wisconsin moves to recommit the bill, H.R. 11990, to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment striking out all after the enacting clause and inserting in lieu thereof the text of H.R. 12026.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 145, nays 258, answered "present" 1, not voting 33, as follows:

[Roll No. 110]

YEAS—145

Adair	Fulton	Morse
Alger	Glenn	Mosher
Andersen, Minn.	Goodell	Nelsen
	Griffin	Norblad
Arends	Gubser	Nygaard
Ashbrook	Haley	O'Konski
Auchincloss	Hall	Osmers
Avery	Halleck	Ostertag
Ayres	Halpern	Pelly
Baker	Harrison, Wyo.	Pirnie
Baldwin	Harsha	Poff
Bass, N.H.	Harvey, Ind.	Quie
Bates	Harvey, Mich.	Ray
Battin	Hiestand	Reece
Beermann	Hoeven	Reifel
Belcher	Hoffman, Ill.	Rhodes, Ariz.
Bell	Hosmer	Riehlman
Bennett, Mich.	Jensen	Robison
Berry	Judd	Roudebush
Betts	Kearns	Rousselot
Bolton	Keith	St. George
Bow	Knox	Schadeberg
Bray	Kunkel	Schenck
Broomfield	Kyl	Schneebeli
Broyhill	Laird	Schweiker
Bruce	Langen	Schwengel
Byrnes, Wis.	Latta	Scranton
Cahill	Lindsay	Seely-Brown
Cederberg	Lipscomb	Short
Chenoweth	McCulloch	Shriver
Chiperfield	McDonough	Sibal
Church	McVey	Springer
Collier	MacGregor	Stafford
Conte	Mailliard	Steed
Corbett	Martin, Mass.	Taber
Cramer	Martin, Nebr.	Teague, Calif.
Cunningham	Mason	Thomson, Wis.
Curtin	Mathias	Tollefson
Curtis, Mo.	May	Tupper
Dague	Meader	Van Pelt
Derwinski	Merrow	Van Zandt
Dominick	Michel	Wallhauser
Durno	Miller, N.Y.	Weaver
Dwyer	Milliken	Westland
Ellsworth	Minshall	Whalley
Feighan	Moeller	Widnall
Findley	Moore	Wilson, Calif.
Ford	Moorehead, Ohio	Wilson, Ind.
Frelinghuysen		Younger

NAYS—258

Abbitt	Beckworth	Burleson
Addabbo	Bennett, Fla.	Byrne, Pa.
Addonizio	Blatnik	Cannon
Albert	Boggs	Carey
Alexander	Boland	Casey
Anderson, Ill.	Bolling	Chelf
Andrews	Bonner	Clancy
Anfuso	Brademas	Clark
Ashley	Breeding	Coad
Aspinall	Brewster	Cohelan
Bailey	Bromwell	Cook
Baring	Brooks, Tex.	Cooley
Barrett	Brown	Corman
Barry	Buckley	Daddario
Bass, Tenn.	Burke, Ky.	Daniels
Becker	Burke, Mass.	
Davis, James C.	Johnson, Calif.	Purcell
	Johnson, Md.	Rains
Davis, John W.	Johnson, Wis.	Randall
Dawson	Jonas	Reuss
Delaney	Jones, Ala.	Rhodes, Pa.
Denton	Jones, Mo.	Rivers, Alaska
Devine	Karsten	Rivers, S.C.
Diggs	Karth	Roberts, Ala.
Dingell	Kastenmeier	Roberts, Tex.
Dole	Kee	Rodino
Donohue	Kelly	Rogers, Colo.
Dorn	Kilgore	Rogers, Fla.
Dowdy	King, Calif.	Rogers, Tex.
Downing	King, N.Y.	Rooney
Doyle	King, Utah	Roosevelt
Dulski	Kirwan	Rosenthal
Edmondson	Kitchin	Rostenkowski
Elliott	Kluczynski	Roush
Everett	Kornegay	Rutherford
Evins	Landrum	Ryan, Mich.
Fallon	Lane	Ryan, N.Y.
Farbstein	Lankford	St. Germain
Fascell	Lennon	Santangelo
Finnegan	Lesinski	Saylor
Fisher	Libonati	Scott
Flynt	Loser	Selden
Fogarty	McDowell	Shelley
Forrester	McFall	Sheppard
Fountain	McSween	Shipley
Frazier	Macdonald	Sikes
Friedel	Mack	Siler
Gallagher	Madden	Sisk
Garland	Magnuson	Slack
Garmatz	Mahon	Smith, Calif.
Gary	Marshall	Smith, Iowa
Gathings	Matthews	Smith, Miss.
Gavin	Miller, Clem	Smith, Va.
Giaimo	Miller, George P.	Spence
Gilbert		Staggers
Gonzalez	Mills	Stephens
Goodling	Monagan	Stratton
Granahan	Montoya	Sullivan
Grant	Moorhead, Pa.	Taylor
Gray	Morgan	Teague, Tex.
Green, Oreg.	Morris	Thomas
Green, Pa.	Morrison	Thompson, N.J.
Griffiths	Moss	Thompson, Tex.
Gross	Multer	Thornberry
Hagan, Ga.	Murphy	Toll
Hagen, Calif.	Murray	Trimble
Hansen	Natcher	Tuck
Harding	Nedzi	Udall, Morris K.
Hardy	Nix	Ullman
Harris	O'Brien, Ill.	Utt
Harrison, Va.	O'Brien, N.Y.	Vanik
Hays	O'Hara, Ill.	Vinson
Healey	O'Hara, Mich.	Waggonner
Hébert	Olsen	Walter
Hechler	O'Neill	Watts
Hemphill	Passman	Wharton
Henderson	Patman	Whitener
Herlong	Perkins	Whitten
Holland	Peterson	Wickersham
Huddleston	Pfost	Williams
Hull	Philbin	Willis
Ichord, Mo.	Pike	Winstead
Inouye	Pilcher	Wright
Jarman	Pillion	Yates
Jennings	Poage	Young
Joelson	Price	Zablocki
Johansen	Pucinski	Zelenko

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—33

Abernethy	Dooley	McMillan
Alford	Fenton	Moulder
Ashmore	Fino	Norrell
Blitch	Flood	Powell
Boykin	Hoffman, Mich.	Riley
Celler	Holifield	Saund
Chamberlain	Horan	Scherer
Colmer	Keogh	Stubblefield
Curtis, Mass.	Kilburn	Thompson, La.
Davis, Tenn.	Kowalski	Weis
Dent	McIntire	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Derounian for, with Mr. Keogh against.

Mr. Fenton for, with Mr. Holifield against.

Mr. McIntire for, with Mr. Celler against.

Mr. Kilburn for, with Mr. Stubblefield against.

Mr. Chamberlain for, with Mrs. Riley against.

Mr. Horan for, with Mr. Saund against.

Mr. Fino for, with Mr. Abernethy against.

Mr. Dooley for with Mr. Davis of Tennessee against.

Mr. Scherer for, with Mr. Flood against.

Mrs. Weis for, with Mr. Powell against.

Until further notice:

Mrs. Norrell with Mr. Hoffman of Michigan.

Mr. Kowalski with Mr. Curtis of Massachusetts.

Mr. ASHLEY changed his vote from "yea" to "nay."

Mr. VAN ZANDT changed his vote from "nay" to "yea."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. KEOGH]. Were he present he would have voted "nay." I voted "yea." Therefore, I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

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

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 211, nays 192, answered "present" 1, not voting 33, as follows:

[Roll No. 111]

YEAS—211

Abbitt	Gilbert	Miller, George P.
Addabbo	Gonzalez	
Addonizio	Granahan	Mills
Albert	Grant	Monagan
Anfuso	Gray	Montoya
Ashley	Green, Oreg.	Moorhead, Pa.
Aspinall	Green, Pa.	Morgan
Avery	Griffiths	Morris
Bailey	Hagen, Calif.	Morrison
Barrett	Hansen	Moss
Bass, Tenn.	Harding	Multer
Bennett, Fla.	Hardy	Murphy
Blatnik	Harris	Murray
Boggs	Harrison, Va.	Natcher
Boland	Hays	Nedzi
Bolling	Healey	Nix
Bonner	Hébert	O'Brien, Ill.
Brademas	Hechler	O'Brien, N.Y.
Breeding	Hemphill	O'Hara, Ill.
Brewster	Henderson	O'Hara, Mich.
Brooks, Tex.	Herlong	Olsen
Buckley	Holland	O'Neill
Burke, Ky.	Huddleston	Osmers
Burke, Mass.	Hull	Patman
Byrne, Pa.	Inouye	Perkins
Cahill	Jarman	Peterson
Carey	Jennings	Pfost
Chelf	Joelson	Philbin
Clark	Johnson, Calif.	Pilcher
Coad	Johnson, Md.	Poage
Cohelan	Johnson, Wis.	Price
Cook	Jones, Ala.	Pucinski
Cooley	Judd	Purcell
Corbett	Karsten	Rains
Corman	Karth	Randall
Daddario	Kastenmeier	Reuss
Daniels	Kee	Rhodes, Pa.
Davis, John W.	Kelly	Rivers, Alaska
Dawson	King, Calif.	Rivers, S.C.
Delaney	King, Utah	Roberts, Ala.
Denton	Kirwan	Roberts, Tex.
Diggs	Kluczynski	Rodino
Dingell	Kornegay	Rogers, Colo.
Donohue	Landrum	Rogers, Tex.
Downing	Lane	Rooney
Doyle	Lankford	Roosevelt
Dulski	Lesinski	Rosenthal
Edmondson	Libonati	Rostenkowski
Elliott	Lindsay	Roush
Everett	Loser	Ryan, Mich.
Evins	McDowell	Ryan, N.Y.
Fallon	McFall	St. Germain
Farbstein	McSween	Santangelo
Fascell	Macdonald	Selden
Finnegan	Mack	Shelley
Flynt	Madden	Sheppard
Fogarty	Magnuson	Shipley
Frazier	Mahon	Sikes
Frelinghuysen	Marshall	Sisk
Friedel	Martin, Mass.	Slack
Gallagher	Matthews	Smith, Iowa
Garmatz	Merrow	Smith, Miss.
Giaimo	Miller, Clem	Spence

Staggers	Thornberry	Watts
Steed	Toll	Wickersham
Stratton	Trimble	Willis
Sullivan	Udall, Morris K.	Yates
Teague, Tex.	Ullman	Young
Thomas	Vanik	Zablocki
Thompson, N.J.	Vinson	Zelenko
Thompson, Tex.	Walter	

NAYS—192

Adair	Forrester	Norblad
Alexander	Fountain	Nygaard
Alger	Fulton	O'Konski
Andersen, Minn.	Garland	Ostertag
Anderson, Ill.	Gary	Passman
Andrews	Gathings	Pelly
Arends	Gavin	Pike
Ashbrook	Glenn	Pillion
Auchincloss	Goodell	Pirnie
Ayres	Goodling	Poff
Baker	Griffin	Quie
Baldwin	Gross	Ray
Baring	Gubser	Reece
Barry	Hagan, Ga.	Reifel
Bass, N.H.	Haley	Rhodes, Ariz.
Bates	Hall	Riehlman
Battin	Halleck	Robison
Becker	Halpern	Rogers, Fla.
Beckworth	Harrison, Wyo.	Roudebush
Beermann	Harsha	Rousselot
Belcher	Harvey, Ind.	Rutherford
Bell	Harvey, Mich.	St. George
Bennett, Mich.	Hiestand	Saylor
Berry	Hoeven	Schadeberg
Betts	Hoffman, Ill.	Schenck
Bolton	Hosmer	Schneebeli
Bow	Ichord, Mo.	Schweiker
Bray	Jensen	Schwengel
Bromwell	Johansen	Scott
Broomfield	Jonas	Scranton
Brown	Jones, Mo.	Seely-Brown
Broyhill	Kearns	Short
Bruce	Keith	Shriver
Burleson	Kilgore	Sibal
Byrnes, Wis.	King, N.Y.	Siler
Cannon	Kitchin	Smith, Calif.
Casey	Knox	Smith, Va.
Cederberg	Kunkel	Springer
Chenoweth	Kyl	Stafford
Chiperfield	Laird	Stephens
Church	Langen	Taber
Clancy	Latta	Taylor
Collier	Lennon	Teague, Calif.
Conte	Lipscomb	Thompson, Wis.
Cramer	McCulloch	Tollefson
Cunningham	McDonough	Tuck
Curtin	McVey	Tupper
Curtis, Mo.	MacGregor	Utt
Dague	Mailliard	Van Pelt
Davis, James C.	Martin, Nebr.	Van Zandt
Derwinski	Mason	Waggonner
Devine	Mathias	Wallhauser
Dole	May	Weaver
Dominick	Meader	Westland
Dorn	Michel	Whalley
Dowdy	Miller, N.Y.	Wharton
Durno	Milliken	Whitener
Dwyer	Minshall	Whitten
Ellsworth	Moeller	Widnall
Feighan	Moore	Williams
Findley	Moorehead, Ohio	Wilson, Calif
Fisher	Morse	Wilson, Ind.
Ford	Mosher	Winstead
	Nelsen	Wright
		Younger

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—33

Abernethy	Dooley	McMillan
Alford	Fenton	Moulder
Ashmore	Fino	Norrell
Blitch	Flood	Powell
Boykin	Hoffman, Mich.	Riley
Celler	Holifield	Saund
Chamberlain	Horan	Scherer
Colmer	Keogh	Stubblefield
Davis, Tenn.	Kilburn	Thompson, La.
Curtis, Mass.	Kowalski	Weis
Dent	McIntire	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Derounian against.

Mr. Celler for, with Mr. Thompson of Louisiana against.

Mr. Saund for, with Mr. Ashmore against.

Mr. Stubblefield for, with Mr. Alford against.

Mr. Davis of Tennessee for, with Mr. Abernethy against.

Mr. Powell for, with Mr. Colmer against.

Mrs. Norrell for, with Mr. Fenton against.

Mr. Kowalski for, with Mr. Kilburn against.

Mr. Holifield for, with Mr. Chamberlain against.

Mrs. Riley for, with Mr. McIntire against.

Mr. Flood for, with Mr. Fino against.

Mr. Dooley for, with Mr. Horan against.

Until further notice:

Mr. McMillan with Mrs. Weis.

Mr. Moulder of Missouri with Mr. Scherer.

Mrs. Blitch with Mr. Curtis of Massachusetts.

Mr. Boykin with Mr. Hoffman of Michigan.

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. KEOGH]. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

TO AMEND THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND FOR OTHER PURPOSES

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 689, Rept. No. 1823), 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. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, and all points of order against section 253 of said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign 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. After the passage of the bill H.R. 11921, it shall be in order in the House to take from the Speaker's table the bill S. 2996 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11921 as passed by the House.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow to file a report on the bill S. 1658.

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

There was no objection.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THE WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of today and the balance of the week, if the gentleman can inform us at this time.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield——

Mr. HALLECK. I yield to the gentleman.

Mr. ALBERT. As previously announced, we plan to begin the consideration immediately of H.R. 11677, the equal pay bill. If this bill is passed today, that will finish the legislative business for the week. But the House will be in session tomorrow.

Mr. HALLECK. Could I ask the majority leader as to what the business tomorrow will be?

Mr. ALBERT. We have certain legislation that one of the committee chairmen desires to introduce, for one thing.

Mr. HALLECK. I see.

Mr. ALBERT. If the gentleman will yield further, I will advise the gentleman from Indiana that if this bill is finished there will be no legislative business tomorrow.

Mr. HALLECK. Permit me to ask one further question:

If the bill that is now proposed to be called up is not finished today, would it be the majority leader's view that it would continue tomorrow, and the vote would come tomorrow?

Mr. ALBERT. That would be my view.

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

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

Mr. BROWN. I would like to make inquiry as to whether or not the session is being held tomorrow for the purpose of having the Rules Committee meet to consider the so-called Sugar Act legislation extension?

Mr. ALBERT. I am not prepared to advise the gentleman.

Mr. BROWN. Well, I understand that the committee will not report that bill before 2 o'clock tomorrow, and there will be no report printed; that it is rather, in my opinion, unfair to ask the Rules Committee to pass judgment on legislation of this importance without having a printed report.

Mr. ALBERT. The majority leader is unable to advise the gentleman. If the chairman of the Committee on Agriculture is here, the gentleman from North Carolina [Mr. COOLEY], might be able to do so.

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

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

Mr. COOLEY. Mr. Speaker, I would like to say that we have agreed on the sugar bill. We have to go through the formality of approving it. I have been assured that I will have the bill ready by noon tomorrow. The report will also be ready by noon tomorrow. If we have a report filed, we will have it available. Otherwise, we will have a report for the Rules Committee, at least, tomorrow. There is no controversy about the bill. It seems to be in agreement.

Mr. BROWN. Will the gentleman's committee report the bill by noon tomorrow?

Mr. COOLEY. By 12:30, as soon as I can introduce it, at 12:15, and it will be reported by 12:30.

I am calling a meeting at 12:15 for the purpose of reporting the bill. I am sure the gentleman's colleagues on that side of the aisle will tell him that the bill will be reported tomorrow.

Mr. BROWN. While the bill has not yet been approved by the gentleman's committee, the report has been prepared?

Mr. COOLEY. It has been tentatively approved. The report is being prepared. The bill is being prepared and it will all be ready by 12:30 tomorrow. The Committee on Rules could meet at 1:30 or 2 o'clock and have a rule.

Mr. HALLECK. Mr. Speaker, if I may reclaim the floor, I might say to the gentleman that my information is, I am informed by some members of the Committee on Agriculture on our side, that the matter is not in complete agreement in the Committee on Agriculture; and, as a matter of fact, very likely minority views will be offered if there is time to prepare them.

Mr. COOLEY. There was a motion made to recommit the bill. It was considered and rejected.

This bill is important, because we are working against time. The program expires on June 30. If we do not pass this bill by Monday or Tuesday it is obvious that the bill will not go to the White House before June 30. I do not know of any real opposition to the bill. There may be some; I am sure there must be some, but we shall ask only for 1 hour on the rule and 2 hours on the bill. The bill is important; it is urgent that we pass it.

Mr. HALLECK. Mr. Speaker, I might say to the gentleman, he has indicated he is going to have a meeting of his committee tomorrow. The House will meet at 12 o'clock. The committee will report the bill out after 12 o'clock. I do not know whether the gentleman has received permission for his committee to sit during the session of the House tomorrow.

Mr. COOLEY. No; but we assume that nobody will object to it, in view of the importance of the legislation.

Mr. HALLECK. Mr. Speaker, at this time I yield to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I want to say to the gentleman that I do object to the bill that was tentatively agreed to I assume by a majority of the committee. I offered a substitute today. There was some basic disagreement whether the Congress should set a quota for every country in the world, or whether we should work out a broad policy and let the legislation be handled by the Executive. I feel very strongly on that. I hope to offer minority views in the report; I hope to have the time to do that. I might also add that my colleagues share my views on this matter and intend to join me.

Mr. COOLEY. Mr. Speaker, certainly the gentleman can have his minority views prepared as quickly as we can have our views prepared. My only interest in this bill is this. We want to pass it out of this House and send it over to the Senate in the hope that we can get it to the White House before the deadline, June 30.

Mr. HALLECK. Mr. Speaker, may I say that I have not been too critical of the fact that we have been grinding along here week after week accomplishing very, very little. As a matter of fact, I have expressed the view that possibly if some of these things that have been proposed are not adopted by this Congress the country would be better off for it. All I can say is, without undertaking to be critical of the gentleman or his committee, that I just cannot see why proposals like this are allowed to run right down to this kind of a deadline, because everybody on the gentleman's committee and all of us know that it is something that has to be done. Why it cannot be accomplished in a reasonable time, I do not know. Obviously, if a unanimous-consent request were made to adjourn over tomorrow and it was objected to, we will be in session tomorrow and under the rules of the House whatever is permitted to be done by the gentleman's committee, of course, can be done.

Mr. COOLEY. Mr. Speaker, I am certain the gentleman knows that this bill is not important to my State, but it is important to the sugar industry of America. If the bill is not enacted before June 30 we will have chaos in the sugar markets of America. Many of our friends and his friends will face bankruptcy, as they all have told us. The Judge has indicated his willingness to cooperate with us to expedite the passage of this bill.

Mr. HALLECK. Mr. Speaker, may I say to the gentleman that if they had spent a little more time on the sugar bill on which we have to do something, instead of on the bill that I understand we are going to have next week, which I think is the worst monstrosity I ever saw, we probably would be better off.

Mr. COOLEY. It is not a monstrosity, it is a bill that was very carefully considered. Certainly the sugar bill is not a monstrosity.

Mr. HALLECK. Obviously, I was not referring to the sugar bill. I have taken the trouble to find out something about the general agricultural bill that the gentleman's committee has reported. All I can say is I hope we can defeat it.

Mr. COOLEY. I hope it will not be defeated.

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

Mr. HALLECK. I yield.

Mr. ROGERS of Texas. I want to call the attention of the House to one thing. That is a procedure that is repeated every year with regard to the sugar bill. I want to ask the chairman of the Committee on Agriculture if it is not his intention to ask for a closed rule.

Mr. COOLEY. Absolutely. We always have had it.

Mr. ROGERS of Texas. That is the point. The Members of the Congress of the United States time and time again have been denied the right to bring the facts about the sugar business to the people of the United States of America. I think it is an imposition on the farmers of this country, and I think it is time the Members of this House took charge of this situation and let it be openly debated on the floor of this House.

COMMITTEE ON RULES

Mr. SMITH of Virginia. 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 Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, this discussion about when the sugar bill will come to the floor has involved to some extent the Committee on Rules. I want to cooperate with the gentleman from North Carolina because everybody here knows he is in the midst of a lot of trouble and some of us are not doing anything to relieve his troubles.

I would like, as far as I can, consistently with the rules of my committee, to assist him in getting this bill promptly to the floor. It has to be done. But I hope he will not ask me to call a meeting of that committee to consider a bill when the committee will not have the report on the bill ready. I do not think it is good procedure. I do not recall that we have ever done it. I will stay here Saturday night to cooperate with him and get his bill out. I will even call a meeting of the Rules Committee, if I can get a quorum there, but please do not ask me to violate all the rules before there is a report showing why there should be a rule granted.

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

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. COOLEY. Unless we can expedite the sugar bill it will come behind the farm bill, which comes on next Tuesday and probably will end next Thursday. The sugar bill will go over to the following week, and we never will meet the deadline.

Mr. SMITH of Virginia. I am glad and willing to cooperate with the gentleman in every way I possibly can, but do not ask me to violate the rules of the House.

Mr. COOLEY. I would not ask you to violate the rules, I just ask you to expedite the bill.

Mr. SMITH of Virginia. Get the report in and I will call a meeting of the committee.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tomorrow night to file a report, including minority views.

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

Mr. QUIE. Reserving the right to object, Mr. Speaker, may I ask the gentleman from North Carolina if the majority views will be ready before midnight tomorrow night?

Mr. COOLEY. I think this will be ready before midnight tonight. I have everybody working on the bill. We want to file a report. If they stay here long enough, we will do it tonight. We will do it by tomorrow afternoon, I am sure.

Mr. QUIE. Will the bill be ready tomorrow?

Mr. COOLEY. No. I will introduce the bill, we will have a meeting and report the bill out, and have a meeting of the Rules Committee as soon as we can get it.

Mr. QUIE. Mr. Speaker, further reserving the right to object, I would like to be able to present my minority views and my colleagues would also. I do not see how we are going to be able to get that done by midnight tomorrow night to have this ready when the bill has not been written up yet.

Mr. COOLEY. The bill has already been prepared. We have had a committee draft and we have been working on it for days.

Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may meet tomorrow during the session of the House in order to expedite the consideration of this bill, that is, while the House is engaged in general debate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina that the Committee on Agriculture may meet during general debate tomorrow?

Mr. GROSS. Mr. Speaker, reserving the right to object. What is the gentleman from North Carolina asking unanimous consent to do? He has just thrown in another subject here.

Mr. COOLEY. My purpose is to have formal action on the sugar bill immediately after the House convenes tomorrow. Then we can expedite consideration of the bill. If somebody wants to defeat the bill, they can object to this. Then we would have to go over for about 10 days and we would end up on June 30 with no sugar legislation at all.

Mr. GROSS. How about asking for an open rule instead of a gag rule?

Mr. COOLEY. We cannot do that. We could not possibly do that. We have made allotments in this bill which are quite large in number, and when you start juggling these figures, you get into all sorts of difficulties. I remind my colleague that this is a tax bill.

Mr. GROSS. Let me ask the gentleman this. Where has this bill been since last January. You knew you had this to take care of.

Mr. COOLEY. Let me tell you what our attitude has been. All through the last session, and my Republican colleagues will agree, I begged the administration to give me some recommendations. I received no recommendations. We went on for months during this session and still there were no recommendations. Finally, in desperation and to avoid the very criticism that we are now being subjected to, I started hearings without any recommendations. When I announced the hearings were going to be held, then we received recommendations. Those recommendations were rejected.

Mr. GROSS. And so the responsibility for the present status of this bill and the necessity for a gag rule in part, at least, is due to the administration?

Mr. COOLEY. No, no. This bill has always been considered under a closed rule. I do not know why it was referred to my committee, but it has been there for 28 years. This is a tax bill. When it goes to the other body, it goes to the Finance Committee and not to the Committee on Agriculture.

The SPEAKER. The gentleman from North Carolina has two unanimous consent requests pending. The Chair will put the second request before the House at this time since the action of the House on the first request would depend upon the action taken on the second request.

Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture might sit during the session of the House tomorrow, and while the House is engaged in general debate.

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY] that the Committee on Agriculture may have until midnight tomorrow night to file a report, including minority views?

Mr. QUIE. Mr. Speaker, further reserving the right to object, I plan to object to this request because this does not give me time to prepare my minority views and for the further reason that there is ample time to bring this up before the Committee on Rules on Monday. For that reason, I object.

Mr. COOLEY. Mr. Speaker, will the gentleman reserve the right to object for one moment? We will put at your disposal at least half of the members of our staff to help you write your minority report. This is a desperate situation. The gentleman is taking a position that is going to delay action on this for about 10 days. I wish the gentleman would confer with the ranking member on his side to see whether or not the gentleman from Minnesota wants to delay this bill and pass the deadline.

Mr. QUIE. Mr. Speaker, I object to the gentleman's request. When the House meets tomorrow, if it is possible with the help of the staff to get the minority views together, then I would not object.

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

Mr. QUIE. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. COOLEY. Mr. Speaker, then I will renew my request tomorrow at about 12:30 o'clock p.m.

REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS

Mr. GATHINGS. Mr. Speaker, I call up the conference report on the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1817)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE,
Managers on the Part of the House.

ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
JAMES O. EASTLAND,
HERMAN E. TALMADGE,
B. EVERETT JORDAN,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788), to amend section 204 of the Agricultural Act of 1956, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate made three amendments to the House bill. The committee of conference has agreed to recommend that the Senate recede from its amendments Nos. 2 and 3 and that the House recede from its disagreement to Senate amendment No. 1.

Amendment No. 1 is purely technical and simply corrects a typographical error that occurred when the bill as reported by the House Committee on Agriculture was printed. The amendment corrects the word "article" to read "articles."

Senate amendment No. 2 would have directed the President to negotiate agreements with foreign nations limiting the export to the United States of beef and beef products, pork and pork products, fresh and frozen lamb, poultry and poultry products, dairy products, and timber and timber products, when in his judgment such imports seriously affect domestic producers. While the only agreement which has been negotiated to date under section 204 of the Agricultural Act of 1956 deals with cotton textiles, section 204 is applicable to all agricultural commodities and products manufactured therefrom. Senate amendment No. 2 gave the President no additional authority with respect to the named commodities, nor did it

require him to take any action with respect to those commodities unless, in his judgment, imports of such commodities were seriously affecting domestic producers. Members of both Houses on the committee of conference recognize there are other commodities in addition to cotton textiles that are being seriously affected through excessive imports, and believe the President should in such cases take action under section 204. He has full authority to do so, and the obligation to take whatever action is necessary. While the conferees did not want to interfere in any way with the textile negotiations conducted under section 204, and consequently deleted the language inserted by Senate amendment No. 2, the conferees emphasize the desirability of the steps recommended in that amendment and urge the President to initiate negotiations with foreign countries limiting the export of those agricultural commodities which are suffering serious effects from import competition.

Senate amendment No. 3 provided that action taken under the bill should be consistent with trade agreement acts policy. This would appear to create an indefinite rule and its effects could not be foreseen. The committee of conference therefore recommended that the Senate recede from this amendment.

HAROLD D. COOLEY,
W. R. POAGE,
E. C. GATHINGS,
CHARLES B. HOEVEN,
CLIFFORD G. MCINTIRE,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

REGULATION OF IMPORTS AND AGRICULTURAL COMMODITIES AND PRODUCTS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (H. Con. Res. 493) to correct an error in spelling in the enrollment of the bill (H.R. 10788).

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, the Clerk of the House is authorized and directed to make the following correction: In line 12, on page 1, strike out "agreements" and insert "agreement".

The resolution was agreed to.

A motion to reconsider was laid on the table.

EQUAL PAY ACT OF 1962

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 677 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. 11677) to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes of my time to the gentlewoman from New York [Mrs. ST. GEORGE], and in the meantime I yield myself such time as I may consume.

Mr. Speaker, House Resolution 677 provides for the consideration of H.R. 11677, a bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination. The resolution provides for an open rule with 1 hour of general debate.

The objective sought by H.R. 11677 is wage justice for working men and women.

The legislation prohibits an employer having employees engaged in commerce or in the production of goods for commerce from discriminating between his employees by paying lower wages to one sex than he pays to the other sex for substantially the same job. "Work of comparable character on jobs the performance of which requires comparable skill" must be paid for on an equal nondiscriminatory basis. Payment of different rates is permitted, however, pursuant to nondiscriminatory seniority or merit increase systems or, again, where such differential is based upon a bona fide job classification program.

Mr. Speaker, I urge the adoption of House Resolution 677.

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

The SPEAKER. Does the gentleman insist on his point of order?

Mr. KEARNS. Mr. Speaker, may I ask the distinguished Speaker, should we meet in the morning at 11 o'clock?

The SPEAKER. The Chair has no control over that, of course.

Mr. KEARNS. Mr. Speaker, I withdraw my point of order.

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

Mr. Speaker, House Resolution 677 makes in order the consideration of the bill H.R. 11677 to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce, and to provide for the restitution of wages lost by employees by reason of any such discrimination.

Mr. Speaker, I am reasonably sure—as sure as one can be of anything in this House—that there is no objection to this legislation. I do not see how anyone would dare be against it. It would be like being against motherhood. So I have no qualms about the passage of the legislation.

But I would like to point out one thing to the House. They have heard me speak on this subject very often, and with very little effect, and I have no doubt this will be the same this afternoon. This is merely a bite at the cherry. You are going to go on having bills of this kind on different types of discrimination until you finally decide in your wisdom to allow the States to pass an equal rights amendment to the Constitution.

Now, that could have been done many years ago. It could be done at any time, but there is a committee that happens to stand in the way of this legislation, that is blocking its submission to the House. I bring that up because the Committee on Rules is very often to blame for these things, but there are other committees that do the same, and in this case the Committee on the Judiciary has held up the equal rights amendments for at least 15 or 20 years now.

Now, the reason I bring this point up, Mr. Speaker, is that the people who oppose the amendments say there is no discrimination at all on account of sex, yet here we come today with a bill that points out very clearly that there is. This is not the only discrimination. There are other discriminations throughout the country. However, as I stated at the beginning of my remarks, this is a step in the right direction; this is something that at least we can all go out for and that we can all vote for, and I certainly hope that without too much ado this legislation will be passed.

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

Mrs. ST. GEORGE. I am very happy to yield to my friend from Iowa, with pleasure, always.

Mr. GROSS. I thank the gentlewoman. Does the gentlewoman know how many amendments there are to this bill and how late it is proposed to go in this session on this bill?

Mrs. ST. GEORGE. I will say to the gentleman from Iowa that I know of two amendments. Now, there may be more, but I do know of two or three, and I think there will be a little discussion on those.

Mr. GROSS. I understand there are a number of amendments, many more than two amendments, to this bill. Is it proposed to adopt the rule tonight, or what is proposed to be done?

Mrs. ST. GEORGE. Oh, the gentleman is attributing a great deal of power to me that I do not have. I have not the faintest idea.

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

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

Mr. ALBERT. I would like to advise that it is the hope of the leadership that we will proceed to the adoption of the rule and then discontinue legislative business until tomorrow.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. GROSS. I thank the gentlewoman.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I rise today in hearty support of H.R. 11677,

the Equal Pay Act of 1962. This bill seeks to achieve the meritorious purpose of prohibiting discrimination on account of sex in payment of wages in those companies engaged in interstate commerce and with foreign nations and employing more than 25 employees. I think this legislation, however, is the first step toward the establishment of those equal rights for women for which I have long fought in the Congress and which I believe to have been proved so merited as to justify early action. It is my hope, indeed, that the passage of this bill, as a first step, will help, not hinder favorable consideration of other pending legislation on this important subject.

It may once have been true Mr. Speaker, as is so frequently stated by the masculine segment of our population, that women worked largely to achieve extra money or what in earlier days was known as pin money.

Mr. GROSS. Mr. Speaker, the House is not in order.

Mrs. CHURCH. Even if that fact had once been true, the situation in 1962 has become strikingly different. The 24 million women in the labor force in this country, now by large majority work because it is necessary for them to work to contribute to essential living expenses. To them equal pay for equal work is not a slogan; it is a matter of necessity; it is a matter of justice.

This fact has been recognized in 22 States which already have equal pay laws, although, admittedly, in some instances, such laws are at present ineffective.

Again expressing the hope that this legislation will prove a stimulant rather than a deterrent to consideration and passage of other legislation giving women the equality that they deserve, I would respectfully urge that the rule be passed and that the House pass H.R. 11677 overwhelmingly.

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

Mrs. CHURCH. I would be happy to yield to the gentleman from Colorado.

Mr. DOMINICK. As I understood the statement of the gentlewoman, the gentlewoman indicated that the bill was limited to employers engaged in interstate commerce. But as I read the bill—and this is an amendment here—commerce applies to any person who is doing business within a State. Does not the gentlewoman agree?

Mrs. CHURCH. It is my understanding that the bill applies only to commerce among the several States and with foreign nations, as stated in section 2(b).

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Speaker, certainly, as the distinguished gentlewomen who have preceded me say, none, and certainly I would not, want to support any move that would discriminate against women in employment having equal pay for equal work. I believe, however, that women and some others, perhaps, in their enthusiasm to get this through legislation may be becoming the victims of a bill that is something other than what this bill purports to be. This is a bill disguised in a lot of sweet-scented kimonos, with a lot of tricks and a lot of pitfalls in it that can wreak havoc with women in employment and can work untold harassment on the employers of this country.

Mr. Speaker, I desire to pose a few questions for the membership to think about in considering this bill before it reaches the stage of final passage, in the hope that it may be amended to be a little more directed at the point we have in mind. For example, the bill uses the term "equal pay for comparable work." Now, I want to pose this question: The term "comparable" is not defined in the bill. What would the Secretary of the Department of Labor interpret this to mean? The Secretary of Labor is empowered under this bill to define the term "comparable." Does that mean that one with greater skills than another, although they are doing work that may be comparable, would be paid the same? Is it not better to have this term "comparable" more limited? Let us look at this: The fact is that the hardship under the bill would be fixed upon the blue-collar women where the Department of Labor could hold that all manufacturing jobs in a plant were comparable, although the blue-collar women under industry practice are not able to service their machines or do heavy lifting, but do have certain privileges under State safety codes.

By requiring the same rates for comparable work, the inevitable result would be the discharge of blue-collar women and the hiring of additional men. Is this the intended result of the bill? As long as this word is there without limiting the discretion that is handed on a platter to the Secretary of Labor, it is inevitable that that is likely to be the result. Now, we come down to another section of the bill that bothers me about back wages. The bill requires not only the payment of back wages but I quote from it:

> An additional amount not to exceed the back wages found to be due.

This smacks of punitive damages. Why? Is it necessary that when we find a person not complying with the new law, that we go in and punish him? Is it not enough just to see that he pays interest on the back wages and not double or sometimes treble? Another thing: The provisions of the bill shall be included in Walsh-Healey contracts. Why? The "employer" definition sets out general coverage applicable to all. Why single out Walsh-Healey contractors for special provision? This is another very dangerous and, as it seems to me, punitive provision of the bill which, in my judgment, cannot do any good to women employees.

The bill provides for blacklisting for "any person finally determined to have violated any of the provisions of this Act," so as to prohibit the awarding of any contract by the U.S. Government.

It does not say that it must be willful; it does not say that it must be continuous. It just says:

> Any person finally determined to have violated any of the provisions of this Act.

What do you propose to do with this? Who is it you are after? What is it you are after? If you are seeking equal pay then why go back and dig up all of these technicalities and lay a lot of discretionary power in the hands of the Secretary of Labor?

The bill, by relieving employers of State law—and listen to this, you who are States righters, if there are any among you—the bill, by relieving employers of State law, in effect, nullifies the act of 22 States in this field. Although the Secretary would be empowered to cede to a State agency jurisdiction, experience under Taft-Hartley shows this to be meaningless since no cessions in practice occur.

I repeat that none seek to require women employed in industry and commerce to work for wages less than those paid men. I hope that my daughter will make as much as or more, if her abilities will permit, than her brother. It would suit me fine if my wife made more money than I. But I do not want it to occur and I do not believe any responsible women want it to occur under the provisions of a bill that sets up the Secretary of Labor as a czar to harass all of the employers of this country. Your country banks, your retailing institutions, your manufacturing establishments that employ women in the great majority, are going in the main to be the people who will get so angry with this thing until you ladies—I know they call you gentlewomen here, but I am going to call you ladies—will be the ones who will eventually be victimized by this bill under the terms it now carries.

If some of these terms can be changed to clarify what we intend the Secretary of Labor to do then I think it may not be so dangerous. But under these terms you are not going to get what you are seeking. You are going to become the victims of something that a Secretary of Labor or some organized force wants you to have rather than what you want.

Mrs. ST. GEORGE. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

Mrs. SULLIVAN. Mr. Speaker, this is indeed a great moment for those of us in the House of Representatives who have been sponsoring bills for many years to require equal pay according to the work performed, with no discrimination because of sex. The fact that this bill comes before us today on a bipartisan basis, on the unanimous recommendation of the members of the House Committee on Education and Labor, proves that while the wheels of Congress often grind slow, the results can be quite dramatic.

As the sponsor of H.R. 571 and of similar bills in preceding Congresses, I wholeheartedly endorse the Zelenko bill on which we are taking action today, H.R. 11677. It is a bill which has teeth in it to require compliance, but it is primarily a bill to lead and guide the way to the most effective kind of compliance, and that, of course, is voluntary compliance.

The States will continue to have basic responsibility in this field—if they will

accept it. But the Congress has the obligation to act for the protection in interstate commerce of fair competition, decent labor standards, and plain, ordinary fairplay. This legislation is long overdue.

A worker's skill should determine his or her wage rate, not the sex of the individual employee. Where men and women are doing similar work with similar abilities, their paychecks should be the same. The Federal Government is required to recognize this principle in civil service employment; many unions have succeeded in writing it into their contracts with private employers. But, throughout the country, many women workers are victimized—there is no other word for it—by outmoded concepts and customs which hold that a woman works at a job in order to occupy her time before marriage, or just to get away from home, and therefore can be paid less than a man for the work she does.

Most women work because they must; others work because they have skills which our economy desperately needs. All of these workers are entitled to fair treatment, regardless of their reasons for being in the employment force. This legislation will help assure such fair treatment for most women employed in interstate commerce. I hope it will also stimulate the States to act more effectively in assuring fairness for women employed in purely intrastate commerce, or in firms with less than 25 employees.

As I told the subcommittee at the time hearings were conducted on this legislation last March, my recollections from my own career in the business training field prior to my marriage, reinforce my view of the importance of this legislation.

As training director of Felt & Tarrant, the Comptometer company, in St. Louis, it was my job, not only to direct the training of students in the use of our machines, but also the job placement activities in helping them find employment.

The Comptometer is a good piece of equipment—not a mechanical brain or an electronic robot but a responsive device for using the brains of the operator in reducing complex mathematical computations into quick answers. It is far more than an adding machine. It will perform rapidly and accurately—if properly used.

It was my experience that women had greater dexterity in the use of this equipment—generally speaking—than men did. Most of the students were women. The jobs they later filled were not restricted to women but, like most office positions, were held mostly by women. I stress again the fact that learning to use the equipment required more than routine application and mental capacity. Yet the wage scales generally in effect in private industry for women able to use this equipment were substantially lower than the salaries paid men for doing work requiring similar, or even less highly developed, skills.

The job rates did not reflect the skills of the operators, but rather the sex. And this is true in most fields where women predominate among the employees.

The skill should determine the wage paid, not the sex of the employee. We do not want to see instances of women getting jobs in preference to men because the wage rate for women is lower, but this often happens. Let us stop this undercutting of standards. It is certainly to the advantage of all workingwomen to do so; it is also to the advantage of workingmen. And it is the right thing to do.

Mr. BAKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. BAKER. Mr. Speaker, I believe in equal rights for all American citizens as guaranteed by the Constitution of the United States. For that reason, I am supporting and favor the enactment of H.R. 11677, a bill to prohibit discrimination on account of sex in the payment of wages by certain employers engaged in commerce or in the production of goods for commerce, and also to provide for restitution of wages lost by employees by reason of any such discrimination.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BIDS ON NUCLEAR-POWERED FRIGATE

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include two newspaper articles.

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

There was no objection.

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to call to the attention of the Members of the House a situation that is both disturbing and one that calls for realistic action by the Department of Defense in the awarding of contracts for shipbuilding construction by the Navy.

During a meeting of the House Ways and Means Committee which had under consideration the extension of the Renegotiation Act of 1951, I requested the Defense Department to look into the bidding proposals submitted last week by three private shipbuilding yards for construction of a second nuclear-powered frigate. The New York Shipbuilding Co. of Camden, N.J., the Engalls Shipbuilding Co. of Pascagoula, Miss., and the Bethlehem Fore River Shipbuilding Co. of Quincy, Mass., are the three yards competing for this contract.

In order to give an accurate report on the matter I am enclosing a news story that appeared in the Quincy Patriot Ledger on June 12, 1962. Following this news story an editorial written on June 13, 1942, which correctly reflects the concern not only on my part but also on the part of the public about this method of awarding contracts for shipbuilding by the Navy Department:

[From the Quincy (Mass.) Patriot Ledger, June 12, 1962]

BURKE ASKS CLOSE CHECK ON BIDS FOR SECOND FRIGATE

WASHINGTON.—Congressman JAMES A. BURKE, Democrat, of Milton, Mass., said today he has asked the Pentagon to make a close check of bidding proposals submitted last week by the three yards being considered for the second nuclear frigate.

DEEPLY CONCERNED

BURKE said he is deeply concerned that the taxpayers' interests be protected.

He said that the New York Shipbuilding Co., of Camden, N.J., was awarded the contract for the carrier *Kitty Hawk* after submitting an extremely low bid and that later the yard had to be bailed out by the Navy to complete its contract. As for the Ingalls Shipbuilding Co., of Mississippi, BURKE said the company was recently sold at a time when it was in debt to the Navy for $9 million.

This debt, the Congressman said, had to be paid by the new owners. If Ingalls had gone into bankruptcy, BURKE stated, the Government would have been left with the debt.

"Fore River has had experience with the *Bainbridge* and should be in a position to submit a reasonably low bid. If there is a spread of over 10 percent in the bidding, it means one of two things, either the high bidder is extremely high or the low bidder is extremely low," BURKE said.

While the Government is protected against high or excessive bids under law, BURKE said there is little or no protection "if a financially irresponsible yard bids too low and is unable to complete the contract."

BURKE said he served notice on the Navy that if this takes place he will not remain quiet, but will press for a complete and sweeping investigation. BURKE contended that the Navy can determine very easily whether a bid is within reason and that the taxpayer should be protected.

[From the Patriot Ledger, June 13, 1962]

CHECK ON BIDDING

Congressman JAMES A. BURKE has a good point in asking the Pentagon to make a close check on bidding proposals submitted last week by three shipyards seeking the contract to build the Navy's second nuclear frigate.

The Milton Democrat has pointed out that the New York Shipbuilding Co. of Camden, N.J., received the contract for the carrier *Kitty Hawk* several years ago after submitting an extremely low bid.

It may be recalled that New York Shipbuilding received the contract for nearly $120 million, after underbidding the nearest competitor by about $6 million. The low figure raised eyebrows in shipbuilding circles at the time. The final settlement for the *Kitty Hawk* was $178 million.

Congressman BURKE also mentioned that Ingalls Shipbuilding Co. was recently sold at a time when it was in debt to the Navy for $9 million. This debt had to be paid by the new owners, BURKE said. If Ingalls had gone into bankruptcy, the Government would have been left with the debt.

The Congressman is acting responsibly in asking the Pentagon to look carefully at the bids for the nuclear frigate to protect the public interest and the Navy. As Mr. BURKE points out, there is little or no protection if a yard bids too low and is unable to complete the contract.

In such a case, the Navy would have to either move the vessel and complete it elsewhere, or leave it at the yard and pay more money to have it completed. Either way, the U.S. taxpayer would have to pay more than necessary for the vessel.

Bethlehem Steel Corp. has been criticized for not being low bidder on some Navy vessels, but at least Bethlehem's bids have been consistent and the company refuses to submit unrealistic bids in order to get Navy work.

And in competition for the second nuclear frigate, Bethlehem should have an advantage since it has had prior experience by building the first nuclear frigate. The Navy should scrutinize carefully any bids substantially lower than the one submitted by Bethlehem.

POINT OF SARTORIAL ORDER

Mr. HÉBERT. 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 Louisiana?

There was no objection.

Mr. HÉBERT. Mr. Speaker, I rise to make a point of sartorial order for as I look about me I note that a number of my colleagues have blossomed forth in some newly begotten finery, specifically some quite handsome neckwear. That this should occur at Father's Day time is of course no accident, as the distinguished Members of this and the other body well know.

For the benefit of the uninitiated, however, the letter that follows should be read by way of explanation. Without further ado, here is that letter:

DEAR FATHER (I hope): For many years as you will recall, my friends Sam and Manny Pulitzer have asked me to distribute Wembley ties on Father's Day to my colleagues in the House and Senate, to attachés of the Congress, and to those newsmen and photographers as well as television and radio folks who cover my congressional hearings and activities.

It came as a surprise last year when the ties, for the first time in so many years, were not forthcoming. But this year it is going to be different.

"We know we made a mistake in not doing this last year" wrote the brothers Pulitzer, "but as is the case in all errors we feel the quicker you correct them the better off everything is, and we would like to start again this year."

I lost no time in sending them word to come home, that all was forgiven, and so here I am again at the same old stand doing business in the same old way. I hope you like the tie which accompanies this message. I hope it melts into your individual personality and matches your eyes whether they are baby blue or deep black, soft brown or hungover red. If your esthetic taste is rudely violated then come around and I will let you make your own pick, if some other guy hasn't been around before you to pick the very one which you wanted.

You know Wembley is the largest tie manufacturer in the world and the ties are manufactured in New Orleans. Where else, or why would I get into the act. The Pulitzers are eager to have you enjoy Father's Day on any basis—whether you have been a father, are now a father, or hope to be a father.

For myself I am gratified that my friends realized they had made a mistake. I just hope my constituents don't make a mistake in the next election because I want to continue sending out these Wembley ties to my colleagues and friends on each Father's Day, and I can't do it if they make the mistake of not reelecting me.

So let me join my old friends, Sam and Manny Pulitzer, in hoping that you get some pleasure out of this Father's Day tie and that you will always remember that Wembley ties come from New Orleans "the city that care forgot and industry remembered."

Sincerely,

F. EDW. HÉBERT.

MORE ON THE MASSACHUSETTS HEARINGS BEFORE SPECIAL SUBCOMMITTEE ON FEDERAL AID HIGHWAYS

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

STATEMENT OF FORMER U.S. ATTORNEY RICHARDSON WHICH WAS OMITTED FROM SUBCOMMITTEE RECORDS IS HEREIN PRINTED—TESTIMONY OF COMMISSIONER RICCIARDI OF THE MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS (REVIEWED AND PROOF OF FALSITY OF PORTIONS THEREOF IS SUBMITTED FOR THE RECORD)—RENEWAL OF MY REQUEST FOR AN EXECUTIVE SESSION OF THE SUBCOMMITTEE TO CONSIDER FURTHER MASSACHUSETTS HEARINGS AND OTHER MATTERS

Mr. CRAMER. Mr. Speaker, on March 15, 1962, the House Subcommittee on the Federal-Aid Highway Program, on which I have the privilege of being ranking minority member, as directed by a resolution of this body, concluded 18 days of public hearings which reviewed and examined the practices and procedures of the Massachusetts Department of Public Works with regard to acquisition of Federal rights-of-way in which the Federal Government shares cost to the extent of 90 percent.

These hearings were the result of almost 2 years of investigations by the Federal Bureau of Public Roads; the firm of Beasley & Beasley, expert real estate appraisers employed by the Bureau of Public Roads; the FBI and a Federal grand jury under the direction of former U.S. Attorney Elliot L. Richardson; and our own excellent subcommittee staff. More than 60 witnesses were called, and almost 4,000 pages of sworn testimony and documentary evidence were taken by our subcommittee. The record before us was truly shocking in the scope of how deeply corruption had penetrated and permeated the Massachusetts Department of Public Works.

There was exposed before us a number of criminal conspiracies to defraud the Commonwealth of Massachusetts and therefore the Federal Government out of vast sums of money, perhaps in the millions of dollars, by falsely inflating the cost of right-of-way many times in excess of its fair market value. Thus far 19 people have been either indicted by the Federal grand jury in Boston or named as coconspirators; all have either been convicted or are now awaiting trial. These defendants, many of whom invoked the fifth amendment before our subcommittee, include a judge and lawyers with political connections with the former Governor; an associate commissioner of the Massachusetts Department of Public Works; other such employees as State negotiators, the chief right-of-way officer, and independent fee appraisers employed by the Massachusetts Department of Public Works, and some owners who would rather have a political fix than the fair market value of their property.

The amount of the fraud cannot be reckoned with any preciseness in dollars, but it is substantial. For example, the record shows that in just five takings in the Worcester area alone, the fraud was in the amount of $256,194. These five takings were just a few of the projects under review which caused the Bureau of Public Roads in early 1960 to cut off Federal participation in the amount of almost $12 million. Further, the Massachusetts Department of Public Works, from 1956 to hearing date, had paid more than $1 million in fees to outside independent fee appraisers many of whom were thus subsidized while submitting false appraisals on the land to be taken by the Commonwealth. Most of these takings were Federal aid and eligible for Federal reimbursement to the extent of 90 percent. But this was apparently known to be too hot to pass on to the Bureau of Public Roads which might be led to investigate and discover the wrongdoing. In any event, the Massachusetts Department of Public Works chose to have the Commonwealth alone absorb this bit of larceny.

Mr. Speaker, the events described above occurred in the main under the administration of former Governor Furcolo from 1956 to 1960 and at a time when the commissioner of the Massachusetts Department of Public Works was Mr. Anthony DiNatale, who had been, before his appointment, the Governor's campaign treasurer. Commissioner DiNatale resigned on August 5, 1960, in the middle of a 5-year term. The Massachusetts Department of Public Works was then under active investigation by U.S. Attorney Elliot L. Richardson and the Bureau of Public Roads, and the first waves of corruption were beginning to break over 100 Nashua Street in Boston, which is the home of the Massachusetts Department of Public Works. Mr. DiNatale was called by our subcommittee early in the hearing and double talked his way through an hour or so of testimony before the record was made and before there was really anything concrete to examine him on. Our minority efforts to have him recalled failed.

FALSE TESTIMONY OF MR. JACK P. RICCIARDI, MASSACHUSETTS DEPARTMENT OF PUBLIC WORKS COMMISSIONER

Commissioner DiNatale was replaced by Mr. Jack P. Ricciardi on August 8, 1960. Prior to that time and from December of 1957, Ricciardi had served as deputy commissioner to Commissioner DiNatale. During the period December 1957 to August 8, 1960, according to the record, Ricciardi was serving on a consultant basis which allowed the Massachusetts Department of Public Works to circumvent the State civil service regulations which makes no provision for the permanent position of a deputy commissioner. Although under the law, an associate commissioner has a salary of $10,000 per annum and cannot be compensated for overtime, Ricciardi as deputy commissioner on a consultant basis was paid by the Massachusetts Depart-

ment of Public Works from December 1, 1957, to March 31, 1960, the sum of $33,808.29, an average annual salary of more than $14,000 and some $11,997 for 2,115 hours of overtime. So much for the civil service laws of the Commonwealth, and the ignoring of them, at least in the Massachusetts Department of Public Works. Mr. Ricciardi also stated publicly during our hearings that some graft in the $1 billion annual business of the Massachusetts Department of Public Works was to be expected, thus opening the door and issuing an invitation to the grafters.

All of this, Mr. Speaker, caused me to insist that Commissioner Ricciardi be called as a witness, and he did appear on the last day of the hearings, March 15, 1962. I now wish to call to the attention of the House some of Commissioner Ricciardi's testimony and to demonstrate the falsity thereof.

The record shows that I questioned Commissioner Ricciardi as to what standards of personal rectitude and professional qualifications, in his judgment, ought to be observed for officers and employees of the Massachusetts Department of Public Works, which administers a billion-dollar highway program, much of it Federal funds, in the Commonwealth of Massachusettts. In particular, I questioned him about his own qualifications and how he obtained a license to practice as a registered engineer, as he had earlier testified. The following colloquy ensued, as shown by the record—hearings, part 2, dated March 15, 1962, page 1635:

Mr. CRAMER. Is it required, to become a registered engineer, that you have a college degree, for instance?

Mr. RICCIARDI. Yes. No, no. There is no requirement.

Mr. CRAMER. Do you have a college degree?

Mr. RICCIARDI. Yes.

Mr. CRAMER. From where?

Mr. RICCIARDI. From Northeastern and Wentworth.

Mr. CRAMER. What degree?

Mr. RICCIARDI. An associate's.

Mr. CRAMER. An A.B.?

Mr. RICCIARDI. Yes.

Mr. CRAMER. Do you have an engineering degree?

Mr. RICCIARDI. I have a civil associate's degree.

Mr. CRAMER. From where?

Mr. RICCIARDI. I said Northeastern, and I also attended Wentworth.

Mr. CRAMER. And you have an A.B. degree then, you said, from Northeastern University?

Mr. RICCIARDI. Yes.

I was frankly astonished at Commissioner Ricciardi's testimony, quoted above, and disturbed that a man in his position of public trust would so blandly testify under oath to what I believed to be an untruth, before a committee of the House.

I had earlier been in contact with Mr. Elliot L. Richardson in connection with my request, which was denied, that the latter be invited to appear as a witness. Mr. Richardson then advised me that his investigation of Commissioner Ricciardi has disclosed that not only did Ricciardi not have a B.A. or associate's degree from Northeastern University, but that he had also falsified his application for registration No. 10730, which he filed with the Commonwealth on January 2, 1959, upon which he was granted a license as a registered engineer.

Disturbed at the implications of Commissioner Ricciardi's testimony, but thinking it was perhaps due to an error of memory or judgment, I later offered him another opportunity to correct any error. I repeated the same questions and he persisted in giving the same answers, as shown below—hearings dated March 15, 1962, part 2, page 1661:

Mr. CRAMER. Now, Mr. Ricciardi, did I understand you to say that you are a registered engineer?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. And you say that you are a graduate of the Northeastern University?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. And you received an A.B. degree there?

Mr. RICCIARDI. Associate's; yes, sir.

Mr. CRAMER. What?

Mr. RICCIARDI. Associate's.

Mr. CRAMER. I did not understand you.

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. An A.B. degree?

Mr. RICCIARDI. Associate's degree in civil engineering.

Mr. CRAMER. Associate's degree? Is that what you said?

Mr. RICCIARDI. Yes, sir.

Mr. CRAMER. When was that?

Mr. RICCIARDI. 1949.

Mr. CRAMER. How many years did you attend the university?

Mr. RICCIARDI. Oh, I attended there off and on for about 5 years, before the service.

I went into the service and came back.

Mr. CRAMER. And you are a registered engineer, and when did you become a registered engineer?

Mr. RICCIARDI. 1957.

Mr. Speaker, I now have documentary proof that Commissioner Ricciardi's testimony, quoted above, is false in the following particulars: First, he does not have either an A.B. degree or an associate's degree from Northeastern University; and, second, he attended Northeastern University, the Lincoln Institute for the school year 1947–48, the summer term 1948 and the school year 1948–49, not for about 5 years, as he testified. More than that, he did, as Mr. Richardson had advised me, in fact apply for his license as a registered engineer by making the same false representations to the Commonwealth in his application. The proof follows.

At my request, our minority counsel inquired of Northeastern University in Boston what degree, if any, Commissioner Ricciardi held, and on March 16, 1962, I received the following telegram in reply:

Representative WILLIAM CRAMER,
New House Office Building,
Washington, D.C.:

In response to your Mr. Manuel's inquiry, Jack P. Ricciardi attended the Lincoln Institute in the school years 1947–48, 1948–49, and the summer term 1948, but did not graduate and holds no degree from Northeastern University.

Dean DONALD H. MACKENZIE,
Lincoln Institute of Northeastern University.

The minority counsel's request for a copy of Commissioner Ricciardi's application filed on January 2, 1959, with the Commonwealth of Massachusetts, resulted in the following telegram to me on March 16, 1962, from the custodian of his document:

Congressman WILLIAM C. CRAMER,
New House Office Building,
Washington, D.C.:

Robert Manuel, counsel for the minority committee, has requested information about procedures of acquiring a photostatic copy of the application filed by Jack Ricciardi January 2, 1959, and in our file his application is No. 10730. The Massachusetts Board of Registration of Professional Engineers and of Land Surveyors has contacted the attorney general's office in the Commonwealth of Massachusetts in regard to the matter of photostatic copies of applications. The attorney general's ruling is that governmental agencies and courts can only obtain photostatic copies by issuing a summons or subpena for these records.

CHARLES O. BAIRD, Jr.,
Secretary, Board of Registration of Professional Engineers and of Land Surveyors.

Thereafter, at my written request the chairman of our subcommittee, the gentleman from Minnesota [Mr. BLATNIK] subpenaed a copy of this document from the State custodian. I now hold this copy in my hand and it is, in material part, as follows:

THE COMMONWEALTH OF MASSACHUSETTS
STATE BOARD OF REGISTRATION OF PROFESSIONAL ENGINEERS AND OF LAND SURVEYORS,
STATEHOUSE, BOSTON, MASS.

(Application for registration)

Application No. 10730.
Registration No. 9071.
Date of application: January 2, 1959.

I, Jack P. Ricciardi, hereby apply for a certificate of registration in the State of Massachusetts under an act concerning the registration of professional engineers and of land surveyors, chapter 643, acts of 1941, under the classification in the schedule of minimum requirements as checked below:

* * * * *

F. Sec. 11, Ch. 584.

* * * * *

I desire my application to cover the following branch or branches of professional engineering, as checked:

* * * * *

☒ Civil
☒ Structural

* * * * *

II. EDUCATION

1. School and college: Nature and extent of your education:

	Name and address of institution	Years attended	Date of graduation	Course completed or degree conferred
C. College or university	Northeastern University.	1941–42	(Days)	Engineering.
	U.S. Air Force	1942–45	World War II	
	Northeastern University (nights).	1945–49	(Nights)	Civil engineering; A.B.

NOTE.—Worked in construction during days.

* * * * * * *

AFFIDAVIT

(To be made before a notary public or official qualified by law to administer oaths)

The undersigned, being duly sworn, upon his oath deposes and says that the foregoing statements to the best of his knowledge and belief are true and made in good faith.

(Signed) JACK P. RICCIARDI,
(Applicant's signature)

(State of Massachusetts, County of Suffolk).

I, Kathleen R. Adams, a notary public in and for said county, in the State aforesaid, do hereby certify that Jack P. Ricciardi personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed, and delivered the said instruments as his free and voluntary act, for the use and purposes therein set forth.

Given under my hand this 8th day of January 1959.

KATHLEEN R. ADAMS,
Notary Public.

My commission expires November 6, 1959.

Now, Mr. Speaker, testifying falsely before a subcommittee authorized by the House to take sworn testimony is a violation of Federal law and cannot be tolerated. As shown above, Commissioner Ricciardi's testimony here in question is so demonstrably false that I believe it could be nothing less than a willful attempt by him to impose upon and deceive us. I, therefore, propose, at the next executive session of our subcommittee, to bring this matter to the attention of the Chair and my colleagues and ask that it be referred to the Department of Justice for possible perjury action.

I am also advised by Mr. Elliot L. Richardson that Commissioner Ricciardi's false representation under oath in his application for registration may not only be a violation of State law but is grounds for revoking his license. I include in the RECORD at this time a copy of a letter from Mr. Richardson to the appropriate State agency setting forth the law and a request that appropriate action be taken:

MARCH 30, 1962.

Prof. CHARLES BAIRD,
Northeastern University School of Engineering, Boston, Mass.

DEAR PROFESSOR BAIRD: It is my understanding that in his application for registration as a professional engineer, commissioner of public works, Jack P. Ricciardi, stated that he had received an A.B. from Northeastern University. It is my further understanding that not only has Mr. Ricciardi no degree, but that he completed only one school year at Northeastern School of Engineering, and had no accreditation from that institution.

General laws, chapter 268, section 1, provides: "Whoever, being required by law to take an oath or affirmation, willfully swears or affirms falsely in a matter relative to which such oath or affirmation is required, shall be guilty of perjury," and may be imprisoned up to 20 years. Thus, similar false statements to the Board of Registration in Medicine were prosecuted in *Com.* v. *Weene* (319 Mass. 231).

Your attention is further called to the provision of general laws, chapter 112, section 81P, that a license may be revoked of any registrant who is found guilty of (a) the practice of any fraud or deceit in obtaining a certificate of registration, or (b) any gross negligence, incompetency, or misconduct in the practice of professional engineering.

The law further provides that any person may prefer charges of fraud, deceit, gross negligence, incompetency or misconduct against any registrant. The board, after it makes a finding of guilty, may revoke the registration.

I am told that these facts relative to the false statements as to Ricciardi's education were known to you and the board of registration of professional engineers. Under these circumstances, has the board taken any steps to bring about the revocation of his license? Has the board taken steps to bring these facts to the attention of authorities responsible for law enforcement in the Commonwealth?

I will appreciate hearing from you at your earliest convenience.

Very truly yours,
ELLIOT L. RICHARDSON.

In my judgment, Commissioner Ricciardi has demeaned his office of trust, has forfeited the confidence of the public and ought to resign from this position. I trust the proper State authorities will take such action in this matter as the facts justify. I intend to take the matter up in executive session of our subcommittee if the gentleman from Minnesota [Mr. BLATNIK] ever decides to hold the long-promised session to decide a number of matters relating to past Massachusetts hearings and my motion for additional hearings. I again call upon our chairman to call an executive session to consider these matters.

COMMITTEE REFUSES TO CALL FORMER U.S. DISTRICT ATTORNEY ELLIOT RICHARDSON

Mr. Speaker, on another subject before our hearings began, we Republican members of the subcommittee requested that Mr. Elliot Richardson be invited to appear as a witness on the first day of the hearing. We believed then and now that this former U.S. attorney who did so much to make our hearings possible ought to have been the leadoff witness so that the subcommittee could have had the benefit of his testimony and experiences, both setting the stage for the evidence to come and focusing attention upon the real issues involved as well as providing us with firsthand knowledge of other areas of wrongdoing in this program which our subcommittee ought to have investigated. Although we minority members repeatedly requested that he be called, our requests were repeatedly denied.

This we have found hard to understand, for Elliot Richardson's credentials are excellent. He is a graduate of Harvard Law School and editor of the Harvard Law Review and a onetime clerk to two of the most eminent jurists in our country, Judge Learned Hand of the U.S. Circuit Court for the Second Circuit and Mr. Justice Felix Frankfurter of the U.S. Supreme Court. Before his appointment as U.S. attorney for the district of Masachusetts, he served with distinction as an Under Secretary of the Health, Education, and Welfare Department and as U.S. attorney he was responsible for directing and coordinating investigations into the land damage takings conducted by the Federal Bureau of Investigation and the Federal Bureau of Public Roads, which laid the groundwork for our later investigations and hearings.

Yet, our record scarcely acknowledges his contribution, although deserving bouquets of praise were thrown to almost everyone else. Inasmuch as he was not called as a witness, I have thought in all fairness to him that we Republicans at least ought to acknowledge his good work in this field. Accordingly, on May 17, 1962, I wrote Mr. Charles S. Woolsey, former assistant to Federal Highway Administrator Tallamy, and who directed the Bureau of Public Roads project review team in Massachusetts and worked very closely with Mr. Richardson, and asked him to comment on this matter. Mr. Woolsey replied by letter dated May 28, 1962. I will insert both letters in the RECORD at this point in my remarks:

May 17, 1962.

CHARLES S. WOOLSEY, Esq.,
Albany, N.Y.

DEAR MR. WOOLSEY: In February and March of this year, the special Subcommittee of the House of Representatives on the Federal-Aid Highway Program held hearings in reference to land taking damages on Federal aid highway projects in Massachusetts. Testimony given at these hearings indicated that greatly inflated values were assigned by certain fee appraisers to a number of properties in various areas of that State, including Attleboro, Worcester, Peabody, and Lowell. As a result of investigations into the circumstances surrounding the values assigned and, in some cases paid, to property owners, a Federal grand jury has indicted Massachusetts' Department of Public Works officials and employees, certain fee appraisers retained by that State, and a number of attorneys for property owners on charges of conspiracy to defraud the U.S. Government.

Mr. Joseph O'Connor of the Bureau of Public Roads, and Mr. Oscar H. Beasley, Jr., a Washington, D.C., appraiser, indicated during their testimony that the investigation concerning irregularities in connection with highway takings in Massachusetts was initiated by the Bureau of Public Roads at the end of 1959, and was subsequently carried on in cooperation with the Department of Justice. My understanding is, that, as special assistant to the Federal Highway Administrator at the time of the commencement of the investigation, you were familiar with the Bureau of Public Roads inquiry into Massachusetts from its inception until August 1961, when you left the Bureau.

Because the testimony given at the special subcommittee hearings does not appear to be entirely clear in the following respects, it would be helpful if you would advise me: First, as to what aspects in Massachusetts the Bureau was initially concerned with and the general character of the information relating to them which was turned over to the Department of Justice; second, which aspects of the investigation were developed by the Department of Justice as the result of its investigation; and, third, the relationship between the Bureau and the Department in carrying out the various lines of the inquiry. Any other comments you might wish to make in regard thereto would also be appreciated.

Sincerely yours,
WILLIAM C. CRAMER,
Member of Congress.

MAY 28, 1962.

Hon. WILLIAM C. CRAMER,
House of Representatives, New House Office Building, Washington, D.C.

DEAR MR. CRAMER: Thank you for your recent letter requesting clarification of certain matters in regard to investigations and inquiries by the Department of Justice and the Bureau of Public Roads in connection with the Federal aid highway matters in Massachusetts.

As testimony during the hearings indicated, the Bureau initiated the inquiry in early January 1960, when it became aware that certain aspects of land takings in Massachusetts demanded an administrative review. Accordingly, an inspection in depth by the Bureau's own forces was undertaken and appraisers, secretarial and other personnel were assigned to a special project in Boston.

After a review of the preliminary findings of this inquiry, the Bureau decided in April of 1960 to retain the Washington firm of Beasley & Beasley, valuation engineers, to make independent appraisals of selected properties in Massachusetts, including those in Federal aid projects in Gardner, Attleboro, and Wakefield.

Also in April of 1960, the Department of Justice was advised of the nature of the Bureau's inquiry in Massachusetts, and, from time to time, pertinent information in regard to it was turned over to Elliot L. Richardson, then the U.S. attorney in Boston. This data included the Beasley & Beasley appraisals on Gardner, Attleboro, and Wakefield, which were completed in the summer of 1960.

After completion of those appraisals, a comparison was made between them and the appraisals relating to the same properties which had been made by the Department of Public Works of Massachusetts and fee appraisers retained by that department. Wide discrepancies were indicated between the Beasley appraisals and the State and fee appraisals in a number of instances.

In the fall of 1960, the U.S. attorney's office in Boston began the presentation to a Federal grand jury of material developed by the Bureau and the Department of Justice up to that time. Subsequently, in late 1960 and early 1961, Mr. Richardson, as a result of the investigation of his office, requested that the Bureau and Beasley & Beasley provide him with certain detailed information and undertake additional inquiries into selected land takings in Massachusetts, including properties in Worcester, Peabody, and Lowell. The information available was compiled and supplied to Mr. Richardson, and those inquiries were carried out subsequently by the Bureau and Beasley & Beasley in close cooperation with the Department of Justice as well as members of the staff of your subcommittee.

Since receipt of your letter, I have checked with both Mr. O'Connor and Mr. Oscar H. Beasley, Jr., and they concur generally with my recollection as to these matters.

I hope that this information is responsive to your inquiries.

Sincerely,

CHARLES S. WOOLSEY.

As I mentioned above, although the subcommittee refused to call Mr. Richardson as a witness before our hearings closed, he had expressed to me a willingness to appear and to testify. At my request, he submitted a prepared statement which would have been the basis of his testimony had he been called. He was, of course, not called and his statement arrived too late to include in the record of our subcommittee. This is regrettable because this statement indicates that his testimony would, in my judgment, have been most helpful to us, both in adding to the evidence on our land-damage hearings but also indicating other areas which our subcommittee ought to have investigated. I, therefore, include this statement at this point in the RECORD, so that my colleagues in the House can have the benefit of reading it:

STATEMENT OF ELLIOT L. RICHARDSON

Mr. Chairman and members of the subcommittee, my name is Elliot L. Richardson. From September 23, 1959, until April 14, 1961, I was U.S. attorney for the district of Massachusetts. In that capacity, I was responsible for directing an investigation into certain aspects of the Federal aid highway program in Massachusetts. I appreciate this opportunity to appear before you.

The most significant lesson to be drawn from this experience is that where political corruption is concerned, every lead, every tip—every whiff of rottenness, indeed—should be diligently pursued.

As this subcommittee is aware, it was a tip from inside the Right-of-Way Division of the Massachusetts Department of Public Works which led early in 1960 to an examination by the Bureau of Public Roads of the department of public works files on land takings in Attleboro, Gardner, Wakefield, and Seekonk. This phase was followed by Beasley & Beasley's independent appraisals of the properties involved in those landtakings.

By August 1960, a considerable number of cases had been found in which there were wide discrepancies between the Beasley & Beasley appraisals and the land-damage awards paid by the Commonwealth of Massachusetts. There were also other indications of possible fraud. I accordingly requested the FBI to interrogate the landowners, lawyers, fee appraisers, and right-of-way division employees involved.

It soon became apparent that little or no cooperation could be obtained from these potential witnesses. It was essential to have the aid of a grand jury's power to compel testimony under oath and to require the production of documentary evidence. In October 1960, therefore, Assistant U.S. Attorney James C. Heigham and I began the presentation of evidence to a grand jury which continued to serve and to hear evidence until the end of last week when, by law, it had to be discharged. The contributions of this grand jury demonstrated the effectiveness of the grand jury as an investigatory instrument. Its members deserve high appreciation for long, faithful, and intelligent service rendered, in many cases, at great personal sacrifice.

By the late fall of 1960, all the original leads had been checked out and all the relevant evidence thus far obtained had been presented to the grand jury. The only significant evidence of fraud discovered up to that point concerned the O'Connell-Harney-Lawton deal with respect to the Attleboro Lumber Co. taking. It would have been easy to call a halt at that point. But we did possess information which to my mind required further investigation. This information was a composite of a fact, a rumor, and a tip.

The fact was that after the Furcolo administration took office one William M. Jacobs began to receive far more fee appraisal work than any other outside appraiser. The rumor was to the effect that Attorney Theodore A. Glynn, Jr., former campaign manager for Furcolo, began during the same period to handle a rapidly growing volume of land-damage cases. The tip reached me last. It was that Jacobs had done a lot of appraisal work for Glynn clients.

This was enough, I believed, to justify my asking the Bureau of Public Roads investigators working in Massachusetts to pull the department of public works files in all cases in which Glynn or his partner, Harry P. Haveles, was the landowner's attorney and in all cases in which Jacobs was a fee appraiser.

Analysis of these files turned up other leads—the transfer of two able and conscientious State appraisers from Worcester to Greenfield, for example, and the substitution for their appraisals of new and higher appraisals—and these in turn led back to a reanalysis of the files. Similarities between State appraisal reports and supposedly independent fee appraisal reports were noted. Alterations were discovered. The Glynn and Haveles bank records were obtained. The payments by Glynn and Haveles to Jacobs were found. Jacobs' records were then subpenaed and the manner in which these payments were entered came to light.

During the period of this followup, Mr. Chairman, close and cordial working relationships were established with the members of your subcommittee staff. Ways of minimizing duplication and overlap were worked out, and the investigatory experience and resourcefulness of the subcommittee investigators assigned to Massachusetts assisted greatly in tracking down important information. Their work in this and other situations is further proof that in exposing corruption persistence pays off.

By early April 1961, the picture was sufficiently clear, I believed, to justify submitting to the grand jury a single comprehensive indictment naming 6 defendants and 6 coconspirators, covering 26 land takings, and involving more than $2,750,000 in land-damage awards. Two perjury indictments—one against DeSimone and the other against Barca—were in preparation and have since been returned. With the help of an attorney from the Justice Department, Assistant U.S. Attorney Heigham and I drafted the comprehensive indictment and sent it down to Washington for comment. The proposed defendants were Glynn, Haveles, Jacobs, Dole, Dodge, and a sixth individual not thus far named in any indictment actually returned. The proposed coconspirators but not defendants were Alphen, Coomey, Cronin, DeSimone, Stephen, and one other person. The properties involved were in Boston, Gardner, Lowell, Lynnfield, Peabody, Seekonk, and Worcester. One of the Lowell land takings has recently been made the basis of an indictment against Dole, Jacobs, Stephen, DeSimone, Ernest Riess, and two corporations. Four of the Worcester land takings are the basis of a second pending indictment, this one against Jacobs, Dodge, Glynn, Haveles, and Coomey.

I never received from anyone in the Justice Department any comment on the draft indictment. Two days after I sent it down to Washington I was abruptly replaced as U.S. attorney.

The available information tending to indicate fraud in other aspects of the Federal aid highway program in Massachusetts is fully as substantial as that which triggered the investigations resulting in land-taking indictments.

In the case of consulting engineering contracts, the trial in September 1960 of Thomas Worcester for income tax evasion and the subsequent probation hearings laid bare the process by which one Massachusetts consulting engineer who in 1948 had no State business, had by 1951 acquired more State business than any other consulting engineer. During the period 1949–51, Worcester kicked back some $275,000—10 percent of his firm's gross fees—in commissions on contracts with several Massachusetts public agencies, but chiefly the department of public works.

Against this background, current leads cry out for complete and thorough investigation. They include:

(a) A statement by one engineer that he was twice approached by an individual known to be influential in the Furcolo administration with regard to his willingness to pay—out of aftertax income—cash kickbacks of up to 20 percent of his gross fees for consulting engineering contracts with the department of public works on federally aided projects. The engineer had previously done considerable work for the department of public works and blames his failure to receive additional work after these conversations on his refusal to go along.

(b) Information collected by a former engineering staff member of the Bureau of Public Roads through conversations with

representatives of many of the leading engineering firms which have at one time or another done work for the department of public works. Many of these spokesmen also believe that they have been denied work because they would not kick back a percentage of their fees.

(c) The circumstance that one engineering firm was able to receive, in 3 years, contracts amounting to nearly $2,500,000 from the department of public works on the basis, many times, of nothing more than a few sheets of paper with penciled notations.

This firm has made payments in large amounts to several rather mysterious partnerships, and its payments of legal fees seem excessive on their face. In fact, according to a source I consider reliable, the head of the firm has admitted that $45,000 paid to one individual in 1 year and charged to "legal services" was in fact paid as "commissions" for procuring public business.

(d) Information received from a respected engineer who has concrete reason to believe that the Commonwealth was charged nine times too much for the so-called interbelt study.

Equally compelling leads exist with respect to the award and execution of highway construction contracts. Here is where the really big money is going, and where land takings and consulting engineering contracts have been exploited. it seems hardly conceivable that a richer field would have been neglected.

The State auditor of Massachusetts, in his two most recent reports, has called attention to possible abuses in connection with portions of highway construction contracts covering the excavation of rock, gravel, borrow, and peat. The auditor has reason to be concerned. As your subcommittee is already aware, the Bureau of Public Roads has for some time been investigating one such situation involving overruns in peat and ordinary borrow excavation in connection with the construction of a 3.6-mile section of Route 128 in the Braintree-Quincy-Randolph-Milton area. Test borings made in February and March 1961, appear to show that claims by the contractor for overruns of 241,000 cubic yards of peat and 300,000 cubic yards of ordinary borrow are fraudulent and that the aggregate amount by which the Commonwealth of Massachusetts has been overcharged for these overruns may be as much as $300,000—perhaps more. There is evidence, moreover, that three State employees charged with supervision of this particular job received payments from the contractor. In addition, the resident engineer enjoyed a trip to Europe at a subcontractor's expense.

The State auditor has called attention to other construction contract situations which on their face demand explanation. None, so far as I know, has yet been thoroughly investigated. Take, for example, the lump sum acceleration payments under two contracts with M. DeMatteo Construction Co. discussed by the State auditor in his report for the period April 14, 1958, to April 6, 1959. Giving the contractor the benefit of every doubt, he found that the Commonwealth had been overcharged in the aggregate amount of at least $130,998.02 for "cold weather" work not actually performed in cold weather. If these and other similar payments to DeMatteo did indeed occur as reported by the auditor, it would seem self-evident that some duly constituted authority should find out why and how this happened.

With the subcommittee's permission, Mr. Chairman, I would now like to turn to a few affirmative suggestions with respect particularly to the improvement of administrative controls over the processing of land-damage awards:

1. An element indispensable to carrying out the frauds uncovered in these investigations was the ability to manipulate the selection of at least one outside fee appraiser. Without the opportunity to induce Dole to make the assignments of Jacobs, for example, it would have been impossible to bring to bear on the review board figure the upward pressure of Jacobs' grossly excessive appraisals. The risk of future fraud could be reduced, therefore, by eliminating the possibility that the landowner or his counsel could cause the assignment of a fee appraiser acting in collusion with them.

The best way to preclude this possibility, I believe, would be to require the assignment of independent fee appraisers to be made by lot. The parcels to be appraised would first be grouped into units appropriate for one appraiser to handle. Each group of parcels would then be listed in order. The names of all the appraisers with offices close enough to the project area so that they could reasonably be expected to be familiar with it would then be drawn from the master list of qualified appraisers. These names would be written on slips of paper, put into a box, and drawn out at random. The first name would be assigned to the first group of parcels and so on.

2. Admission to the master list of qualified appraisers should be subject to Federal approval through the Bureau of Public Roads. The Bureau should, in effect, have a veto power over proposed additions to the list who do not measure up to high standards of experience and professional reputation.

3. The Bureau of Public Roads should itself at regular intervals spotcheck the adequacy of appraisal reports, compare State appraisal reports with fee appraisal reports, and, from time to time, make on-the-ground inspections of the subject properties. In 90 percent federally aided projects, the United States has the largest ultimate financial stake in the adequacy of land-damage procedures and it should not wait for postaudit examinations to catch lapses in their administration.

4. Any factual statement affecting the basis or validity of any appraisal or designed to influence the determination of any settlement should be required to be made in writing, and any such statement which is false or misleading should specifically be made punishable. Haveles, in one case, induced the assistant attorney general in charge of land-damage cases to get an appraisal raised from $30,000 to $50,000 on the strength of his (Haveles) oral representation that the land in question had been rezoned for business use before the taking. In fact, the local order rezoning the property had been appealed to the superior court, and the appeal had not been heard. This kind of thing, if not deterred by provisions of the sort suggested, should at least be subject to prosecution thereunder.

These proposals could most effectively be carried out under Federal law by amending 18 U.S.C. 1020, which is at present glaringly deficient in this regard.

Section 1020 makes it an offense for a Federal or State officer, agent or employee to knowingly make a false statement, representation or report as to the character, quality, quantity or cost of the material used or to be used or the quantity or quality of the work performed or costs thereof in connection with the submission of plans, maps, specifications, contracts or costs of construction of any Federal aid highway. This language, while including much of the construction and engineering areas, does not appear to extend to right-of-way acquisition. Moreover, it applies only to an officer, agent, or employee of the United States or of a State. It, therefore, does not apply to landowners or their representatives and it is highly questionable if it reaches persons such as fee appraisers who would not normally be considered State employees. Nor, while specifically mentioning statements, representations, reports, plans, maps, specifications and contracts, does it refer to appraisals. For all these reasons, it was not considered a sufficient basis by myself or the Department of Justice for indictments involving land-damage transactions. We were therefore forced to resort to the elaborate and somewhat clumsy procedure of charging a conspiracy under 18 U.S.C. 371. My successor has not seen fit to change this basic legal approach.

5. The office of the attorney general of Massachusetts should accept responsibility for the adequacy and validity of any appraisal report on which it relies at a pro forma hearing for justification of a negotiated settlement. It is difficult to understand how some of the reports referred to in transcripts of several such hearings could ever have been given serious weight.

In addition to focusing attention on the need for improved administrative and legal machinery, these hearings have also underscored the necessity for better personnel practices. Desirable emphasis has been given to the shockingly high proportion of all employees of the right-of-way division who have been held on year after year in temporary positions. This certainly should be corrected.

Less note has been given to the equally important fact that Associate Commissioner Dole for nearly 3 years was kept in a state of complete uncertainty as to his own tenure. On January 31, 1958, his first 5-year term of office as associate commissioner expired. He was not reappointed until January 4, 1961—the last day on which Governor Furcolo had the power to reappoint him. Was this long holdover period a mere oversight? Was it the result simply of indecision? Or was it part of a concerted plan designed to exert pressure on an elderly man dependent on his salary?

These are key questions, for certainly the schemes to defraud the Commonwealth of Massachusetts and the United States through the inflation of land-damage awards could not have succeeded without the right appointments of outside appraisers, and Dole made those appointments. To my regret, it was not possible for me to pursue these questions, and I regard it as unfortunate that they have not been explored in these hearings.

For 14 months Herbert L. Dodge suffered from an insecurity of tenure almost as acute as Dole's. On November 28, 1958, Lester J. Ellis resigned as right-of-way engineer. On December 1, 1958, Dodge was appointed acting right-of-way engineer, but he was not given the full title together with the tenure and assured salary that went with it until January 18, 1960. Was this 14-month delay also part of a concerted plan? It is noteworthy that no breath of scandal ever attached itself to the names of either Dodge or Dole with respect to any period prior to their dependency on the good will of the Furcolo entourage.

And yet, though reasonable job security is important, ouster for adequate cause should also be reasonably possible. It is shocking that a system could exist under which an employee discovered in a flagrant conflict of interest could say of his superior, "I'm not sure he can fire me."

Patronage, political pressure—these were the keys to employment by the right-of-way division. So powerful was Ed Sheridan, the department patronage boss, that the right-of-way engineer, on a word from Sheridan, transferred his ablest appraiser from Worcester to Greenfield without asking a single question. So little, indeed, were qualifications and experience regarded that fee appraisers were able to get on the eligible list on the basis of outright falsification of their appraisal experience. And yet perhaps that should not be too surprising in a department whose present head procured a civil engineer-

ing license on the basis of a false representation in his license application that he held an A.B. in engineering from Northeastern University when in fact the only course he completed was 1 year at the night school.

These destructive personnel practices are matched in the Massachusetts Department of Public Works by the breakdown of management responsibility. The present commissioner shrugs off corruption as inevitable. His predecessor seems to believe that responsibility can be avoided by delegating it. But of course the tone and morale of any organization are established at the top. No matter what other responsibility he may delegate, the head of the organization can never escape that of making sure that delegated responsibility is being properly carried out. Where the boss fails, the subordinate is also likely to fail, and there ensues the very kind of deterioration manifested in the right-of-way division in the years since 1957. The only real cure is new management.

You have been very patient, Mr. Chairman and members of the subcommittee, and I would like to offer just one more thought.

The full burden of maintaining the integrity of the Federal aid highway program should not be made to rest exclusively on the shoulders of Government. Investigation and prosecution are clumsy tools with which to correct wrongdoing that might more speedily and efficiently have been remedied by more effective self-policing on the part of the professional groups concerned. The real estate profession could enforce standards of thoroughness and accuracy in fee appraisals for public agencies. The civil engineering profession could unite in serving notice on public officials that none of its members, on pain of summary expulsion from the profession, will go along with a demand for the kickback of a percentage of fees. The legal profession could be alert to the activities of lawyers whose real stock in trade is the manipulation of political influence.

In every profession, the impulse to be a good fellow and look the other way when shoddy work or shady activities come to ones attention must be subordinated to the general interest of the profession. Such matters should be reported to the appropriate professional committees and, where necessary, to the appropriate law-enforcement authorities. This acceptance of professional responsibility would, in itself, go a long way toward eliminating the kinds of abuses which have been the subject of these hearings.

Thank you, Mr. Chairman and gentlemen, for this opportunity to be heard.

COMMENCEMENT EXERCISES OF CANISIUS COLLEGE, BUFFALO, N.Y.

Mr. DULSKI. 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 New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, last Sunday, June 10, Canisius College in Buffalo, N.Y., conferred degrees upon 346 graduates at its 96th commencement. The Most Reverend Leo R. Smith, V.G., auxiliary bishop of Buffalo, presided.

The commencement speaker was U.S. Senator THOMAS J. DODD, of Connecticut, who was also the recipient of an honorary degree of doctor of laws.

Others receiving honorary degrees were: Mr. Henry J. Osinski, Buffalo banker, upon whom the Jesuit institution conferred an honorary doctor of humane letters degree. Mr. Osinski is manager of the Broadway-Mills office of the Manufacturers & Traders Trust Co., and his citation commended him for his achievement in "local, national, and international charitable works; in advancing the cause of private education; in promoting the welfare of American youth." Mr. Joseph Wincenc, professor of music at State University College in Buffalo, also received an honorary doctor of humane letters degree. His citation summarized his career as violinist, conductor, teacher, and soldier in the Armies of the United States. He is also founder and director of the Amherst Symphony, and was associate conductor of the Buffalo Philharmonic at one time.

Two Buffalo graduates of Canisius were also honored. Mr. Charles J. McDonough, an attorney, received the President's Medal for 1962, which commended him for devoting his life and talents to defending the rights of the individual. Mr. John P. Propis, insurance executive, was awarded the La Salle Medal for 1962 which is conferred annually for service to a vitally active alumni association. It honors Sieur Rene Robert de la Salle, first alumnus of a Jesuit college ever to come to the Niagara frontier.

Senator DODD was U.S. executive trial counsel to the International Tribunal at Nuremburg for the prosecution of Nazi war criminals. He is well known for his stand on national and international affairs as a dauntless champion of freedom, of human and civil rights.

From a rostrum under a green canvas canopy in front of Christ the King Chapel, where the gowned guests, faculty, members of the board of regents, and College President Father McGinley were assembled, the Senator in his address urged the graduating class to help keep the Nation strong for the future.

Under leave to extend my remarks, I am happy to include this fine commencement address which follows:

REMARKS OF SENATOR THOMAS J. DODD, OF CONNECTICUT, AT THE COMMENCEMENT EXERCISES OF CANISIUS COLLEGE, BUFFALO, N.Y., SUNDAY, JUNE 10, 1962

The college graduate of today takes his place in a world which presents a strange paradox. On the one hand, he sees the promise of a future of unparalleled human achievements, for we are on the threshold of a scientific mastery and a material abundance which promises to conquer man's ancient enemies, hunger, disease, ignorance, drudgery, insecurity.

On the other hand, he sees each day the evidence of a danger greater than Americans have ever known, the danger of enslavement and even of annihilation.

Why has mankind at last approached the golden threshold only to face a dark abyss, shrouded by the threatening clouds of war and nuclear destruction?

I believe there are two general answers to this question. First, there is the obvious answer that the threat to our freedom, our security, our progress, even our lives, is posed primarily by the Communist drive toward world conquest. A powerful group of perverted fanatics, armed with all the resources of a vast empire and equipped with all the tactics of evil, are dedicated to the destruction of Western civilization.

But this answer is not enough.

Communist dogma and Communist power did not develop in a vacuum, did not suddenly appear upon the scene to threaten an innocent world.

We must look for a second answer to the modern dilemma, and I think we can find it in those weaknesses and corruptions of Western society which gave birth to communism in the first place and which have enabled and permitted it to survive, grow, and become the enslaver of one-third of the globe.

Communism is a product of Western civilization. It began as a protest against the shameful and degraded conditions of life which were the lot of the working masses in capitalist countries a century ago. Its doctrines had their origin in the twisted treatises of Western intellectuals.

In our own century, our failure to live up to our finest traditions has enabled communism to grow in strength to the point where it can now challenge the very survival of the Western World.

In coping with the great challenge of your time, it will be important for you to understand the culpability of Western society for the growth of communism.

We in the West were once blind to dreadful social injustices and the result of this blindness and injustice was a frustration, a hatred, a rebellion which was translated into the dogma of communism.

We in the West have ourselves been pursuing our own form of materialism, placing possessions ahead of principles, and we have thus found it difficult to comprehend the full horror of Communist materialism. We did not instinctively condemn the Communist destruction of the human personality for the sake of achieving material ends because we were ourselves warping and shrinking the human soul in pursuit of pleasure, privilege, and profit. Therefore, inured to materialism, we have been ineffective in combating it.

We in the West were once indifferent to the sufferings and degradations of hundreds of millions of our fellow human beings, all around the globe. Beyond that, the selfishness with which some Western nations exploited these millions has left widespread discontent and despair in the world, which the Communists shrewdly are turning to their own ends.

We in the West have been lacking in moral discrimination. We have refused to treat Communist regimes as moral lepers. We have given them the recognition, the material assistance and the technical aid which have made it easier for them to succeed. We have accorded to them all the trappings of respectability and legitimacy. We have tried even to shower them with affection, which has been dampened only by Communist rejection.

We in the West have been weak in our resolve and thus, despite our unparalleled military and economic power, despite the rightness of our cause, we have, sometimes through circumstance, sometimes through ignorance, sometimes through cowardice, acquiesced in the Communist enslavement of one small nation after another.

And so we find ourselves, not the innocent victims of a tragedy beyond our control, but rather the victims of a situation largely of our own making.

There was a time when the guardians of 3,000 years of Judaic-Christian civilization, as they witnessed the embryonic threat posed in the early years of Lenin and Stalin, could have said:

"You Communists are the antithesis of everything that we believe in. You seek to destroy the civilization which it is our duty to preserve. You seek to abolish concepts which we spent thousands of years developing: the freedom and dignity of the individual, acknowledgment of the divine purpose behind our existence, the sanctity of the family, the necessity of human freedom, the justice and practicality of private property.

"And so we are against you. We will do all that we can to inhibit your experiment

in evil, which can be maintained only by tyranny. We will treat you as moral outcasts. We will have no cordial relationships with you of any kind. We will not help you in any way. We will not trade with you. We will not permit your agents to operate in our countries. We will not allow your ambassadors to come here as though they were the legitimate representatives of a free people. We will isolate you and quarantine you from the family of nations."

That is what the spokesmen for Western civilization should have said and done. That is what some of them started to do. But in the end, the Western World did just the opposite and the mortal danger which it now faces is the harvest of its own failure of responsibility.

It will be the task of the young men and women now leaving our colleges to redress this failure. Just as you will enjoy the fruits of past achievements, so must you bear the brunt of past mistakes. You inherit more than the cold war.

You are the heirs of the intellectual heritage of the Greeks and Romans, the religious inheritance of our Judaic-Christian forebearers, the artistic, industrial, and scientific bequests of centuries. And you are the beneficiaries of our own American experiment in free government.

You have the benefits of the best that we can give. You have the example of the worst that we could do. The hope of man's freedom and man's progress is riding on you.

What do we seek? Our goal is peace, peace for ourselves, peace for all men. It seems simple enough. But peace will not come merely because we wish very hard for it to come, as those who ceaselessly picket in front of the White House seem to think. It will not come merely because we disarm ourselves, as urged by those who would have us abandon to the Russians the field of nuclear technology. It will not come merely because we barter away the soil and freedom of other peoples, as some would have us do today in Berlin or in southeast Asia.

True peace can only be founded upon a world wide order of justice, fair play, and decency. That is what makes it so hard to achieve.

The first step, the indispensable step, toward the building of such an order is firm resistance to the spread of communism, which is its antithesis. The next step is one of purposeful striving toward the enlargement within the free world of those concepts of justice, liberty, individual opportunity, peaceful arbitration of disputes, economic cooperation among nations, and reverence for the inalienable rights of man, which have dominated our own history.

Your generation will live through a period of supreme testing for the American people. You will be asked to make ever greater sacrifices of your time, of your treasure, perhaps of your lives for the defense of our country.

You will be asked to take greater and greater risks to deter the aggression which past weakness has encouraged.

You will be asked to assume ever heavier burdens in assisting our friends in the free world.

You will be asked to suffer the dislocations which will inevitably attend the building of free world economic strength through lowering trade barriers.

You will be asked to endure the daily tensions of a mortal conflict which may last for decades; to suffer patiently the ingratitude and even the ridicule of those nations we have strengthened and preserved; to reject the emotional appeal of the narrow zealot; to combat the rosy sophistries of the unquenchable optimist; to support a balanced national effort of resistance and reform, an effort both to resist every manifestation of Communist aggression anywhere in the world and at the same time to reform those weaknesses within Western society which threaten to pull us down.

If this civilization is to survive, it is the American people who must provide most of the leadership, most of the armed strength, most of the courage, most of the determination, most of the creative planning for the future. And it is you, and thousands like you, educated in our best traditions, who must guide our people toward this destiny.

Why do I say all this at an occasion of this kind? I say it because our country and its ancient ideals are more in need of the loyalty, the devotion, the understanding, and the unselfish help of its young men and women than ever before. Never has a nation been so in need of a generation that recognizes its destiny, represents its ideals, and embraces its traditions.

Two thousand years ago Simon of Cyrene stood at a crossroads in Jerusalem and watched Christ pass, carrying His cross to Calvary.

Simon had no real knowledge or special interest in what was going on. He was there by what seemed to him an accident. But because he was there, and because of his apparent strength, he was pulled from the crowd and given the cross to carry.

He shouldered his burden unwillingly and with a resentment that we can all understand. But as he trod in the footsteps of the Master, as he began to recognize the significance of his action, the burden became lighter and the labor sweeter. He was fulfilling his destiny.

In this century the United States has stood at a great crossroads of history, at a time when morality and decency were being persecuted and crucified all over the world. We had just arrived on the world scene as an important power at the turn of this century. We were curious onlookers at the terrible tragedy that was beginning to unfold in Europe. Our people had no desire to become deeply involved in the problems of other nations.

But events drew us irresistibly to the vortex of the world crisis. Because of our strength, because of the logic of events, we took up the cross of preserving decency in the world, without realizing the full significance of our act, without realizing that it was the fulfillment of our national mission.

If the destiny of a nation is to be fulfilled, each generation must renew its understanding of it.

Many of our countrymen today resent our role in the world because they do not understand it. There are mounting signs that our people are growing weary of the burden and wish to lay it down.

But our task is far from completed. Our country needs new strength, new zeal, new idealism. I believe that when the full realization dawns upon our people of the nobility of our role, of the meaning of our labors, then our burden—like that of Simon—will seem to grow light, the labor sweet.

Those who understand now the true nature of things, the duty and the privilege that has fallen to us, have a sacred obligation to lend their strength to the just cause and to help keep America ever young in its ideals, its courage, and its fervor for the right.

That is the full meaning of patriotism in our time.

My visit with the young men of Canisius College has strengthened my confidence in the future. I envy you the journey ahead. Good luck and Godspeed to each of you.

A GRASS ROOTS APPROACH TO FOREIGN ASSISTANCE PROGRAMS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. WRIGHT] is recognized for 45 minutes.

Mr. WRIGHT. Mr. Speaker, our country has been engaged for some years in various types of foreign assistance programs. These programs have met with varying degrees of success. In an imperfect world, I suppose that is to be expected. Yet from this experience certain facts have emerged, and if we are to win through to victory in this cold war against worldwide communism, we need to see these facts in clear focus.

The foreign assistance programs, if they are to perform their intended function, should aim at helping friendly countries to build an economic base, rooted in individual freedom and individual ownership, from which those countries can develop a maximum degree of self-reliance and self-sufficiency.

Obviously it is not the intent of these programs to create a vast, worldwide dependency upon the United States. They were not so designed, and if this were their end result they would have failed their purpose.

The most valuable thing we have to export is our own experience in developing a viable political and economic system which recognizes and contributes to the dignity and worth of the individual. If we can export this experience, if we can implant this spirit wherever the feet of our foreign representatives fall upon the soil of friendly lands, then we shall have contributed greatly to the balance of power by which freedom shall be preserved upon the earth.

I have today introduced a resolution which would direct that priority be given in the foreign assistance programs to those activities which actually reach the people, which promote self-help and local individual ownership. Several of our colleagues have joined in its introduction.

The essential sentence in that resolution reads as follows:

> That it is the sense of Congress that * * * the highest practicable priority should be given to programs providing for loans or loan guarantees for use by institutions and organizations in friendly foreign countries in making repayable low-interest rate loans to individuals for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, acquisition of tools or equipment needed for carrying on a trade, or financing the opportunity for individuals to obtain practical education in vocational and occupational skills.

Such an emphasis, it seems to me, would provide a grassroots program. It would come to grips with the basic problem. The key words are "repayable low-interest rate loans." This is a prime need in most of the underdeveloped countries. The fact that credit has simply never been available to the average people is one of the most fundamental reasons why these countries are undeveloped and why they stay undeveloped. An economy will remain forever undeveloped so long as credit, the chance to make a start, is confined to those who already have everything they need. What the people want, and what they

must have if they are to make any broad-based contribution to building an economy, is not a handout but a chance.

I have talked with many people both in and out of government about our foreign assistance programs. I have tried to examine these programs on the spot in some instances to see how well they were working. You can hear both praise and criticism. The criticisms most frequently voiced, it seems to me, break down into four general categories.

First. We hear the criticism that too much emphasis has been placed in the past upon grants and too little upon loans.

Second. We hear the criticism that the aid too often does not filter down to the average people in the countries whose economies we are trying to assist.

In the third place, we hear the criticism that the programs have not always actively encouraged free enterprise and individual ownership of farms, homes, and small businesses.

Finally, we hear that emphasis too often has been upon grandiose projects too far removed from the lives of the plain citizenry to have much real grassroots impact.

Now, let's examine how such an emphasis as this resolution directs would go about the task of strengthening and improving the program.

First and foremost, it would do so by making progress possible through repayable low-interest rate loans. I am thinking basically of loans to individuals rather than to governments. It is our thought that wherever possible these loans should be made available through existing institutions and organizations in the countries themselves. The role of the U.S. assistance program might be that of guarantor rather than that of lender.

The great crying need in many of the underdeveloped countries has long been the need for credit on an individual basis. This is what Farther Daniel B. McLellan, the Maryknoll missionary priest, discovered in Peru.

Several weeks ago, a number of us in the House had the privilege of having a luncheon with Father McLellan. For several years he has worked with the Indians of Peru. The story he told was such a fascinating one that we stayed long past the normal time for such a discussion. For 3 hours, several of us remained to ask questions.

Basically, the missionary explained, the Indians in and around the mountain village of Puno had never been able to achieve anything because they had never had a chance to lift themselves from the poverty in which their ancestors for generations had lived. They could not lift themselves by their bootstraps because they had no bootstraps, in fact, no boots. Nobody had ever had enough faith in them to give them a chance, individually or collectively, to improve their lot. Hence, they contributed nothing of any value to the development of the country or its economy.

What they needed was simple. They needed seed and fertilizer to make the sparse patrimony of their acres yield. They needed farm implements, simple tools of the most rudimentary kind. Yet they could not obtain these simple things because they had no money. They had no money because their fields did not yield more than enough to keep a tenuous hold on existence itself. Their fields did not yield more because they lacked these simple tools and needs of efficient farming. They lacked these things because they could not get credit to buy them. They could not get credit on other than unconscionably usurious terms because they had no money. It was a vicious circle which had kept them mired down, generation after generation, in a hopelessly self-perpetuating futility.

In Father McLellan, many of them saw for the first time a gringo who believed in them. He tried without success to present their cause to the lenders and was scorned. "Forget the Indians," the experts scoffed. "They are beyond help and will never amount to anything."

But the priest's faith was undaunted. He believed in them enough to follow through. Loans, he explains, when available at all, exacted interest as high as 10 and 12 percent a month, more than 100 percent a year. Under such circumstances, progress for the agrarian Indian was impossible.

So he organized a credit union among the Indians. He started with only 23 who together raised a total of a mere $30 to begin. So phenomenally successful was the effort that within a year the credit union had 291 members and a capital of $15,000. So great was their eagerness to make good and to prove that the faith in them was well founded that there was not a single default in the first 95 loans. During the first 2 years, a total of $150,000 had been loaned with a bad debt loss of only $80. So great was the need which this simple device had met that the idea spread like wildfire, and today 207 separate credit unions of this type have been organized throughout Peru. The San Juan credit union has 5,000 members and a capital of $400,000.

The Communists have not liked this at all. Knowing that their appeal depends upon poverty and hopelessness, they have tried to break up the credit unions. They have systematically spread rumors and on one occasion created a run on the funds of the credit unions. The availability of credit to the lowest people on the economic spectrum is replacing hopelessness with hope. It is giving the Indians a chance to help themselves. It is steadying the economy on the broadest possible base. It is proving that plain people can improve their lot and solve their problems within the framework of a free society. It is giving to los descamisados the vision of a better mañana. It is spoiling the Communists' game.

If this can be done with the Indians of Peru, it can be done with anybody. The people in the underdeveloped countries need more than anything else to know that they individually have something to contribute to the economy. They need to feel that their lot is not hopeless and that somebody believes in them. In this way only can they develop the sense of individual responsibility upon which a strong and healthy capitalistic economy can thrive.

This resolution would direct its help to people rather than simply to governments. One of the great urges throughout the underdeveloped world is the urge for land reform. Where it remains unfulfilled, this urge is one of the Communists' greatest weapons. Where the urge begins to be fulfilled, it is one of democracy's greatest weapons. Its fulfillment within the orderly processes of a free society is communism's greatest fear. This is true in much of the world.

This resolution directs that emphasis be placed upon low-interest rate loan programs for individual purchases of small farms and homes. If such a program had been available to the people of Cuba before Castro came on the scene, his appeal would have been greatly diminished. His appeal was to hopelessness. His appeal was to those who had become convinced that they had no chance whatever of ever owning anything in their own right short of revolution. Callously, he played upon this hopelessness and made cruel and irredeemable promises. Crassly he betrayed them. But when they awakened to his duplicity, it was too late.

If we are to head off the enthronement of other Castros in the underdeveloped nations, we must help to provide a vehicle which can show that their legitimate aspirations can be realized, and better realized, through democratic governments and free institutions.

The resolution would direct emphasis to loans for the establishment, equipment, and strengthening of small independent business concerns. I would not say to you that we can hope to make every nation of the world into the image of the United States. But we can indeed help them to develop viable local economies with roots in the capitalistic system. If they are worth helping at all, they are worth helping in this way.

Capitalism today is a dirty word in some parts of the world. It has been made so through their total unfamiliarity with its blessings. How can we expect them to hail capitalism or applaud free enterprise when to them it means something entirely different than to us? How can we expect them to cheer the fact that every young American has the chance to go into business for himself if he wishes when they know from sad experience that this simply has never been true in their own societies?

We have learned from our own experience as a nation that the economy thrives only as its individual members thrive. We have a strong economy and a strong country because our prosperity is widely based. This is the American dream come true. This is the living proof that our system serves the individual better than does the Communist system. But if it is to have relevance and meaning to the peoples of the underdeveloped world in those countries which still are friendly to us, then they must come to see that this dream can come true for them also.

The resolution also would encourage loans to individuals for acquiring the

tools and equipment needed to carry on a trade and for obtaining practical education in vocational and occupational skills. These are their needs. This is the way to reach the plain people. If an economy is to be built and strengthened, it must be developed from the ground up, not from the top down.

This is a grassroots approach. If we have enough faith in any country to assist it through our programs and to try to tie it to us as a friend, then we should have enough faith in its people to encourage the government of that country to show faith in its own citizens and thus to give them a chance to prove that they are worthy of that faith. If we lack this basic faith in the native population of a given nation, then any help we give to it is a bad risk.

So long as we are to have these foreign assistance programs, let us make them work. So long as we are in this cold war with Russia, let us go all out to win it. This resolution, I believe, would help us do that.

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

Mr. WRIGHT. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, I would like to express my personal appreciation as one of a number of Members of this body who have today joined the gentleman from Texas in the introduction of this resolution, an appreciation to him for his leadership in this matter, an appreciation to him for the very splendid and thoughtful speech which he has delivered this afternoon on this subject.

All of us, I think, are looking for some way to carry on the fight in the cold war with the Communists and to conduct a successful offensive against the Communists wherever the forces of freedom are in conflict with the Red forces. The resolution which the gentleman from Texas and about 11 other Members of the House have today introduced is a genuinely constructive step in that direction. It launches a constructive and understandable offensive on behalf of freedom in the cold war. It carries the fight to the Communists where it hurts them the most, and that is on the streets and on the country roads and in the fence rows of the underdeveloped countries of the world.

I do not think it is any accident that, as Father McLellan in the luncheon which the gentleman from Texas sponsored some weeks ago told us, the credit unions of Peru have become public enemy No. 1 with the Communists in that country because they have given meaning and significance and opportunity to this idea called capitalism for a great many plain citizens who never before had known what the meaning of low-interest-rate credit was. It was interesting to me at the luncheon which the gentleman from Texas hosted to hear from this plain-spoken and yet very eloquent Maryknoll priest, the story of his meeting with some of the big landowners of Peru who came to him to tell him that they would like to place some of their land in the hands of people; that they saw the significance of this fight for land reform, and that they would like to find some constructive way to make transfers of land that would result in a productive use of that land on down the road.

Mr. Speaker, the gentleman will recall that they had this thought: What good does it do to place land in the hands of people who cannot even find the money with which to put a fence around it, and who cannot even find the money to buy the simplest kind of farm equipment, much less fertilizer, in order to make use of the land, and who certainly could see no way under the sun in the existing picture in that area to finance barns and other outbuildings, and make other use of the land which might be turned over to them?

Mr. Speaker, this resolution declares it to be the policy of the Congress of the United States to encourage constructive action along this line in the countries that are participants in our program. It declares it very definitely to be the policy to give the highest practicable priority to loans for five different major purposes. Those five purposes might well be called, in my judgment, five pillars of a successful, free society.

Mr. Speaker, the gentleman from Texas [Mr. WRIGHT], has already recounted those purposes as trying to make it possible to buy small farms, to try to make it possible to purchase homes, to try to make it possible to equip and establish and strengthen small, independent businesses, to make it possible for an individual to obtain the tools or equipment of a trade and, finally, to make possible education.

Now, these are fields where you reach people. These are fields where the experience of every one of our Foreign Service officers who spend any time in the underdeveloped countries has pointed very clearly to a most pressing need in our existing program of assistance.

Mr. Speaker, we have made mention already here this afternoon of Father McLellan's experience. I am sure that the experience of Father McLellan in determining the needs of the people and the need to expand our programs to reach people is an experience which has been duplicated in the activities of Dr. Bill Walsh, who has headed up Project Hope in its efforts in Indonesia, in Vietnam, and now in Peru. Dr. C. S. Lewis, of Tulsa, Okla., a physician, has led a group of physicians in India in trying to give medical attention to the people of India, and has reported similarly upon the tremendous impact of the efforts by Americans to reach people in their basic problems, and to give them help in those basic problems.

Mr. Speaker, I think that the wheels are turning well in the field of health. I think that the wheels are turning much better today in the field of education. But I think that in this field of credit for the people that there is a great vacuum which exists today, a great vacuum which is appreciated, let me say in all fairness, by the members of our own Committee on Foreign Affairs of the House of Representatives, by the members of the administration responsible for this program, and I might say this: I have talked with members of the Committee on Foreign Affairs of the House, and know that on this side of the aisle, everyone with whom I have discussed this problem, has told me these are objectives that we agree with 100 percent. Every one of them has said these are objectives that our committee has been trying to see advanced and implemented in our program. Every one of them has said, "We have tried through the use of committee reports, we have tried through the use of language in the authorization bill and wherever possible to get this emphasis into the program."

Mr. Speaker, I am quite sure that we will have sympathetic voices raised on this subject by members of the Foreign Affairs Committee who know this problem best on both sides of the aisle, when and if—and I hope it will be soon—this matter comes to an opportunity for the House to express its will. I have the feeling that we can do tremendous things not only in the field of accelerating these efforts in the underdeveloped countries of the world, but also in striking effective psychological blows to the advantage of the free world and all over the world where we are in conflict with Red purposes, and that is all over the world.

Mr. Speaker, once again I would like to express my personal appreciation to the gentleman from Texas [Mr. WRIGHT] for his leadership in this matter, and I would like to express my appreciation to the members of the Department of State and to the Committee on Foreign Affairs, who have given of their time to discuss this matter thoroughly in advance of its being brought to the floor.

Mr. WRIGHT. Mr. Speaker, I would like to thank the distinguished gentleman from Oklahoma not only for his timely and well-timed remarks here today, but also for his many hours of devoted effort and the skill which he has dedicated to the ironing out of the language which has gone into this final copy of the resolution. It was, as a matter of fact, originally the idea of the gentleman from Oklahoma, as suggested to me, following the luncheon which we mentioned, that such a resolution could be drafted and, perhaps, offered as an amendment to a foreign aid bill.

Mr. Speaker, I should like to thank also those Members who have worked with us in the drafting of this language, including the gentleman from Florida [Mr. FASCELL], the gentleman from Indiana [Mr. BRADEMAS], and the gentleman from North Carolina [Mr. WHITENER].

I should like to acknowledge the efforts that have gone into this activity by the gentleman from Kentucky [Mr. BURKE], and others who are joining in the introduction of identical or similar resolutions.

It seems to me that the undeveloped countries of the world are churning in one of history's greatest upheavals. Like the awakening of a sleeping giant they are stirring, stretching, and crying out for some form of self-expression. It is not a question of whether change will come in these underdeveloped areas. The question is what form and what direction will the change take?

It was not a question of whether change would come in Cuba before

Castro's revolution. It was a question of what kind of change would come. It was a question of whether we could demonstrate to them that their legitimate aspirations could better be realized through the framework of a free democratic society, or whether, failing in that, they would grasp in desperation at the fleeting temptation of a strawman. They did the latter. We may find it easy to blame them. But when a man has given up hope, when he is mired in the futility of a 20th century feudalism, when he owes his landlord more than he believes he will ever be able to pay, when he never sees any hope of owning anything himself, when his little children look at him with eyes that say, "Our father could move mountains," but with empty cavities in their hungry little stomachs, when he knows that if his children get sick he will not be able to afford the services of a doctor, this man is a desperate man. He will follow any Pied Piper who promises him a better hope for tomorrow. And this is what happened. Into this vacuum strode Castro, pointing with envy-inspired oratory to the huge estates, many of them owned by Americans. To the hopeless ones he said, "Follow me; I will tear them down and give them to you." It was a cruel promise, utterly incapable of fulfillment.

But these were desperate men. And there are in the underdeveloped countries of the world today, particularly in our friendly nations south of us, desperate men, particularly among the young people. There are people who have become vaguely aware that there is a better way than they have found, and they are determined to get it by one means or another.

Portions of this underdeveloped world may hold the balance as to whether the next generation will live in an American century of freedom and of human dignity, or whether they will live in a Soviet century of tyranny and of armed totalitarian brutality. One of the most revealing things about the people who live in these restless lands was written by William D. Patterson some time back in the Saturday Review of Literature, wherein he said that the average person in the world will go to bed hungry tonight. Most of the people in the world have never even seen a doctor. Most of the people in the world have accustomed themselves to a child mortality rate which inevitably snuffs out the life of one out of every three youngsters before he reaches the age of adolescence. Most of the people of the world are convinced that anything would be better than they have, he said, and they are determined to get it. This is the situation with which we deal.

There are in the world today still many nations where a reservoir of good will exists for the United States. It seems to me that, if we are to make these foreign assistance programs meaningful, we have to reach these people, not only governments but people. I think it is not enough to shore up a shaky regime and simply let them use what they are given to dispense themselves as though it were their own patronage, to keep their own government tentatively in power. I think, rather, for the long pull we have to insist that those governments recognize the needs of their own people, and we have to assist in such ways as have been proven effective here in the United States, through the FHA program, for instance, which over its 27- or 28-year history has not lost any money. The people, when given an opportunity, will prove themselves worthy of that opportunity. It is upon that assumption that democracy has historically rested. We need to create a climate in which they have a chance to pull themselves up by their bootstraps; but they need the bootstraps. They do not need a handout, but they need a hand. It seems to me that in the operation of the basic foreign assistance programs, the emphasis and direction proposed in this resolution would go a long way toward achieving those ends.

COMMITTEE ON BANKING AND CURRENCY

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Saturday to file reports on the following bills: S. 2130, H.R. 10383, and H.R. 11310.

The SPEAKER pro tempore (Mr. GONZALEZ). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EMPLOYMENT OF THE PHYSICALLY HANDICAPPED

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks, I include an address delivered by Secretary of Commerce Luther H. Hodges to the President's Committee on Employment of the Physically Handicapped at the Departmental Auditorium, Washington, D.C., May 10, 1962:

I am proud to represent President Kennedy this morning. He extends his greetings.

I know if he possibly could have made it, he would have been here himself. If you've been reading your newspapers or listening to your radio or TV, you know that the cause of equality for the handicapped is close to the President, just as it is close to the entire Kennedy family.

And it is close to me. And close to the Department of Commerce. On the way over here, I took a quick mental inventory—it had to be quick; my office is just across 14th Street—of some of the steps the Department of Commerce has been taking to carry on the work of the President's Committee.

I'm going to list some of these for you—not to thump our chest and brag about how great we are, but simply to demonstrate to you that, through the inspiration of this President's Committee, things are happening for the handicapped.

Over in Commerce, across the street, a great deal is happening. Such as—

The National Inventors Council has been cooperating with the President's Committee in sponsoring a contest for the invention of a self-propelled wheelchair that will climb steps. Impossible? That's what they said about the gas engine, as you old timers will remember.

Edward Gudeman, Under Secretary of Commerce, has had the honor of being named chairman of a special ad hoc committee of the President's Committee to study the effects of automation on jobs for the handicapped.

Mr. Gudeman, by the way, used to be vice president of Sears & Roebuck. He tells of an assembly line of blind persons who worked for Sears out in Illinois. So accurate and quick were they, that the blind actually were given top consideration for assembly jobs.

Our Office of International Trade Fairs has been arranging for President's Committee exhibits to be shown all over the world. Can you imagine any better salesman for democracy than the story of what is being done for the handicapped in America?

There's another new program, just getting underway, of close cooperation between Commerce and the Committee, involving mainly those of our bureaus which reach American businessmen. The reasoning behind this program goes something like this: "We talk to business; you talk to business; let's join forces and talk to business together."

I could go on and on, but I didn't come here for that. I came here to plant a thought in your minds. The seed of an idea.

I want to talk, especially to the businessmen among you about inventories.

Almost every business in this country takes inventory at regular intervals—yearly, sometimes more often. Everything is counted—every widget, every left-handed screwdriver, every nut and bolt, everything not nailed to the floor. Sometimes even things that are.

Inventories are important. They tell you what you have, what you need; where you've been, where you're going.

Inventories are serious affairs. Some businesses even close their doors during inventory time.

But there is another element of business that I believe deserves to be inventoried every bit as much as the nuts and bolts and left-handed screwdrivers. More so, I dare say. It's an element that deserves regular inventories, but doesn't often get them. Or perhaps never gets them.

I'm talking about people. Or, as the management experts prefer to call them, human resources.

If it's important to count neckties, isn't it just as important to count the men who sell neckties?

Now, I am in no way proposing any vast national project of nose counting we do that in Commerce's Census Bureau. What I have in mind would be a great deal more rewarding and would serve a much more vital purpose.

I would like to see businessmen make inventories of the jobs in business and industry that could possibly be filled by qualified handicapped men and women.

This would involve looking over each job afresh. What demands, both physical and mental, does the job make upon workers? Does a worker need two good hands to do the job? Or two good feet? Or two good eyes?

Is there any reason why a pin sorter in a pin factory has to be a perfect physical specimen, with the kind of body that Charles Atlas used to promise sallow-faced, narrow-shouldered teenagers?

Now don't misunderstand me. I am not asking anyone to replace able-bodied workers with the handicapped.

I do say this: Once you have made such a job inventory, and then you do have a vacancy to fill, you probably will be more inclined to give an equal break to handicapped applicants who are able to do the work.

And that's all the handicapped want—an equal break. No special favors, please; just a fair share of opportunity.

I also think it would be most revealing for management every once in a while to take inventory of the handicapped men and women currently employed, to see how they are getting along.

I realize how it is: Once you hire a handicapped person, he sort of loses the "handicapped" tag in your mind, and instead he becomes Bob or Bill or Jones or Smith. You no longer identify him as "handicapped." Very often, your records don't even reveal that he is handicapped. This is fine; this is as it should be.

And yet, I do believe it would be an eye-opening experience if you somehow could inventory the skills and abilities and talents and work records of your handicapped employees. What about their production records? Their safety records? Their general attitudes toward work? The way they get along with others?

Chances are, the answers will come as a most pleasant surprise. National figures show the handicapped to be more productive, have better safety records and lose less time from the job, than the ablebodied, and generally they're more pleasant. If it's true nationally, it ought to be just as true of any typical place of business.

This inventory of the skills of the handicapped is something like married life. Your wife may be a wonderful cook, but after a time you don't even give her cooking a second thought. It takes a trip out of town—an inventory of restaurants and eating houses—to bring you up short and make you appreciate to the fullest the culinary talents of your better half.

Still another kind of inventory I would suggest has to do with the physical layout of the place of business—office, factory, plant, store. What about the handicapped? Has anything been done to look after their needs?

Can the handicapped come in, or do high flights of stairs bar their way?

Can persons in wheelchairs use the rest rooms? The drinking fountains? The elevators? The other facilities?

Physical facilities can serve to bar the handicapped from employment just as effectively as biases and prejudiced attitudes.

And the same physical facilities which bar potential handicapped employees also serve to bar potential handicapped customers.

I strongly recommend that all employers take a look at a new set of standards put out by the American Standards Association, which would do away with architectural barriers for the handicapped.

One more inventory I would like to see applies only to those businessmen who have occasion to let subcontracts.

Do you ever think of sheltered workshops as recipients of subcontracts? They don't want the work as charity; they want it on the same basis you would award it to any other firm—the ability to do the job.

There are sheltered workshops of all kinds, for persons with many types of handicaps, in communities all over this Nation. Inventory the sheltered workshops near you; inventory your subcontract needs.

One thing underlies all the suggestions for inventories I've given this morning. It is a basic interest in the welfare of the handicapped; a basic concern for their right to full equality.

If the interest and concern are not there, we just don't think of the handicapped. It's not that we have anything against them; we just don't think about them. And our thoughtlessness can be as devastating as downright rejection.

And so, in our minds and in our hearts, there must be the constantly burning flame of sincere concern for our handicapped fellow humans.

Only then will we even care enough to inventory our places of business to do what we can to restore equality of opportunity for the handicapped.

Only then can we really help the handicapped to help themselves.

Annual meetings such as this keep the flame burning. So do all of your many, many individual and cooperative efforts in behalf of the handicapped—efforts going on in your hometowns and cities all the time.

On behalf of the President of the United States, I salute you—workers for the handicapped. May you continue to be blessed for your noble work.

YOUTH CONSERVATION CORPS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. OLSEN. Mr. Speaker, this month several hundred thousand of our teenagers will be graduated from American high schools. This is a happy time for our young graduates and for us. It is also a serious time, for them, and for us.

For thousands and thousands of these teenagers are joining our civilian labor force at a time when there is little room for them. At this time of the year, when these youngsters are being called by commencement speakers to meet great challenges, we of the Congress have a great challenge to meet, too.

Because, frankly, the graduation of these youngsters will greatly aggravate two of our old, gnawing problems: Unemployment and juvenile delinquency.

I think we can do something about it. And, what's more, we should, as soon as possible.

I am thinking of H.R. 8354, which would establish a Youth Conservation Corps. This bill has been reported favorably by the Committee on Education and Labor and is now in the Rules Committee.

I support this bill—and, indeed, feel we cannot pass it too quickly—for six reasons.

First. This is not a make-work, or rake-work, program, but one of solid investment in conservation with the promise of incalculably great returns. Perhaps we have forgotten the wonderful record the Civilian Conservation Corps made in reforestation, fire prevention, flood control, park development, road and bridge building, and pest control in the thirties in America.

Second. It will reduce unemployment and juvenile delinquency, terrible twin wastes. Mr. Speaker, I simply can never forget the shocking statistic that one out of every four recruits to one of our armed services has some kind of juvenile delinquency record.

Third. The YCC would not be an experiment. It already has a proven history of value and accomplishment. The CCC begun in 1933, was halted for only one reason: World War II. To give you an idea of its worth—the CCC was endorsed by 83 percent of the American people, according to a 1936 poll.

Fourth. The YCC represents a magnificent and healthful way to develop the skills and the character of some of our young men, by taking them off the streets and into the great outdoors for a year and giving them constructive and valuable work, and some savings in their jeans.

Fifth. There is so much to be done in the American outdoors. There is a tremendous backlog of work to be done in our national parks and forests alone.

Sixth. America wants such a program. A Gallup poll in April showed that 79 percent of our people think the YCC is a good idea.

Those are my six reasons. I also have a seventh—and it is a purely selfish one. My State, Montana, has one of the largest areas of national forests in the Nation.

Montanans remember well the work performed by the CCC in the thirties. And I am sure the vast majority would welcome a YCC.

In April 1932, the CCC gave employment to 20,622 young Montanans. In addition, another 20,000 came to Montana from other States.

They developed much of Montana's rich timber areas for commercial use, for recreational advantage and for wildlife care. They planted 5,275,300 trees in Montana. They built 790 bridges of all types. They laid 3,279 miles of truck trails and minor roads. They stocked Montana's streams with 2,619,288 fish.

They put in 251,239 man-days of forest firefighting. They built and manned 115 forest lookout houses and towers. They took part in the building of 452 impounding and large diversion dams. They strung 3,532 miles of telephone lines. They treated 16,802 diseased trees and plants. They controlled rodents and predatory animals on 2,444,721 acres of Montana's land. They revegetated and restored extensive grazing areas. And they helped build a migratory wildlife refuge at Madison Lake.

This was just the brilliant record of accomplishment of the CCC in one State, Montana. Mr. Speaker, I have no doubt that Montana would welcome a YCC with open arms. And so would the Nation.

For foresters tell us that our Nation has 275 million acres of timberland in need of improvement. Another 50 million acres need replanting to become productive again and to prevent flooding and erosion. Some 300 acres of farmland, moreover, need rebuilding.

The YCC would not be a foreign enterprise. It would be a Peace Corps at home, where we need it most. It would not put a drain on our gold, but develop our golden hills, for us and our heirs. And it would more than repay the investment.

In fact, Mr. Speaker, I have only two reservations at all about H.R. 8354.

The first is that the bill would limit the program to 12,000 youths in the first

3 years. The Senate bill, sponsored by Senator HUBERT H. HUMPHREY, would limit a YCC to 150,000 in the first 3 years.

My second reservation is simply that neither one of these bills is yet law.

THE BALTIC PEOPLES AND THEIR TRAGEDY

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. RYAN of New York. Mr. Speaker, the three Baltic States—Estonia, Latvia, and Lithuania—constitute a distinct unit in Europe. Their citizens are known for ruggedness and bravery and for their stubborn belief in ideals common to all civilized peoples. Their time-honored national traditions and their spirit of freedom have for centuries been the sinews of their sustenance.

In the days of their brief independent existence, as during long years of subjugation to foreign rule, they clung to their ideals with tenacity and firmness. Under the czarist regime they were the most progressive, the most enlightened, and, of course, the most democratic ethnic elements in that polygot empire. Their sound local economy, their zeal for advancement, and their superior educational institutions were envied not only in Russia, but also in many parts of Europe. These three countries constituted for more than 100 years Russia's show window in the West.

At the end of World War I all three countries regained their independence, and in a relatively short time all three became honored and worthy members of the family of nations. Their loyal and industrious citizens began to rebuild their war-torn countries, and in the course of two decades the three Baltic democratic Republics taken together became a definite force for progress and for peace in European affairs, particularly in northeastern Europe. These countries managed to stave off impending dangers and kept their independent status, even when they were almost completely isolated from the powerful democracies in Western Europe. In the late 1930's, however, it was evident that alone they could not cope with the dangers threatening their independence and their existence as free nations. Neither Communist totalitarianism nor Hitler's nazism would tolerate democratic institutions as enjoyed by citizens of these three small countries.

Early in World War II, in mid-1940, these countries were overrun by the Red army, and then all three were annexed to the Soviet Union. Their once free and proud citizens were brought under Communist totalitarianism. Then Stalin arrested, imprisoned, and then exiled hundreds of thousands of Latvians, Lithuanians, and Estonians to distant parts of the Soviet Union.

The lot of the Baltic peoples has been tragic. Soon after the Soviet invasion Nazi Germany invaded the Baltic countries; the Red army was evicted, and Nazis were to rule in their stead for almost 3 years. Then, as the fortunes of the war took a different turn, the Red army returned once more, and it has been there ever since.

Today the Soviet Union holds these countries by force. There some 5 million innocent and helpless peoples suffer under Communist tyranny. And that tyranny shows no mercy toward those who are suspected of aspiring for political independence. Such people are instantly seized, tried, and found guilty of counterrevolutionary activity, and then shipped off to some Siberian prison camp. In recent years there have been persistent reports that Soviet authorities have been shipping off hundreds of thousands of Baltic peoples to other parts of the Soviet Union.

Mr. Speaker, the Baltic peoples are tenaciously clinging to their ideals and have kept up their hope for freedom. Even though they are not allowed to voice that hope, this is being done by their friends and sympathizers in many parts of the free world. By condemning the forcible seizure of the Baltic countries by the Soviet Union and by publicizing and denouncing the inhuman treatment of these peoples by Soviet authorities, we can and do render a signal service for their cause and for democracy on the 21st anniversary observance of the deportation of their citizens by the Soviet Government.

OUR TEXTILE EXPORT CHALLENGE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. ALEXANDER] is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, one of the most able leaders of the American textile industry is William E. Reid, a Georgian who rose from the ranks to become president of the Riegel Textile Corp.

Regarded by his colleagues in the business for his practicality and devotion to the industry, he recently was made second vice-president-elect of the American Cotton Manufacturers Institute.

He was chosen as a member of the industry advisory delegation to the International Cotton Textile Trade Conferences held last year in Geneva, Switzerland, and Tokyo. He attended all of the negotiations and won the respect of our Government's official negotiators for his knowledge of the textile trade problem and ability to communicate. He served as chairman of the group when the long-term arrangement was finalized last January.

Earlier this month he delivered to the South Carolina Textile Manufacturers Association an address titled "Our Textile Export Challenge," which represented a great deal of research and study.

I particularly want to call your attention to some of the cold facts with special reference to some of our import-export relationships with other trading nations. For instance, in 1961 textile products imports accounted for a $300 million trade deficit.

There are some 50 nations which have raised virtual embargoes against the U.S. textile products. There are some 20 additional nations which maintain substantial restrictions against U.S. textiles.

We have talked a lot about the problems of textile imports into this country and I think it is time that our people get a real understanding or a good picture of the other side of the coin when we attempt to sell our products abroad.

Let me point out just a few examples of tariffs by other countries which not only strangle trade but depress the living standards of millions trying to rise above a subsistence level. For example, in Paraguay the tariff is 100 percent on cotton fabrics and 150 percent on synthetics. In Ceylon the tariff on nylons is 115 percent. In Israel textiles pay a 100-percent tariff. In Peru the tariff is $5 per kilo on cottons and $20 on synthetics. In Pakistan the tariff is 100 percent on cottons and 250 percent on synthetics. In Argentina the tariff is 250 percent on cottons and 292 percent on synthetics.

I commend to my colleagues this speech which I am inserting in the CONGRESSIONAL RECORD at this point:

OUR TEXTILE EXPORT CHALLENGE

(Address of William E. Reid, president, Riegel Textile Corp., before the South Carolina Textile Manufacturers Association, at Sea Island, Ga., June 2, 1962)

Over the last several years the American textile industry has taken an active part in more international conferences than in the 180 years since Samuel Slater built the first mill in Pawtucket, R.I., and William Gregg erected the first southern plant in Horse Creek Valley near Augusta, Ga. The reasons for this intense absorption in the problems of world textile trade are apparent to all. The American textile industry is by far the world's largest manufacturer of cotton and manmade fiber fabrics. Supplying it are the world's largest producers of cotton, manmade fibers, machinery, and dyestuffs. Together with its allied apparel industries it is the Nation's greatest employer of labor and represents an investment of billions of dollars.

Anyone who has attended these international gatherings cannot help but bring away with him a firm appreciation of the American industry's position in the world and its enormous achievements in manufacturing techniques, in the science of distribution, and in the styling required to satisfy the constantly changing tastes and needs of an affluent society of more than 180 million persons, plus segments of many markets overseas. Also, I would add that the attitude of most foreign textile producers toward our industry is one of admiration.

Up to now our representatives at these conferences have been concerned for the most part with the disruption of our home markets by imports from countries with wage and living standards far below those which we have here. As the discussions proceeded, especially with those countries which have come to assume that they are entitled to ready access to our markets but which rigidly bar imports from all other sources into their own preserves, our delegates came to realize that our industry too, in view of what it has to offer, is deserving of an even higher place in international trade and that we should not be shy about demanding it. To me, exports and imports are two sides of the same coin. What the industry now faces is not an import or an

export problem as such, but a world trade problem.

Over the past few years, the U.S. textile industry has had to concentrate upon the import aspect of the foreign trade problem. We cannot neglect this side of the problem, for no concrete action has yet been taken to deal with the imports of woolen and manmade fiber fabrics and apparel. While we have negotiated short term and long term international cotton textile arrangements, much remains to be done in improving and enforcing their implementation.

As this administration pursues its trade objectives, we must insist that they give recognition to the cold facts of some of our import-export relationships with other trading nations. In 1961 textile product imports accounted for a $300 million trade deficit. Neither our industry nor our Government can permit this to continue. Together, we must intensify our export efforts.

In order to do so, we must seek the elimination or modification of restrictions placed on American goods in the days of the so-called dollar shortages and which have been increased by various pretexts to the point where they constitute virtual embargoes against our products. All over the world there is a demand for certain types of American textiles which cannot be satisfied because of these cleverly contrived trade obstacles.

Since World War II our export trade has undergone a saddening contraction. In 1947 exports of cotton piece goods reached an all-time peak of a billion and a half yards and shipments of synthetics rose to 233 million square yards. This expansion, of course, was due to the then worldwide textile famine and the disruption or destruction of producing facilities in Western Europe and the Far East. The industry at large did not look for a continuance of this abnormal volume but also did not expect the drop to one-third of this yardage in cotton goods and about one-half in synthetics. Even so, exports last year amounted in value to about $200 million.

The resurgence of traditional foreign competition was expected but the industry did not look for the rapid increase of restrictions by countries with mushrooming industries unable to supply their own markets.

In this connection, the time is ripe to take a long, hard look at this desire, by scores of countries with small populations, for textile self-sufficiency. It has long been regarded as an economic fact of life that the first step by an agricultural country toward industrialization should be the manufacture of textiles. This may have been the case in the days of cottage industries and low living standards, but it has long since ceased to be realistic. Textile manufacturing today, as you here well know, requires enormous technical skill and knowledge and is as dependent on the fruits of this electronic age as any other modern industry. Above and beyond this are the artistic inventiveness and merchandising ability needed to develop and distribute thousands of styles and products.

Most of the arguments advanced for building mills in small countries are rather superficial. They remind one of the reasons jokingly given for banana growing in the United States. Bananas, of course, are a tropical product but they could be grown here, at astronomical costs, in greenhouses. It can be argued that construction of these greenhouses would be a boon to the steel, glass, and heating equipment industries, but prices would soon make bananas such a luxury that consumption would fall to a fraction of what it is now.

Textiles are so basic to the standard of living of the masses that increased costs and lack of variety can seriously affect their morale. Hunger and the lack of adequate clothing are equal contributors to unrest and revolutions in many countries. We should not be a party to the support of a few individual speculators who are only interested in protective devices which would assure them of exorbitant profits to the detriment of the country. It is likewise pure folly to build up textile industries in undeveloped areas beyond the capacity of the country thus requiring the necessity to export this excess which only further tends to disrupt the already oversupply situation of textiles in the world. With three-fourths of the earth's population in the underprivileged category, the American textile industry, if given fair and equal access to those markets, could utilize its productive strength and strike a mighty blow for the free world by filling these crying human needs.

In this drive for local textile production capacity, some countries with too small a population to supply a base for mass production methods have gotten into the business. The inevitable result has been uneconomic and unrealistic textile capacity, leading to excessive import protective devices and high-cost consumer products, which in turn depress real standards of living.

Some students of the problem have estimated that successful operation of a minimum size, efficient, integrated textile industry, able to clothe the population in anything other than a uniform, requires a mass market of at least 20 million persons.

The American cotton and manmade fiber textile industries were among the first to endorse and support our Government's drive to expand exports of manufactured goods and thus help to stem the outflow of gold. A year and a half ago, the American Cotton Manufacturers Institute and the Textile Export Association participated, by invitation of Secretary of Commerce Mueller, in a conference with officials of the Departments of State and Commerce, the International Cooperation Administration, and the Export-Import Bank who were charged with improving the U.S. export balance. We were able to identify for them some 50 nations which have raised virtual embargoes against U.S. textile products. In that same conference, we identified some 20 additional nations which maintain substantial restrictions against U.S. textiles.

These reports were widely publicized and won the unstinted praise of Government officials charged with the task of stimulating exports. As a result of these hearings, the industry was asked to undertake a worldwide survey of restrictions responsible in large measure for the contraction of international trade in textiles. Information as to tariff rates or duties is rather easy to obtain, but tariffs in themselves are only one of the many impediments to trade. Since the early thirties, many countries have devised rather tricky methods for protecting what they conceive to be their best interests, and yet pay lipservice to liberal trade policies at international conferences.

Among the concealed harassments that American exporters constantly encounter are inordinate delays in passing samples through customs, high charges for permits to solicit business, currency tinkering, trafficking in licenses, and other corrupt practices that are unknown or overlooked at GATT and similar gatherings. These are the sort of hidden traps that are difficult to discover and uproot and are used by many countries to prohibit entry of American textiles.

Given equal access to oversea markets, we can increase our exports substantially, as the experience of the last year or two in the British market well demonstrates. When the British Government removed import license requirements for textiles, American companies promptly stepped up sales efforts in Britain, with rapid results. In 1959, total U.S. exports of cotton piece goods to the United Kingdom amounted to less than a half million square yards. This was increased to 17 million in 1960 and to 26 million last year. Similarly, our exports of synthetic fabrics increased from about 1 million square yards in 1959 to 15 million in 1961. Import liberalization in France made possible the growth of our cotton piece goods exports to that country from less than a quarter million square yards in 1959 to over 5 million in 1961. If it had not been for the easing of discrimination against U.S. textile imports into these and certain other countries, the loss of our very important Cuban market would have been much more painful.

Unfortunately, however, removal of discriminations against the imports of U.S. textiles is not always of long duration. While Australia some 2 years ago widened our access to her markets, this policy is already being partially reversed. The earlier restrictions had been imposed for balance-of-payments reasons. The new Australian restrictions are an attempt to counteract increasing unemployment in that country.

Looking over the world textile picture, it is difficult at the moment to discern any trend toward liberalization and, if anything, we are headed in the opposite direction. To protect small industries incapable of supplying the basic needs of their home products many countries have lifted duties to unscalable heights. Let's consider just a few examples. In Venezuela synthetics pay a duty of $12 per kilo. In Paraguay the tariff is 100 percent on cotton fabrics and 150 percent on synthetics. In Ceylon the tariff on nylons is 115 percent. In Israel textiles pay a 100-percent tariff. In Peru the tariff is $5 per kilo on cottons and $20 on synthetics. In Pakistan the tariff is 100 percent on cottons and 250 percent on synthetics. In Argentina the tariff is 250 percent on cottons and 292 percent on synthetics.

These are a few but representative samples of tariffs which not only strangle trade, but depress the living standards of millions striving to rise above a subsistence level. Throughout Latin America workers in fields, in factories and in mines have to pay more for dungarees and other work clothing items than automobile workers in Detroit or electrical workers in New York. Field hands in parts of Latin America who used to sleep on canvas—stretched on pegs—are now sleeping on the ground again because of high tariffs on duck. There is no way of determining just how much the high cost of textiles contributes to social unrest and political upheavals, but it may be worthwhile for the Alliance for Progress to explore it. American import tariffs on textiles are, in practically all cases, lower than those prevailing in world markets including the friendly Allied Nations of the world.

The major exporters of cotton textiles to the United States are Japan, Hong Kong, Taiwan, Pakistan, India, Spain, and Portugal. Since we are all primarily spinners and weavers, let's have a look at what these seven countries shipped to our markets in fabric alone, not considering yarn, domestics, and apparel. This would be the most favorable comparison we could give them. In 1961 they shipped approximately 201 million square yards and purchased American textiles to the extent of slightly over 3 million square yards with five of these nations prohibiting any imports of American goods. This is a ratio of 70 to 1 and we ask in all fairness, Is this to be considered reciprocity and are these countries justified in their vicious criticisms of U.S. Government actions limiting the inflow of foreign textiles? All of these countries are potential customers of American textiles but afford us practically no opportunity whatsoever to enter their markets.

The most recent in a series of conferences on this subject was held by American Cotton Manufacturers Institute and Textile Export Association representatives with Commerce Department officials who bear primary re-

sponsibility for the export program, in mid-May. We keep working away at the problem but, frankly, there sometimes seems to be more of a sense of urgency about all this in the export fraternity than in the Government. While we are hopeful that, with our Government's help, our textile exports may receive somewhat fairer treatment around the world as time goes on, we know that progress will continue to be slow and that our export sales departments will have to continue to live with various types of uncertainties.

An analysis of world tariff structures covering textiles has brought to light the unfortunate truth that Iron Curtain textiles can be imported on the same preferential tariff basis as American goods. We find it difficult to believe that it is in the national interest and that of our friends abroad to permit the inflow of Communist merchandise, politically priced, on an equal basis with American products, anymore than we can see the reasoning behind permitting Hong Kong to fill her domestic needs and exports to their other trading partners with Red China textiles and ship their domestic production to the United States.

The cold war that we are experiencing is a three-phase one—military, political, and economic. In a very real sense, in the world textile markets, we are fighting for our way of life as well as for our private business interests. Economic warfare between the free and Communist worlds is for keeps, and the marbles are not redistributed at the end of the game.

The American textile industry has been a force in international trade since the days of John Quincy Adams. Its export division is staffed by men of long experience who are familiar with the textile needs of every nation in the free world. All over the world there is a repressed demand for certain types of American textiles not readily obtainable elsewhere. While prices on these are reasonable, our chief appeal lies in style and finish. Realizing this, some foreign competitors have been resorting increasingly to piracy of our styles and fiber combinations.

Time and again we have met with the officials in charge of our foreign aid programs in an effort to induce them to increase allocations for American textiles. As a result of the crisis over the gold outflow, an order was issued barring procurement from countries in Europe and Asia with adequate reserves. This edict was of great benefit to synthetic yarn producers but orders for other textiles were reduced to a trickle to the great disappointment of cloth exporters. Because of our incessant efforts, other foreign aid programs have been modified. For example, the United States contributed millions to the United Nations Fund for the Congo, but stipulated that all textile purchases must be made here. Many of these orders have already been shipped.

Heavy losses in Cuba somewhat damaged our industry's morale and caused many to take a jaundiced view toward foreign trade. As a result we redoubled our efforts to establish credit insurance with Government backing and on a practical, workable basis. After many conferences with officials of the Export-Import Bank, we now favor the form of credit insurance devised by that institution.

Up to this time, all of our discussion of the Geneva textile arrangements has been from the standpoint of what they could do to control cotton product imports. This is just one part of the arrangements, so let's take a moment to focus our attention on its other aspects and advantages.

One of the chief values of the Geneva textile arrangements is that it provides a new and realistic forum to discuss and tackle world textile trade problems. It enables us to lift textiles out of the confusion and chaos of GATT. The past GATT framework for dealing with textiles has been completely unsatisfactory. Some of the governments responsible for disrupting the traditional flow of textiles are not members of GATT and those that are can either refuse to reduce their duties or raise them at will by invoking provisions which give special privileges to so-called undeveloped nations. As a consequence, there are many countries which can arbitrarily jack up tariffs and impose even worse restrictions on textiles without valid justification.

The Geneva arrangements set textiles apart and get them on a negotiable basis. Through these arrangements we are beginning to pull down some of the barriers that have been thrown up by certain countries which have restrictions against other countries. The opening up of the Common Market to textiles from the developing countries will tend to broaden international trade on a more equitable basis.

The elimination of trade barriers throughout the world will give a freer access to countries with improving living standards and rapid economic growth. We must be good enough businessmen to take advantage of this opportunity. You can bet your bottom dollar that the nations exporting to the United States are going to use every means at their disposal to improve their position in our markets.

Textiles present one of the gravest world trade problems and we, as the largest producers of textiles in the world, have a vital part in solving it. It is quite apparent, from the numerous restrictions that exist to hamper world trade in textiles, that this problem cannot be properly handled without joint effort on the part of our Government and our industry.

Over the years our Government, in its policy to help stricken nations to their feet, has granted tariff concessions which were not reciprocated. Since many of these countries have now been restored to fiscal and economic health they are in a position to reappraise their trade barriers. There is no reason why they cannot follow the example of the few nations which have removed their more rigid restrictions on American products.

In unraveling this tangle of obstacles the most effective method would be the country-by-country, bloc-by-bloc bilateral approach so successfully utilized by other nations. Strong negotiating teams composed of government and industry representatives should be used to obtain tariff levels consistent with each country's national interest, and yet permit the inflow of American textiles where they are wanted and needed.

By no means does all of the answer to this problem rest with our Government. We in industry have tremendous responsibilities to increase our textile export sales. We owe it to our country, our employees, and our stockholders. We must do everything in our power to fight as hard for foreign business as we fight for domestic business. Our exporters have demonstrated time and time again that they can sell American textiles in any foreign market if afforded fair and reasonable treatment. In this respect, the industry cannot be accused of lack of drive and imagination. It is up to us to get across to our Government what they must do to give us an equal opportunity in the world textile market.

The more I study these markets and the forces that work in them, the more convinced I become that we can increase our sales abroad as the world market grows if we give it our very best in new product development, objective styling, and aggressive salesmanship.

The real answer to this problem lies in a dynamic effort on the part of both industry and government, always remembering "That which man will not change for the better, time will change for the worse."

BIPARTISAN STATESMANSHIP IS NEEDED IN WAR ON ECONOMIC FEAR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 15 minutes.

Mr. HALPERN. Mr. Speaker, in the time allotted to me I should like to address the House on three different subjects.

Mr. Speaker, the recent behavior of the stock market is not just a matter that affects investors. It should be a vital concern for all of us, since its gyrations have a direct bearing on the maintenance of a sound economy.

A principal factor that causes abnormal drops in stock prices is the psychosis of fear. What we now must prevent is the spread of this fear psychosis and its adverse affect on other elements of our economic life. What is needed is an innoculation of confidence in the body-economic. The best remedy I know is an immediate across-the-board tax reduction for individuals and for businesses. And, Mr. Speaker, this should be a bipartisan effort.

The war against economic ills calls for the closing of ranks. It calls for economic statesmanship. This is indeed a war. There is an emergency of fear that exists. This is an unwarranted fear, but we must wage war on it and the time has come for an all-out bipartisan attack. Just as we are bipartisan against the enemies of the free world, we should be bipartisan on this issue, for it not only affects us but has a direct effect on the free world.

We walk together—Republicans and Democrats—when our Nation is in a state of war or when our security is threatened. We do our utmost to maintain a bipartisan foreign policy, so important to our survival. So should we walk together in the effort to win the economic war.

Business is good, Mr. Speaker. Let us free our people from the fear that should not exist. Let us do this in a true bipartisan manner.

I am glad to see the President recommend a tax cut. This is an important first step. But his proposals, as reported, call for reductions to be effective in 1963. That is a long way off. I would prefer to see them effective immediately, and I hope the administration will realize the importance of the reductions now. There will be disputes, yes. These, I am sure, can be ironed out. But on the principle of tax reduction, I do not like to see members of the President's own party oppose him. And I would like to see members of my own party support him on the issue. In this spirit I urge that the President call an immediate meeting of the congressional leaders of both parties and leaders of the business community to shape plans for this sorely needed bipartisan action. We must close ranks to fight this war on economic fear.

Mr. Speaker, I emphasize my conviction that an across-the-board tax reduction for individuals and businesses is essential. And I strongly feel that if it is to accomplish its most meaningful

purpose, it should become effective immediately.

This shot in the arm for the American economy will result in increased spending and more than return any tax lost to the Treasury. If the tax reduction comes now, it will have an immediate effect in not only offsetting the fear psychosis but the resultant spur of the flow of dollars in our economy will improve the business climate and bring in more tax dollars.

A meaningful tax reduction is a sound noninflationary step which will provide a favorable impact that will be felt on all levels of our economy.

JETS AT LA GUARDIA: PROGRESS OR RETROGRESSION?

Mr. HALPERN. Mr. Speaker, recently the New York Port Authority announced its plans to accommodate short and medium haul jet traffic at La Guardia Airport as part of its vast improvement program at the field. On the surface the announcement of bringing jets to La Guardia would seem to indicate a progressive step for air transportation, especially since it is linked with the commendable modernization of La Guardia's all-too-long obsolete and hazardous facilities. But, Mr. Speaker, when the well-being of millions of people is seriously affected we must question the wisdom of including jet traffic as part of this project.

In this case we must realize that the so-called progress is a mask that only superficially hides a serious threat to the safety, welfare, and health of millions who live in the airport's environs. True progress would be the stepping up of the authority's plans to develop improved jet facilities in more sparsely populated areas away from Metropolitan New York, rather than adding to the already overburdened capacities at La Guardia.

The full magnitude of this danger at La Guardia is frightening and I must confess my serious concern that such a move would even be considered by the port authority, let alone be developed to a point where the bistate agency is now proceeding with plans to execute this program. I have called for a full reevaluation of this foolhardy and fallacious proposal by the port authority. I have also urged that the Federal Aviation Agency immediately veto the plan because of its threat to the safety of residents and passengers caused by the increased burden jet traffic at La Guardia would place on the already perilously overcrowded skies over the area.

The port authority plans were announced in the name of progress. To me, Mr. Speaker, such a statement is ridiculous. It is not progress to jeopardize the health and safety of millions of New Yorkers. It is not progress to subject the residents of Queens, Manhattan, the Bronx, Nassau, and Brooklyn to a mammoth safety hazard and public nuisance. It is not progress to intensify the nerve-shattering noise of high-powered, screaming jet aircraft. Progress? Nonsense. It is pure retrogression. It is reversion to an archaic philosophy too often prevalent in huge governmental agencies which feel any method or means are justifiable in the headlong dash to meet an objective. In this case, in order to gain its goal, the port authority puts minor emphasis on the preservation of safety and welfare.

Mr. Speaker, even the thought of jets at La Guardia is enough to make one shudder. This bustling airport is in the thick of a heavily populated region. It is a split second away by jet from the towering skyscrapers of Manhattan, and only a heart's beat away from millions who live and work in Queens.

I cannot believe that the port authority and the Federal Aviation Agency can be so callous as to permit the fruition of these frightful plans. The safety hazard alone should be sufficient reason to call for immediate cancellation of the program. These reasons are compounded by the implicit dangers and health hazards of the deafening noise of jet engines.

Even apart from the thought of increased danger is the apparent inconsistency between the Government's announced interest in noise abatement and its willingness to go along with a program which would increase noise a thousandfold. I do not believe that this represents reasonable, rational, or even sensible action.

The FAA should immediately veto any and all plans to provide jet runways for La Guardia. They need not search for reasons. They have only to think of the millions of New Yorkers who will be adversely affected and seriously endangered. They need only live up to their responsibility to protect the public from the dangers of aircraft.

The port authority should similarly stop all action on this program. I am calling upon both agencies to exercise sanity and caution, rather than disregard for the health, safety, and welfare of our citizens.

HATS OFF TO THE LONG ISLAND PRESS, LONG ISLAND STAR-JOURNAL JOBS-FOR-YOUTH CRUSADE

Mr. HALPERN. Mr. Speaker, I would like to bring to the attention of my colleagues in the Congress a truly magnificent public service performed by two newspapers, the Long Island Press and the Long Island Star-Journal, for the benefit of youth on Long Island.

These fine newspapers have recently sponsored a jobs-for-youth crusade which called on the cooperation of the public and the business community to find appropriate job placements for our young men and women. The papers also presented nearly full pages of situations-wanted classified advertisements free of charge for students who are graduating from high school to help them get established in jobs.

This is an inspiring example of what can be done in communities throughout the country. As successful as the campaign is, however, there is a dire need for fullest cooperation on certain levels of our society. Newspapers in themselves can go just so far. What is needed especially to make this type of program a conclusive success, not only on Long Island but throughout America, is the support and active participation of organized labor and business institutions everywhere.

Mr. Speaker, by providing constructive work for youngsters we will be giving them the self-confidence and satisfaction so needed by our preadult population. We will be taking a positive step in stemming juvenile idleness and restlessness while at the same time we will be fostering the development of healthy minds, productive activity and good citizenship. Surely labor and management realize this and want to encourage it. They realize, too, that the increasing scarcity of jobs for young people could create a volatile situation that would, in the long run, cost countless thousands of dollars of the taxpayers' money.

In this regard I have written to Mr. George Meany, president of the AFL-CIO, and Mr. Ladd Plumley, president of the U.S. Chamber of Commerce, urging them to cooperate in a full scale campaign to help make employment available to the Nation's recent high school graduates. If every employer and union would take special pains to help find employment which could be filled by young people they would be performing an outstanding service not only to the youths directly involved, but to the community as well.

Once again, Mr. Speaker, I want to cite the trememdous public service being performed by the Long Island Press and the Long Island Star-Journal. However, this is just a beginning. Through the papers the public is alerted to this problem and the youngsters make known their employment desires. In order to complete the cycle, jobs have to be made available in industry through the joint efforts of labor and management.

Not only are these two distinguished Long Island newspapers highlighting the problem and widely publicizing the vital needs and advantages in providing jobs, but they have performed valuable service by featuring listings of situations wanted by teenagers.

Mr. Speaker, my hat is off to the Long Island Press and the Long Island Star-Journal for taking these positive steps. Let us hope that labor and management, that business large and small, will respond to this call for action.

THE POTOMAC BELONGS TO THE NATION, NOT TO ZONING BOARDS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. REUSS. Mr. Speaker, the Potomac River Valley, from Great Falls to Mount Vernon, is a distinctive part of the Nation's Capital. People from all

over the world marvel at the beauty of the Potomac, so close to a metropolitan area of more than 2 million souls, yet still so unspoiled.

The Maryland and Virginia counties which abut the Potomac up and down river from the District of Columbia have zoning ordinances— or at least had them as of January 1, 1962—to protect the natural beauty of the Potomac. Typically, these ordinances restricted building heights to 40 feet, with single-family houses on large lots. Tall apartment buildings, which would have destroyed the natural line of the riverside greenery, were forbidden.

THE MERRYWOOD REZONING

Then, early in 1962, owners of the 46-acre Merrywood property, right next to the District of Columbia line along the Potomac River in Fairfax County, Va., negotiated an option to purchase the property to real estate developers who propose to erect on the property three 17-story apartment buildings, to house 1,000 families. The Fairfax County Board of Supervisors then changed the zoning so as to legalize the 17-story proposal. The matter is now in litigation, but the Fairfax County Board has refused to rescind its rezoning.

The Merrywood rezoning has given ideas to other enemies of the native landscape. A rezoning request for another high-rise apartment just upriver from Merrywood in Fairfax County has been made. Another is pending across the river in Montgomery County, Md.

Downstream, on the Potomac River waterfront in Prince Georges County, a developer proposes a 90-acre luxury apartment project, and will ask for spot zoning to make it possible.

So the monster will feed on itself, with earlier exceptions and spot zoning used to justify each succeeding request, until the Potomac from Great Falls to Mount Vernon becomes one long crenelated calamity, a treeless monument to the pursuers of the fast buck.

OPPOSITION TO REZONING

The National Capital Planning Commission, the agency set up by Congress to serve as the central planning agency within the District and the regions adjacent to it, is understandably alarmed at this threat to the Potomac River Valley. The Committee of One Hundred on the Federal City says:

> To preserve the Potomac Gorge, one of the most splendid natural areas adjoining any capital in the world, it is essential that the area above Key Bridge be preserved in park land and low-density uses.

Anthony Lewis of the New York Times framed the issue in an article in the June 4, 1962, New Republic:

> The question now is whether the interest of the whole Washington area, and of the country, in preserving the Potomac Palisades can prevail over squalid local politics and real estate interests. The hope for a solution lies with the Federal Government—with the administration and Congress.

Put another way, the question is whether the Congress of the United States is helpless to protect the National Capital's environment. I do not believe that it is. For this reason, I have today introduced H.R. 12137, the text of which follows:

TEXT OF THE BILL H.R. 12137

A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to permit the Secretary of the Interior to accept donations of interests in Potomac riparian land; to assert the national interest against action by local governments which would impair the natural beauty of the Potomac; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Potomac River between Great Falls and Mount Vernon is linked in the Nation's consciousness with the Nation's Capital. The Potomac's historic, scenic, conservation, and recreational values as an adjunct of the Nation's Capital depend upon the preservation of its present largely unspoiled character. The Congress has an interest in the Potomac River between Great Falls and Mount Vernon because it is not only an important interstate river, but because it is a part of the Nation's Capital environment.

SEC. 2. The Secretary of the Interior is authorized to accept donations of air rights and of other interests in land within one-half mile of the water's edge, at high tide, on either side of the Potomac River in the States of Virginia and Maryland between Great Falls and Mount Vernon. Interests so acquired shall be administered in accordance with "An act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535), as amended.

SEC. 3. The National Capital Planning Commission is authorized and directed to review post-January 1, 1962, amendments and changes in, and exceptions and variances from, zoning ordinances of local governments in the States of Virginia and Maryland relating to the area described in section 2; and by written order to declare inoperative any such amendment, change, exception or variance which the National Capital Planning Commission shall find, after a hearing with reasonable notice to interested parties, will materially impair the national historic, scenic, conservation, or recreational interest in the Potomac between Great Falls and Mount Vernon.

ANALYSIS OF THE BILL

Mr. Speaker, H.R. 12137 indicates the national interest in the historic, scenic, and recreational values of the Potomac River between Great Falls and Mount Vernon. It authorizes the National Capital Planning Commission to review any amendments and changes in, and exceptions and variances from, zoning ordinances of local governments applicable to one-half mile on either side of the Potomac, where they were made after January 1, 1962, and to declare them inoperative where they are found to "materially impair the national historic, scenic, conservation, or recreational interest in the Potomac."

In the Merrywood case, for example, H.R. 12137 would empower the National Capital Planning Commission to declare the 17-story amendment invalid, thus reinstating Fairfax County's preexisting 35-foot height limitation for the area in question. The National Capital Planning Commission is directed to hold necessary hearings before it acts, and to issue its order in writing.

H.R. 12137 also empowers the Secretary of the Interior to accept donations of air rights, and of other interests in land, from landowners along the Potomac from Great Falls to Mount Vernon. This enables public-spirited landowners to protect their land, and the general environment, on a more stringent basis than is afforded by the applicable zoning ordinance, by dedicating air rights to the Secretary of the Interior. For example, a landowner may wish to dedicate to the Secretary of the Interior air rights to his land above a height of 30 feet, even though the applicable and justifiable zoning ordinance permits structures up to, say, 55 feet.

The need for H.R. 12137 is well set forth in a May 5, 1962, Washington Post editorial:

PEOPLE'S RIVER

> The time has come, in our opinion, to provide a larger measure of protection over the Potomac River, its shores and adjacent landscape. The Potomac is the greatest scenic asset of the National Capital area. All planning for the Capital of the future begins with preservation of the river as the center of the city's recreational and scenic resources. But current events are proving that plans may be readily upset and the beauty of the river may be gravely impaired by decisions in real estate offices—decisions over which the public has no effective control.
>
> Congress decided more than 30 years ago that the shores of the Potomac in this area should be in public ownership and that these natural parklands should be opened to public enjoyment by parkways extending from Great Falls to Mount Vernon on the Virginia side and from Great Falls to Fort Washington on the Maryland side. It is a reproach to Congress and the city that this dream has not yet been fully realized and that funds are still being withheld for the southeastern leg of this project. The first step in any comprehensive plan for preserving the people's river would be to acquire these missing parcels of land for parks and the parkway.
>
> Beyond this is the question of protecting property still in private hands, but close to the river, from unsightly or incongruous developments. This problem has been flaunted in the face of the city by the proposal to clutter the Potomac Palisades with 17-story apartment buildings on the Merrywood estate above Chain Bridge. Under the terrific pressures that all such projects generate, the Fairfax Board of Supervisors caved in and granted a change of zoning which obviously imperils the whole concept of preserving the natural beauty of the river.
>
> No one should suppose that this special privilege of building high-rise apartments on the Potomac Palisades would end at the Auchincloss estate. Already many other properties on or near the Potomac are threatened, including areas at Hatton Point and Indian Head. Historic Mount Vernon has been menaced by efforts to construct a sewage plant across the river. In our opinion, the public has a vital concern in what is built on or near this river.
>
> We suggest, therefore, that Congress give the National Capital Planning Commission authority to review plans and control the building of any structure, other than a single-family residence, within, say, 1 mile of the Potomac for at least 25 miles above and below the District. There is ample precedent for public control over the development of areas deemed necessary to the attainment of esthetic aims in the Nation's Capital. It would also be highly desirable to control the residential development of areas adjacent to the river so as to avoid stripping away the trees or otherwise marring the natural setting. This could be done by requiring low density and

by forbidding any major change in the natural landscape.

What needs to be immediately established is a concept of the Potomac as the people's river. Its shores and adjacent areas should not be open to exploitation that will either contribute to pollution or spoil its natural beauty. The city cannot afford to let a few individuals impair this great asset which belongs to the millions who live in the area and other millions who will live here in the decades ahead. Prompt action seems to be imperative if this heritage of water, vegetation, cliffs, and an uncluttered riverside skyline is to be passed on to future generations.

REASONS FOR THE ZONING APPROACH

Height limitation—the central issue in Potomac Valley preservation—is best handled by a zoning rather than a land purchase approach. It would be pleasant to have a national park along the Potomac from Great Falls to Mount Vernon. But this is unrealistic in view of the heavily built-up nature of the riverside area. The main Federal interest is in maintaining an attractive skyline, unpunctured by high-rise apartments, rather than in acquiring fee title to the land itself.

Furthermore, Congress has shown itself remarkably reluctant to appropriate funds in recent years for the purchase of lands along the Potomac. Examples of this are the recent opposition to land purchase for the proposed Chesapeake and Ohio National Park; or to purchase of land to protect the scenic area opposite Mount Vernon; or to supply needed funds for land purchase under the Capper-Cramton Act.

Now, what of the constitutionality of H.R. 12137?

The provision empowering the Secretary of the Interior to accept donations of air rights and other interests in land is identical with a provision contained in the Cape Cod National Seashore Act of 1961, 16 U.S.C. 459(b), which authorized the Secretary of the Interior to acquire property in the Cape Cod area by gift as well as by purchase.

JUSTICES MARSHALL AND TAFT

The provision of H.R. 12137 declaring inoperative local zoning changes which impair the national interest in the natural beauty of the Potomac is upheld by the reasoning of two great Chief Justices of the U.S. Supreme Court, John Marshall and William Howard Taft. Both, incidentally, were deeply interested in the Potomac. Marshall in 1784 was one of the founders of the "Powtomack Company" to improve navigation. Taft as President called for the preservation of the Potomac upstream from Washington.

The case of *Cohens* v. *Virginia* (6 Wheat, 264) was decided by the U.S. Supreme Court in February 1821. The city of Washington in 1817 passed an ordinance authorizing a lottery to raise money to build a city building. A lottery ticket was sold in Virginia, and the seller was prosecuted under a Virginia law forbidding the sale of lottery tickets. He pleaded as a defense the act of Congress authorizing the lottery as superseding the Virginia law. The Court, speaking through Chief Justice Marshall, held that the lottery law by its terms did not authorize the sale of lottery tickets outside the District of Columbia, and that the accused's conviction under the Virginia antilottery law was hence sustained.

WHAT MARSHALL SAID

Marshall went on, however, to indicate clearly that had Congress wished to have the lottery tickets sold in Virginia, and the Virginia antilottery law thus rendered inoperative, Congress could constitutionally have done so. After pointing out that article 1, section 8, clause 17, of the Constitution vests exclusive jurisdiction in Congress over "the seat of the Government of the United States," Marshall said:

The power of exercising exclusive legislation draws after it, as an incident, the power of making that legislation effectual, and the incidental power may be exercised throughout the Union, because the principal power is given to that body [Congress] as the Legislature of the Union.

If a felon escapes out of the State in which the act has been committed, the Government cannot pursue him into another State, and apprehend him there, but must demand him from the executive power of that other State. If Congress were to be considered merely as the local legislature for the fort or other place in which the offense might be committed, then this principle would apply to them as to other local legislatures, and the felon who should escape out of the fort, or other place, in which the felony may have been committed, could not be apprehended by the marshal, but must be demanded from the executive of the State. But we know that the principle does not apply; and the reason is, that Congress is not a local legislature, but exercises this particular power, like all its other powers, in its high character, as the Legislature of the Union. The American people thought it a necessary power, and they conferred it for their own benefit. Being so conferred, it carries with it all those incidental powers which are necessary to its complete and effectual execution (6 Wheat. 428–429).

We very readily admit, that the act establishing the seat of government, and the act appointing commissioners to superintend the public buildings, are laws of universal obligation. We admit, too, that the laws of any State to defeat the loan authorized by Congress, would have been void, as would have been any attempt to arrest the progress of the canal, or of any other measure which Congress may adopt. These, and all other laws relative to the District, have the authority which may be claimed by other acts of the National Legislature; but their extent is to be determined by those rules of construction which are applicable to all laws. The act incorporating the city of Washington is, unquestionably, of universal obligation; but the extent of the corporate powers conferred by that act, is to be determined by those considerations which belong to the case (6 Wheat. 447).

THE CAPITAL OF THE NATION

In July 1896, the U.S. Circuit Court of Appeals for the Sixth Circuit decided *Grether* v. *Wright* (75 Fed. 742). Circuit judge—later Supreme Court Chief Justice—Taft delivered the opinion of the court. An 1874 act of Congress granted the District of Columbia power to borrow money in order to improve and beautify the city of Washington, and provided that bonds issued by the District of Columbia for this purpose should be exempt from State taxation. An attempt of Ohio to tax these bonds was knocked down, and the congressional act upheld as constitutional. Taft, in his opinion, cited the exclusive congressional jurisdiction over the District of Columbia. Judge Taft said:

By an alleged * * * reasoning, it is urged upon us, that, as Congress cannot give extraterritorial effect to the legislation passed by it in the government of the District of Columbia, it cannot exempt the bonds of the District.

This might be so, he granted, if the District were created purely for a local purpose. But, he asserted:

The object of the grant of exclusive legislation over the District was * * * national in the highest sense, and the city organized under the grant became the city, not of a State, not of a district, but of a nation.

The sense of both the Cohens and the Grether decisions is that Congress, pursuant to its authority to legislate to protect the National Capital within the District of Columbia, can supersede the laws of a nearby State forbidding lotteries, or taxing municipal bonds, to the extent needed to preserve the Nation's Capital. Can anyone doubt that Marshall or Taft would today uphold an exercise of the congressional power to declare inoperative zoning regulations of outlying communities which likewise threaten to impair the Nation's Capital?

It should be borne in mind, too, that the Potomac is an interstate river, subject to the commerce power of Congress. Surely it is the concern of Congress whether the destruction of the wooded character of the Potomac causes siltation of the river, which may disturb navigation, or whether the scenic character of the river is harmed by improvident zoning.

SCIENCE SERVICE, INC.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Pennsylvania [Mr. CURTIN] is recognized for 10 minutes.

Mr. CURTIN. Mr. Speaker, a bill, H.R. 11711, introduced May 10, 1962, by my distinguished colleague and friend from the 15th Pennsylvania District, Representative Francis E. Walter, would grant a Federal charter to Science Service, Inc., the organization responsible for fostering a dynamic and living interest in the sciences among American young people. I should like to voice my firm support of this bill, and urge its early enactment.

The accomplishments of this organization are so numerous and so important to the future prosperity and security of these United States, that they merit our recognition. Science Service has, with refreshing self-reliance—without a Federal work force and without aid from tax dollars—organized almost 20,000 high school science clubs in 50 States with a total membership of over 437,000. It created a National Science Fair which, as of this past year, has grown into a competition involving almost 1 million students from 45 States and several foreign countries. It has directed a high school talent search program extending into every State, and providing college scholarships for some of the Nation's most promising science students.

Yet the great achievement of this organization is more than these "statistics

of service," impressive as they are. Science Service has instilled in American youth a deep and intimate relation with the sciences, a relation that has set many pupils on the path of a science education. Through the devotion of educators across the country, and in cooperation with local science fairs throughout the Nation, this private, nonprofit corporation has imbued our young people with the exciting, challenging spirit of science. It has taken them away from the sometimes drab routines of the textbook and put them in the living world of experimentation, research, and creation—a stimulus that points the way for the student to reach heights of discovery and self-expression. Here is a product of American ingenuity and capacity for cooperative effort whose strategic importance in these times deserves our greatest possible encouragement.

H.R. 11711 is a recognition of the accomplishments of this corporation, a public realization of the necessity of such an organization, and a mandate to continue in the grand tradition in which it has grown. The purposes and objectives of this corporation speak for themselves as stated in section 3 of the bill:

(1) to develop an interest in science on the part of the young people of America,

(2) to provide an opportunity for the exchange of scientific information and ideas among members of the clubs,

(3) to encourage the promotion of science fairs at which members of the clubs may display their scientific works and projects, and

(4) to develop an awareness of the satisfaction to be derived through a career devoted to science.

Permit me to cite a timely editorial that appeared in the May 21 issue of the Morning Call, Allentown, Pa., in my district, noting "the expanding hegemony of the Department of Health, Education, and Welfare," the danger of a heavyhanded Federal approach using science as a ruse to "create more Government jobs," as a lever "to ask for larger appropriations of Federal tax funds and dole them out to those who will dance to their tune."

The spirit in which this bill was conceived would not create another Federal tentacle. Indeed, this bill is an unusual opportunity for reaffirmation of our faith and pride in the American system of private enterprise. The aim of this bill is simply to encourage, to praise, and to help further the works of this privately supported Science Service, Inc., which is presently bound as a corporation by the laws of the State of Delaware. H.R. 11711 asks for no taxes, no Federal appropriations, no new jobs nor governmental personnel, no chain of command linked to any Federal department, agency, or bureau. On the contrary, this bill gives the greatest freedom of action to the corporation. The responsibility for the administration of this organization would, as now, rest in the hands of trustees drawn from the American Association for the Advancement of Science, the National Academy of Sciences, the National Research Council, and representatives of other groups or people who have demonstrated interest and leadership in molding future scientists. As the Morning Call editorial summarized it, the bill would recognize the tremendous job private enterprise has been doing in these fields for more than two decades and give it the mandate to continue without Government interference."

During this last week, this bill passed the Judiciary Committee by a unanimous vote. I hope you all share with me the desire to bring this bill to a successful vote as soon as possible. For how better can we demonstrate the Nation's appreciation to this organization which is, without state imposed discipline and regimentation that smothers individuality, constantly giving birth to scientists of tomorrow—scientists conceived in an atmosphere of individual freedom and initiative, nurtured on a diet of truth and close harmony with teachers and professors, and tempered by a flame of healthy competition. This organization draws its raw materials from the vast reservoir of our Nation's young people. Its factories are American schools and classrooms. Its "management" is the teacher. Its products are students with a sense of challenge in the sciences.

It is difficult to imagine anything more critically important to the very survival of our country. Certainly such an organization deserves a charter which assures a much merited official recognition of their status as a truly national corporation, yet one that will remain, as always, a free and independent unit in our system of individual initiative.

There has been growing concern in many circles over the real or apparent decline in the number of graduates necessary to permit the United States to progress in the various scientific fields. Lagging enthusiasm among our student population has been "viewed with alarm" by some observers. The technological race for new high levels of knowledge is a grim one. Our opponent's power derives from iron discipline and state-regulated regimentation. Our own strength, on the other hand, must come from the free enterprise system with its judicious balance of opportunities and its rewards for individual effort. Science Service has proven conclusively that in developing the potential that exists among the youth of America, youth must be inspired. Creative ability cannot be imposed by governmental edict; it can only grow and be brought to full realization in an atmosphere free of rigid conformity and faceless mediocrity.

This bill proposing the granting of a charter to Science Services, Inc., should be accorded nonpartisan support. For here we have an opportunity to maintain and extend technological advances and, perhaps of A-1 importance, to serve notice for all the world to see that as Americans we believe that science belongs to freemen and the ways of freemen.

SUPREME COURT DECISION ON MILK MARKETING ORDER

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 20 minutes.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

AN URGENT NEED FOR THE DAIRY FARMER—LEGISLATION TO AUTHORIZE CONTINUANCE OF MILK ORDER COMPENSATORY PAYMENTS RECENTLY STRUCK DOWN BY ACTION OF THE U.S. SUPREME COURT

Mr. STRATTON. Mr. Speaker, I have today introduced legislation to provide adequate legal authority for the so-called compensatory payments feature of the Federal milk-marketing order No. 2, which covers the New York-New Jersey milkshed area. I do so because I believe the continuation of this feature is of vital concern to the dairy farmers of upstate New York, and because I know that if the Supreme Court decision is allowed to stand without prompt corrective action being taken, our New York State dairy farmers face serious economic difficulty.

Mr. Speaker, on June 4 last, the U.S. Supreme Court handed down a decision invalidating the compensatory-payment provisions of our milk marketing order in the New York-New Jersey area. These provisions were first promulgated on December 14, 1953, by Mr. John H. Davis, then Assistant Secretary of Agriculture under Secretary Benson. They were reissued on June 10, 1957, by Acting Secretary of Agriculture Earl L. Butz.

The provisions for compensatory payments are a complex part of the New York-New Jersey order, but they are nonetheless a highly essential feature of the system of milk-price control which the order embodies. The invalidation of the compensatory-payment provisions threatens the continuance of the entire structure of milk-price control so carefully built up since 1933 by the Congress and the executive branch.

Dairy farmers in the States of Vermont, Pennsylvania, New Jersey, and New York regularly supply milk for the New York-New Jersey market. For more than 20 years now the milk order has given them some measure of stability in the prices they receive, but it has far from enriched them. With the action of the Supreme Court, these dairy farmers again face the prospect of disorganized and chaotic conditions in the sale of their milk, with lower prices and reduced incomes, unless we pass remedial legislation.

This is not the first time that the Congress has been faced with the need of enacting new laws in the field of milk marketing to safeguard the purposes of prior enactments. Control of milk prices was authorized in the original Agricultural Adjustment Act of 1933. When the Supreme Court decision in 1936, in *United States* v. *Butler*, 297 U.S. 1, cast doubts on the validity of this authority, Congress enacted the Agricultural Marketing Agreement Act of 1937, which reenacted and amended the relevant provisions, giving the Secretary of Agriculture clear authority to control milk prices.

Happily, the Supreme Court decision of June 4, involves no question of constitutionality. Mr. Justice Harlan, speaking for a majority of the Court, merely held that "the compensatory-payment provision of the New York-New Jersey milk marketing order must fall as inconsistent with the policy expressed by Congress" in section 8c(5)(G) of the act. At another point, he stated that the present compensatory payment plan can be sustained as necessary to effectuate the expressly authorized provisions of the order, "only if the Secretary has been authorized by statute."

Mr. Speaker, at this juncture of events, our task is to give the Secretary of Agriculture authority to include compensatory-payment provisions in milk marketing agreements and order issued under the Agricultural Marketing Agreement Act of 1937, as amended.

The compensatory-payment provisions of the New York-New Jersey order require, or have required, in the words of the Supreme Court, "that a handler who brings outside milk into the New York-New Jersey area and sells it for fluid use must pay to the pool's producers, through the producer settlement fund, an amount equal to the difference between the minimum prices for the highest and for the lowest use classifications prevailing in that area." These provisions are also contained in 22 other milk orders. Another 42 orders have somewhat different provisions.

It is to be explained that marketing agreements and orders for milk—the New York-New Jersey area operates only under an order—provide for a system of classifying and pricing milk according to use. Thus, milk utilized for bottling is the highest use, and is designated class I or class I-A. Milk used for cream may also be in class I; in the New York-New Jersey area it is in class II. Manufactured products are in class III in that area.

The highest price is paid by dealers, called handlers in the order, for milk used in class I. A lower price is paid for class II, and a still lower price for class III.

Since not all dealers use the same proportions of milk in each of the use classes, the average value of milk handled by each dealer will be different. To give all farmers in the market the same average price, a clearing fund, known as the producer-settlement fund, is established. If a dealer's average value of milk is above the market average, he pays the difference into the fund. If below the average, he draws money out of the fund. The net effect is that all farmers get the same price for their milk, subject to some adjustments, and all dealers pay the same price for milk used for the same purpose. This equating of prices received by farmers, and prices paid by dealers, goes under the name of marketwide equalization or marketwide pooling, whence come the expressions "pool," "pool handler," and "nonpool handler."

Milk orders are regional in character. They fix the prices of only those dealers who regularly sell milk in the regulated area. To make the system of regulation work, it is essential that there be some mechanism which will deal with the problem of milk sold by "outside" dealers. That mechanism is the compensatory-payment plan. Absent such a mechanism, an "outside" dealer could undersell regulated dealers in the order market. The "outside" dealer may be able to get his milk for an average price, or even for a surplus price, while the regulated dealer must pay the higher class I price. Without some means by which the operations of an "outside" dealer can be controlled, the entire plan of regulation under a milk order would in time break down.

All this must have been in the mind of Assistant Secretary of Agriculture John H. Davis, when he issued his findings in December 1953, which are the basis of the compensatory-payment provisions. He said as follows:

> Marketwide equalization of producer returns is an essential and indispensable provision of an order regulating the handling of milk for the New York market. Orderly marketing of milk in the market is virtually inconceivable in the absence of provisions for a marketwide pool under which the price required to be paid to producers is based on the utilization of milk by all handlers receiving milk from producers. Without marketwide pooling the inevitable scramble of each handler and producer for his share of the fluid market would render the order ineffective. Minimum class prices at a level necessary to insure an adequate supply of pure and wholesome milk for the market could not be maintained.
>
> Factors primarily associated with the size and complexity of the market preclude the uniformity in utilization among individual handlers which in the absence of marketwide pooling would have to prevail in order to obtain a workable degree of uniformity in prices paid to producers.

At another point in his findings, Mr. Davis said:

> The need for a provision in the order under which payments are required on milk and certain milk products from nonpool sources (hereafter referred to as compensation payments) arises directly from the fact that under the pooling structure of the order, as effective since 1945, some milk and milk products not primarily produced for the marketing area and therefore not pooled under the order may be distributed in the marketing area as class I and class II milk (principally fluid milk and cream), without being subject to minimum class prices and pooling at source. In contrast, pooled milk necessarily is subject to minimum class prices and pooling at its source, namely, the pool plants subject to the order. Classified pricing of pool milk requires that in order to secure an adequate supply of milk meeting the requirements of the market, the minimum class prices for fluid uses in the marketing area must be fixed at levels higher than prices for surplus classifications and the average utilization value of all pool milk. Nonpool milk thus has an advantage over pool milk when distributed as class I-A and class II milk, because it has not been subject to such high level classified pricing at its source. This disparity between pool and nonpool milk must, in some manner and by some device, be neutralized or compensated for if the integrity of the classified price structure for pool milk under the order is to be maintained and the declared purposes of the act achieved with respect to the New York marketing area.
>
> Nonpool milk which originates at a plant not subject to a marketwide equalization pooling plan has a substantial advantage over pool milk in addition to the price advantage. The handler who receives pool milk from producers and uses or sells it for class I-A purposes is charged the class I-A price but is not permitted to pay that full price to his own producers. Instead, he must pay a substantial part of it into the equalization fund under the order for distribution through the pool to all pool producers. A nonpool plant operator is not so burdened and limited, for he can pay his own farmers the full class I-A price of any part of it as he believes necessary to retain his supply of milk or outbid pool plant competitors for milk. Unless this condition is dealt with, the nonpool dealer can always outbid a similarly located pool plant competitor for milk supplies without cost to himself. The pool plant competitor obviously cannot afford to pay his own producers the full class I-A price and also pay equalization to the pool on the same milk. This condition results in disorderly marketing in the milkshed by placing otherwise similarly situated handlers in an unequal cost position for milk sold for fluid purposes in the marketing area.

While the bill I am introducing has been occasioned by the Supreme Court decision with respect to the New York-New Jersey order, the 22 other markets operating under similar compensatory provisions, and the 42 markets operating under somewhat different provisions, will be equally affected. Dairy farmers have worked diligently to get these orders issued for their areas. And now they see collapse and ruin. Let no fluid milk producer delude himself that he will escape the consequences of the Supreme Court's decision. Already there are reports of handlers fully regulated under the order refusing to make payments to the clearing fund, thus threatening the entire regulatory structure.

Before this disorder snowballs any further, Mr. Speaker, it is urgent that we act, and act firmly. For the Supreme Court decision, if not corrected, could easily undermine the stability of the whole New York-New Jersey milkshed area, and cause heavy income losses to New York dairy farmers.

The Supreme Court has referred to the compensatory-payment provisions as a "trade barrier." In his dissenting opinion, Mr. Justice Black commented as follows on the use of this expression:

> It is no doubt true that the Secretary's requirement that nonpool handlers make compensatory payments in order to sell fluid milk within the New York-northern New Jersey pool area does limit to some extent the ability of handlers whose major business is outside the pool to dump their surplus milk into the pool at highly profitable fluid milk prices, and if this is a trade barrier the Secretary's regulation can properly be called a trade barrier.

The reference by Mr. Justice Harlan to trade barriers was, of course, obiter dictum. This characterization was irrelevant to the Supreme Court's conclusion that compensatory payments were not authorized by statute, and were inconsistent with the policy expressed by Congress.

Undoubtedly, milk shippers in distant areas may feel that the Supreme Court decision will open the gates of eastern milk markets for them. This, of course, it will do, but only for a time, that is, until the orders are suspended. Then,

since supplies of milk in the east exceed requirements, and since eastern farmers have no other outlets, there will be a scramble for markets, and prices will go down. After prices have dropped, shipments from distant points will no longer pay, and will stop. If distant shippers now envision great gains, they are only deluding themselves. So long as local supplies are more than ample—and we unfortunately do have a sizable surplus—the milk that is consumed in the east will come from farms in the east. That much should be plain.

There will, of course, be a very undesirable consequence of this delusion, of this chasing of the will-o'-the-wisp. Distant shippers, thinking they now have outlets in eastern markets, will increase their production, only to be disappointed when the day of reckoning comes. Ultimately, the cost will fall on the Federal Government. The added production will end up in Government storage.

Mr. Speaker, I have one final point to make on this issue. It is clear to me that if the farmers of New York State are to be prevented from serious economic disaster, the law must be amended quickly. Obviously, the easiest way to do this is to include this amendment as a part of the new agricultural bill which we will be considering in this body within the next few days.

Since the Supreme Court decision of June 4 affects not only the New York area order but some 70 other order areas as well, across the country, in which various marketing orders are in operation, there should be widespread support in this body for this effort to return our dairy situation to a condition of stability and dependability.

I might also add, Mr. Speaker, that the inclusion within the basic agricultural bill of a section so urgently needed by upstate New York dairy farmers might also serve to pick up some additional votes for the administration bill at a time when the legislation appears to have only a touch-and-go chance of passage.

Mr. Speaker, I urge the prompt adoption of this important legislation.

FLAG DAY AND THE U.S. ARMY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Oklahoma [Mr. ALBERT] is recognized for 15 minutes.

Mr. ALBERT. Mr. Speaker, I would like to call the attention of the House to the fact that today—June 14—is the occasion of two important commemorations. One of these is the 185th anniversary of the American flag, adopted by a resolution of the Continental Congress in 1777 which provided that "the flag of the United States shall be 13 stripes of red and white, with a union of 13 stars in a blue field, representing the new constellation." Although the constellation has grown to 50 stars, the flag still stands for a Nation dedicated to the principles of liberty and unity. It is still the supreme symbol of our American patriotism. And today, we rightfully honor that flag in observances throughout the Nation.

But there is another great American institution that observes its birthday on June 14—an institution that is actually older than the flag or the Nation. That institution is the U.S. Army.

It was June 14, 1775—almost a year before the signing of the Declaration of Independence, and exactly 2 years prior to the adoption of Old Glory, that the second Continental Congress, then convening in Philadelphia, authorized 10 companies of Infantry to serve the yet-to-be-created Nation.

Born amidst the flames of a revolution which had been raging for 2 months, this new-born Army, reinforced by volunteer militia units, soon received its baptism of fire. It was a small, poorly equipped force, composed of men who were courageous and determined, but who knew little of military tactics and discipline. Yet, this Army—led by a stern-faced soldier-planter from Virginia named George Washington—was destined to achieve greatness.

With bold success at Trenton and Princeton, valiant triumph at Saratoga, and conclusive victory at Yorktown, the young Army proved its worth. It was not an easy task—for there were bitter years of frustration, lack of funds and equipment, and suffering and sacrifice—but in the end, our Army prevailed—bringing freedom to a grateful Nation.

Many times since, the Army has been called upon—in major wars and untold numbers of minor conflicts—to provide its essential force for freedom. From the dusty plains of the American frontier to the muddy slopes of Korea, from the jungles of the Philippines to the forests on the Rhine, its deeds have become legend.

Moreover, the Army's essential service has not been limited to the realm of warfare, but has included a wide variety of contributions to the general welfare of each citizen. It was the Army that conquered yellow and typhoid fever, developed the chlorination of water, blood plasma substitutes and flameproof fabrics. It was the Army that built the Panama Canal and the Alaskan Highway, and participated in hundreds of other projects to make the United States and the world a better place in which to live.

It is indeed appropriate that we honor the U.S. Army for its service during the past 187 years. On this occasion, however, it is equally fitting that we view the Army in the light of its present responsibilities and the tasks which lie ahead. For the Army begins its 188th year of service in an environment of international tension that is unprecedented in peacetime history. On all sides, in the far-off jungles of southeast Asia, at the cold, imposing Berlin wall—and even at the nearby coast of Cuba—peace and freedom are being seriously threatened.

Because aggression today involves such a broad spectrum of possibilities, it follows that preparedness calls for strong, versatile, and flexible forces. Toward this end, the Army has developed dual capable forces, trained and equipped to fight with tactical nuclear weapons or with modernized conventional weapons. It has organized defense in depth with forward deployments strategically positioned to meet aggression head on, strategic Reserves to provide immediate backup, and combat-Ready Reserve components to meet the needs of expansion. In short, the Army stands ready to apply swift, selective force to match whatever form aggression may take—whether nuclear, limited, or sublimited.

In nuclear—or general—war, landpower would be a deciding factor in bringing hostilities to a favorable conclusion. Landpower—embodying the trained, skilled combat soldier—is necessary for the control of hostile populations and enemy territory, a requisite for victory. This condition cannot be enforced by a weapon, no matter how powerful. It is a task for the fighting man, who even in this age of vast technological advance remains the ultimate weapon.

General war would also find Army Forces manning air defense missile sites to protect our Nation from aerial attack. Additionally, the Army would have its capable hand in the military support of civil defense, protecting our population, and aiding national recovery.

In the case of limited war, the Army's role again would be of utmost importance—affording a choice of military measures appropriate to the aggression and consistent with national security interests. From a reinforced company to one or more field armies, the Army can employ self-contained units tailored to a specific task. This capability for a measured response to aggression is indeed essential if our Nation is to meet the threat of limited war without resorting to a nuclear answer. It means necessary defense without needless destruction.

Sublimited war—which falls below the level of overt aggression—is another problem to which the Army provides an essential answer. This answer is contained in the Army's special warfare capability, which includes not only the guerrilla warfare experts of Special Forces, but also regular combat units which have received training in special warfare tactics and techniques, along with their more conventional type training. In addition, the training and skills of practically all Army technical service and administrative personnel are adaptable to special warfare situations. Among the skills possessed by these personnel are those found in civil affairs, psychological warfare, engineer, medical, aviation, transportation, signal, and other fields.

It is significant to note that, throughout its history, the Army has engaged in activities of a special warfare nature. For example, in the Revolution it was the Colonial soldier's wily use of terrain, surprise, and other typical guerrilla tactics that caused so much harassment to the redcoat British Regulars. In the Indian wars, the Army learned still more about this type of fighting; and more recently, in the jungle campaigns of World War II, its store of special warfare know-how was expanded still further.

Today, the Army is using its special warfare capability to advise and assist allied nations whose sovereignty is being

threatened by irregular forces. For example, members of Special Forces and other Army elements are actively giving the benefit of their fund of knowledge to indigenous forces in south Vietnam, who are engaged in a jungle war of terror with the infiltrating Viet-Cong.

Of course, the Army realizes that attention to military matters alone will not bring internal stability to a country in which insurgency threatens or has already taken place. Nation building—an important phase of counterinsurgency—is, therefore, being encouraged and, where appropriate, talents of U.S. Army personnel are used to show others how to plan and implement projects covering such areas as communications, pest control, and road construction. These projects promote better conditions in the beleaguered nation, and build up the people's will to resist the coercion as well as the aggression of the aggressors.

Mr. Speaker, in mentioning the essential role of the Army across the broad spectrum of warfare, I know that I have not introduced any revelations to my colleagues. As an indication of the cognizance of the Army's essential role by the House, I need only refer to the authorization of additional Army manpower and funds for modernization which received overwhelming support in this Chamber less than a year ago.

I know also that the House has watched with intense interest as the Army used its newly acquired assets to bolster our Nation's defenses. I am confident it joins me in applauding a job well done.

As a result of the buildup, Army Forces in Europe and the Far East have been strengthened. Moreover, our forces here at home have been brought to a new peak of combat readiness and our Strategic Army Forces has increased from three to eight divisions. In addition, the size of Special Forces—the all-volunteer special warfare organization—has been doubled.

Equipment modernization also has proceeded at a rapid pace, with many necessary items purchased in increased quantities. Among these were the M–14 rifle, the M–60 machinegun, the M–113 Armored personnel carriers, and M–60 tanks. Also included on the Army's shopping list were new missiles, such as the Sergeant; and new advances in communications, personnel protection, and a host of other materiel items.

In conjunction with these actions, the Army has also taken steps to improve its organization. Doubtless, you have heard that ROAD, the new concept for Army combat divisions, promises improved firepower, mobility, and command for both conventional and nuclear warfare. At a higher level a major reorganization of the Department of the Army is being implemented which promises to yield new heights of efficiency in management, long-range planning, personnel utilization, and other related functions.

The Army's 187th year has indeed been filled with progress. One cannot close the record on this eventful year, however, without giving credit where credit is due—to the members of the Army National Guard and Army Reserve, many of whom were recalled to active duty during the past year. The men who were called left their jobs, their families, and their homes; in short, their normal lives were disturbed with many personal sacrifices involved. Called to prevent war, their response has been truly magnificent.

While most of the attention has been riveted on the value of these reserves in the face of the Berlin crisis and worldwide tension, it is significant also that these men contributed greatly to the continuity and smoothness of the Army's overall strength increase. They provided the immediate strength for the build-up and have remained on active duty while permanent strength was being developed.

Now that the job of the called-up Reservist is almost completed, and plans have been made to return him to his home, it is fitting that we express our gratitude for a job well done—and for the comforting assurance that today, as in the past, America can count on its citizen-soldiers.

In closing, I call to mind the words of Gen. Douglas MacArthur, that magnificent old soldier, who once said that "a good soldier is expected to look backward as well as forward, but he must think only forward." These words provide a good description of the U.S. Army on the occasion of its 187th birthday. It looks back with justifiable pride upon a heritage of rich traditions and a record of distinguished service to the Nation; but its thinking, planning, and actions are geared toward maximum preparedness for the future. Whatever demands are made upon our Army in the years to come, there is one thing about which we may be certain—that it will be equal to the challenge—that, given the support of the American people, the U.S. Army will continue in its role as an essential force for freedom and an indispensable element of national defense.

FLAG DAY AND THE NATIONAL ECONOMY

The SPEAKER pro tempore. Under previous order of the House (the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 15 minutes.

Mr. SAYLOR. Mr. Speaker, after yesterday's spectacle devoted to the residual oil imports issue, I feel that Flag Day would be an appropriate time to remind my colleagues that we are all in this battle against unemployment together and that we had better stop and make a reassessment before sectionalism strikes too hard a blow against the national economy and security.

We have already lost considerable ground on both counts. We have watched unemployment mount higher and higher, and within a short time we are going to be presented with a trade bill that so clearly reflects the impact of more liberalized treatment of imports that it makes wide provision for placating damaged industry and adversely affected employees. Meanwhile, the national military machine, which costs in the neighborhood of $50,000 per year to sustain, is not even certain that—as a consequence of excessive oil imports—it will have fuel for its engines in the event of an emergency.

Flag Day would certainly seem like an appropriate time for this discussion. Yesterday we heard what I assume was an entirely spontaneous attack on the program that was established to restrict imports from foreign producing fields and refineries. I wonder whether my colleagues fully appreciate the significance of their recommendations. I wonder if they are in fact willing—in order that the selfish desires of the purveyors of foreign oil might be surfeited—to expose an increasing number of coal miners and railroad workers in Pennsylvania to unemployment, poverty, and frustration.

I think not, Mr. Speaker. I think these remarks yesterday were made without actual realization of the results of the recommendations that were advanced. In the Federal Government's considered determination of the status of its young men on this Flag Day 20 years ago, there was no distinction as to residence or occupation. Whether a young man had come from the mines of Pennsylvania, the textile mills of New England, the factories of New York, or the agricultural areas of Florida did not enter into his assignment at that time. Whether proper or improper Bostonian, silk stocking or West Side New Yorkers, Northerners, Southerners, Westerners—these men and boys went abroad as Americans to protect that flag that we are honoring today. Twenty years ago our forces were on the offensive in New Guinea; they were preparing to strike in North Africa; and they were training vigorously in army camps and in naval bases here and abroad for what was to be the greatest challenge to our flag in the history of our Nation.

Today there is a dual challenge. It is economic and it is military. Many of the men who were fortunate enough to return from that conflict of two decades ago have found that their sacrifices were not sufficient to satisfy the distorted ambitions of the Nation's own State Department. Thousands of our veterans have been forced to give up their means of livelihood in order that a foreign power might find an outlet for products that it chooses to dispose of in this country. Our war heroes were discharged from active duty only a short time when they began to suffer the effects of this strange policy. Even before I came to Congress in 1949, I found coal mines in my district beginning to curtail operations because foreign residual oil was impinging on their markets. The invasion has grown steadily over the subsequent years, but somehow our good friends on the east coast feel obliged to deliver periodic sermons on the need for more and more and more foreign oil.

The experiences of World War II on the domestic front have time and again been overlooked by those friends of ours. Perhaps our colleagues who have assumed this attitude are too young to remember what happened in those days of long ago. Twenty years ago many factories, schools, hospitals, and office buildings in New England and New York had to close because there was no fuel oil available. Your Governors and the responsible officials in Washington were appealing for conversions to coal-burn-

ing equipment before the advent of another cold season.

Mr. Speaker, today I do not intend to offer a detailed report of the economic and security aspects of the residual oil import problem. Every statement made here yesterday berating residual oil import controls can be refuted along these lines. When you distinguished gentlemen from New England stand up here and indicate that your fuel requirements cannot be met with the amount of foreign residual oil under permissible regulations, I urge that you look deeper into what is happening in the oil import arena, for I am confident that you will not approve of the subterfuges to which the shippers have resorted in order to win an ever increasing share of our domestic market. These international oil peddlers bring to you an account of their dealings that is less than factual. They report that the needs of your industries will go begging unless you are able to prevail upon the Government to raise the lid or to take the controls off altogether. Meanwhile, they are ringing doorbells farther and farther inland, signing contracts to deliver alien oil at whatever price is necessary to crowd out coal.

Today foreign residual oil's threat is no longer confined to the Atlantic seaboard. It moves ever closer into our centers of coal production. Foreign residual oil is being trucked into the Harrisburg area, right within the shadows of our preparation plants and breakers. You wonder why we have so much chronic unemployment in our bituminous coal and anthracite fields? You will find an answer to an important part of our problem in the residual oil import figures of the past 15 years.

Mr. Speaker, what I want to do on this Flag Day is to find out whether we cannot reach an area of understanding among those of us from the coal areas and our colleagues who have not heretofore agreed with us on foreign oil. I recall my disappointment when a bill that included a quota restriction on residual oil imports was defeated 8 or 9 years ago. At that time I resolved to listen more closely to remarks on foreign trade by Members of Congress who opposed our position on that issue.

I have observed that there is not a little inconsistency when it comes to foreign commerce. It is a most unfortunate situation in that entirely too much provincialism is demonstrated. It hardly seems fair for you to expect the Federal Government to protect your industries from foreign competition without affording us the same safeguards. Let me cite just a few examples of an attitude which I hope can and will be adjusted to the national rather than to local needs. I did not have time for extensive research. I cite only a few instances which I think are important to this problem of international trade.

Yesterday an impressive number of our colleagues took part in the sudden demand for abolishing the residual oil import control program regardless of impact on our coal miners. Have the advocates of this liberal trade policy always been so sympathetic of foreign protection?

The distinguished gentleman from Massachusetts [Mr. LANE] said less than a year ago that decreasing exports and increasing imports were condemning the textile industry to a slow if lingering death. As long as the Government fails to provide reasonable protection through tariffs or import quotas. The statement was, of course, only in keeping with the type of leadership he has long displayed in dealing with the unfair competition that perennially threatens New England industry. Here are a few remarks that have been made in the past by another distinguished colleague from Massachusetts [Mr. PHILBIN]:

> It should also be obvious, I think, that this Nation with its high wage scales and standards cannot hope, notwithstanding high productivity, to match or successfully compete with the extremely low wage scales and low standards that prevail in some other parts of the world * * *.
>
> I am not opposed to the use of quotas if they be fairly and constructively applied; in fact, I would favor this additional method.

On another occasion, the distinguished gentleman said:

> As I have pointed out many times, cheaply produced foreign goods are undermining American industrial prosperity in many industries and causing widespread unemployment and depressed conditions.

Mr. Speaker, I find that the gentleman from Massachusetts has for many years been a very dedicated protagonist in the interest of protection for some American industry against foreign products. I submit to him that we in Pennsylvania would appreciate his applying his principle to our State's dire economic conditions resulting from unwise foreign-trade policies; we are confident that, in retrospect, he will disassociate himself from the cruel and embittered attacks that took place on the floor of the House on the day immediately preceding Flag Day of 1962.

The gentleman from Maine [Mr. MCINTIRE] opened remarks to the House with this paragraph last March 20:

> Mr. Speaker, imports of low-priced goods made by low-wage foreign labor have already prompted economic dislocations in the State of Maine. Among those severely affected in the international trade program is our State's textile industry.

The gentleman's colleague [Mr. TUPPER] has said:

> The essence of the problem seems to be that excessive imports of textiles throw people out of work and mills out of operation; with the result that purchasing power declines and the Government's tax receipts drop. This has a snowballing effect on the incomes of grocers, car dealers, and all others from whom textile industry employees purchase their necessities. The result is a loss of income to our society, the loss of the potential of the labor forces in this industry, the demoralization of a segment of our society and a consequent increased cost in many social services.

The gentleman from Massachusetts [Mr. MORSE]:

> One of the important forces adversely influencing the textile industry has been the importation of goods from low-wage industries. * * *
>
> The 1960's have been called a decade of decisions for the United States. We must soon decide how we are going to save some of our basic industries—industries vital to our economy and essential to our security—or we must be prepared to accept the responsibility for their demise.
>
> The flow of foreign imports is critical to many of our industries. American business and labor are looking to this administration and Congress for the leadership and direction that is needed. We dare not postpone the hour of decision.

The gentleman from Massachusetts [Mr. MARTIN]:

> But America cannot tolerate a condition where excessive imports of certain goods threaten the dissolution of whole industries and a consequent loss of vitally needed tax dollars, together with a permanent corps of unemployed workers in our textile cities and towns.

Mr. Speaker, on this Flag Day I appeal to my friends on both sides of the aisle to view this matter of foreign competition with greater objectivity. You know and I know that your views on obtaining protection for your industry while at the same time disregarding ours cannot be reconciled. Neither can you disregard the fuel needs that would suddenly arise in your constituency if an emergency developed and foreign oil were cut off. Unless you join with me in precluding such an eventuality, you will in fact have contributed to the malfunction that could very well take place in our defense program.

Please reconsider your position of yesterday, for you have chosen the side of greater economic distress for Pennsylvania and other coal-producing States. None of my friends would deliberately contribute to the decline and fall of our industry. None would willfully destroy the avenues of subsistence for their fellow Americans.

Under a reasonable foreign policy, with proper restrictions against excessive imports, there can be prosperity and security ahead for all of us. Let us join arm in arm in seeking that objective.

TWENTY-FIRST ANNIVERSARY OF MASS DEPORTATIONS OF BALTIC CITIZENS BY COMMUNISTS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. CUNNINGHAM] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, on this day in 1941 there began the mass deportations of the citizens of the Baltic States by the Communists.

For 21 years the people of Latvia, Lithuania, and Estonia have been subjected to suffering and exile at the hands of the Russians, and in the years since 1941 other nationalities have come to learn firsthand of the terrible plight of these first three nations to fall to the Russian military might.

Today we can only guess at the toll in human lives which these vicious Communists have taken throughout the captive nations. We should also give thanks for our own freedom and pledge again our determination to stand against the

forces of international communism until these peoples in the captive nations are once more free of the oppressive rule of the Russian Communists.

Certainly this Congress owes it to the people of these Baltic nations and to the people of all the captive nations to give new consideration to the proposed Committee on Captive Nations. As a cosponsor of this proposal, I fail to see why the administration should object in any way to the establishment of such a committee.

For myself, I am proud that this Nation has been the leader of the free world in war and peace. I would hope and expect that we would continue to be the leader of the free world in the cold war. But we will not be in this position unless we pursue a more vigorous approach to some of our international affairs than we have taken in the past.

Accordingly, I offer as a bare beginning, these suggestions and comments for those millions in this country who want us to continue as the Nation which speaks softly but carries a big stick. I might add that I do not think Teddy Roosevelt meant to apologize or fail to speak up for our rights and the rights of men everywhere when he used the term "speak softly."

First, I have already mentioned the matter of captive nations. I believe this House of Representatives should establish a Captive Nations Committee to serve as a focal point to remind Russia that we do not regard her military occupation of these nations as final authority of Russia over them. Also it would remind the world—especially those uncommitted nations who are so ardently wooed by some in our State Department—that the international Communist conspiracy is not characterized by freedom for the individual or even for nations, but rather by oppression and control and military dictatorship.

In this regard, I view it as most important that our United Nations delegation bring up before that body in every way possible and as often as possible the fact that Russia today holds millions of people captive and has violated the independence of country after country.

Second, I would suggest that the administration announce a complete and immediate embargo of trade with all nations behind the Iron Curtain. Needless to say this would include a stop at once of all training of Communist military personnel and an end to shipments of military goods to the so-called independent Communist Tito, of Yugoslavia.

What possible value there is to this Nation in trade with the international Communist bloc is beyond me. I call on the administration to stop such trade, and further urge my colleagues here in the Congress to press ahead with legislation to absolutely ban such trade.

Third, I would suggest a vigorous and long-range plan of propaganda and persuasion to sell the very excellent points which the free world has on its side. It is ridiculous that we should be so outclassed and outmanned by Communist propaganda efforts around the world. Madison Avenue should be more than willing to use its many talents to aid the free world in this important battle for men's minds. Certainly the work of the U.S. Information Agency should be upgraded within the administration and given more attention by all departments who deal with foreign governments and persons from foreign countries.

Fourth, I believe we should stop pursuing the present policy with Russia. I think we should tell the Communists we intend to win the cold war. Let them know that we are determined to win and that we intend to win not only by drawing a line wherever they plan to infiltrate and expand into the free world, but by announcing that we regard their continued presence in the captive nations as military occupation.

Let us take the offensive by demanding an end to these military occupations, free and open elections, United Nations supervision of said elections and other steps to move the cold war battleground from the free world into the Communist's backyard.

TRAGIC DAYS FOR LITHUANIA, LATVIA, AND ESTONIA

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BECKER. Mr. Speaker, the night of June 14, 1941, and the days to follow were tragic ones for the peoples of Lithuania, Latvia, and Estonia as thousands upon thousands were forcibly driven from their homes and deported under inhuman conditions by the Soviet Communists. The national independence of the Baltic States had already been destroyed by the incorporation of these three countries into the Soviet Union in 1940. But the Communists did not rest content with the destruction of independence. They were bent on destroying the peoples of these countries as well, by denouncing as traitors and sending to slave labor camps in Siberia anyone who dared criticize the totalitarian system that had been forced upon freedom-loving peoples.

Now, many years later, the fate of thousands of these people arbitrarily removed from their homelands is still not known. What is known, however, is that the Baltic countries themselves have become a large Communist prison camp for their inhabitants. They have been nationalized and collectivized in line with Communist ideology. Civil rights are no longer recognized. The activities of individuals are closely watched; movement and assembly are rigidly controlled. Freedom and independence remain but a dream, for it is unthinkable that individual liberties can exist under such a tyranny.

Our sympathies extend to any peoples forced to live under such conditions but especially to the courageous populations of Lithuania, Latvia, and Estonia. For we have seen their achievements during the peaceful and golden decades between the two World Wars when they were independent states. The fine arts, literature, and music flourished. Minorities enjoyed equal political rights and full cultural autonomy. Vast advances were made in industry and trade. Continuing efforts were exerted to expand education. And then in 1940 all was changed. But it is still possible that one day the Communist oppressor will be gone and that the Baltic States will see a new golden age. We express our fervent hope that this will be so. In commemorating the tragic days of June 1941 for Lithuania, Latvia, and Estonia, we extend our ardent support for their liberation and for the restoration of cherished individual freedoms to their peoples.

THE 21ST ANNIVERSARY OF DEPORTATION OF BALTIC CITIZENS

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, the unhappy peoples of the Baltic countries—Estonians, Latvians, and Lithuanians—enjoyed only a short period of independence and freedom during the interwar years. All three had regained their freedom at the end of the First World War, but very early in the last war, they all became victims of the Kremlin's treachery and inhumanity.

While they were independent and masters of their fate for two decades, their giant neighbor to the east, Communist Russia, was jealous and envious of the prosperity and democracy in these countries. The Soviet rulers seemed intent to put an end to these democracies at the first opportune moment. They had that opportunity in mid-1940 and carried out their evil designs.

Early in the year all three countries were invaded and occupied by the Red army; then through a Soviet-style election Communist regimes were installed in all three countries, and subsequently the countries were incorporated into the Soviet Union. In the meantime the newly instituted Communist regimes, with the help of Soviet agents, arrested and imprisoned a large number of Estonian, Latvian, and Lithuanian nationals, several hundred thousands in all, and these were exiled to distant Asiatic parts of the Soviet Union. It is this deportation of innocent peoples that is being observed today, marking the 22d anniversary of their tragic fate.

Mr. Speaker, I would like to refer at this time, in connection with this anniversary of the tragic deportation of Baltic peoples, to the Baltic States resolution I introduced early this Congress. The measure, House Concurrent Resolution 153, calls for Congress to request the President to bring up the Baltic States question in the United Nations and ask the U.N. to request the Soviets to with-

draw from Lithuania, Estonia, and Latvia and return Baltic exiles, and that the U.N. conduct free elections in Lithuania, Estonia, and Latvia under its supervision.

The complete text of House Concurrent Resolution 153 follows:

Whereas the Communist regime did not come to power in Lithuania and the other two Baltic States, Estonia and Latvia, by legal or democratic processes; and

Whereas the Soviet Union took over Lithuania, Estonia, and Latvia by force of arms; and

Whereas the Baltic people, Lithuanians, Estonians, and Latvians, under Communist control were and still are overwhelmingly anti-Communist; and

Whereas Lithuanians, Estonians, and Latvians desire, fight, and die for their national independence; and

Whereas the Government of the United States of America maintains diplomatic relations with the Governments of the Baltic nations of Lithuania, Estonia, and Latvia and consistently has refused to recognize their seizure and forced "incorporation" into the Union of Soviet Socialist Republics: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the House of Representatives and Senate of the United States of America request the President of the United States to bring up the Baltic States question before the United Nations and ask that the United Nations request the Soviets (a) to withdraw all Soviet troops, agents, colonists, and controls from Lithuania, Estonia, and Latvia, (b) to return all Baltic exiles from Siberia, prisons, and slave-labor camps; and be it further

Resolved, That the United Nations conduct free elections in Lithuania, Estonia, and Latvia under its supervision.

Mr. Speaker, I believe it is important not only to the Baltic people but to the free world that everything possible be done to promote and bring about freedom for the Baltic people and I would respectfully urge that this resolution be approved by the Congress.

FLAG DAY

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WESTLAND. Mr. Speaker, today, which marks the 185th anniversary of the adoption of our Nation's flag, also is the birth date of the U.S. Army. The Army was founded on June 14, 1775, by action of the Continental Congress.

The Army colors bear 145 battle streamers which commemorate the Army's campaigns. These streamers are reminders of heroic sacrifices and battles of the past. From Ticonderoga in 1775 through the Korean campaigns, the men of America answered the calls to arms against our enemies. Today, in the cold war, other men are serving as members of the Army Reserves or the Army National Guard to help preserve our precarious peace. Typical are the officers and men of the 732d Transportation Company from my hometown of Everett, Wash.

Mr. Speaker, in the finest tradition of the Army, the members of the 732d answered their call to active duty last year without fanfare. Not a single soldier in this unit has complained to me as their Representative in the Congress about the service their country asked them to perform. They received their orders and are doing their duty as their fathers and grandfathers did in the past.

I believe that we owe these men and the other men, whether Regulars, Reserves, or guardsmen, a word of thanks as we salute the U.S. Army on its 187th birthday.

SOVIET DEPORTATIONS FROM THE BALTIC STATES

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FINO] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FINO. Mr. Speaker, on this 21st anniversary of the first mass deportations from the three Baltic States—Lithuania, Latvia, and Estonia—we extend our sympathy to the tragic victims of heartless Soviet tyranny and acknowledge our continuing support for their liberation. With the influx of the Soviet Army in 1940 began an erosion of religious and civil liberties that culminated in the mass deportations of thousands among the populations of the Baltic States on June 14 and 15, 1941. There had been no warning. The reasons for the seizures were pure fabrication. Many of the exiles have never been heard from since.

But the history of tragedy began even earlier and continued even longer. It commenced with the Soviet-Nazi conspiracy. It still has not ended. In 1939 the Soviet Government imposed mutual assistance pacts upon the Baltic States as an excuse for stationing troops in Lithuania, Latvia, and Estonia. In 1940 the Kremlin incorporated the Baltic States into the Soviet Union by threat and connivery. In 1941 began the mass deportations to Siberia as part of a cruel plan to enslave the Baltic nations. But the fact that the populations of these countries are still living in slavery two decades later does not mean that their serfdom will last forever. It must not last forever, for man can live just so long in slavery, especially when he has known something better.

In the hiatus between the world wars the Baltic States were flourishing republics. The individual liberties so dear to the hearts of men—freedom of speech, of assembly, and of religion—were constitutionally guaranteed. Vast strides were being made in the areas of land reform, industry, transportation, social legislation, and education, to mention but a few fields of effort. In short, the Baltic countries were respected members of the community of sovereign and independent states. Although their independence came to an abrupt end in 1940, the courageous peoples of these three small countries have never lost hope that they might one day regain their sovereignty and liberty. It is up to us in the free world to give them every encouragement and to assure them that our thoughts are with them in these their hours of darkness.

FAREWELL MESSAGE OF PRESIDENT EISENHOWER

Mr. BARRY. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MORSE. Mr. Speaker, on January 18, 1961, a great American delivered a farewell message to the American people, 3 days before leaving the Presidency.

A number of Americans were surprised when Dwight Eisenhower warned his countrymen of the dangers to their liberties implicit in the rise of a mammoth Military Establishment and a huge arms industry.

Let me quote President Eisenhower:

This conjunction of an immense Military Establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every statehouse, every office of the Federal Government.

We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense without peaceful methods and goals, so that security and liberty may prosper together.

Many of us who have shared President Eisenhower's deep concern have been alert over the months to evidence that might tend to demonstrate the misuse of the vast power of which the President spoke.

On the floor of this House yesterday, our distinguished colleague, the gentleman from Michigan, Representative FORD, one of the most respected Members of this House, brought to our attention a report which reveals that those in control of our Military Establishment have indeed sought to exert political power through economic leverage on our defense industry.

Gentlemen, I rise today, beseeching every single Member of this body fully to comprehend the implications of the action which the gentleman from Michigan, Congressman FORD, and other Members have reported.

I have today asked the chairman of the Military Operations Subcommittee of the House Committee on Government Operations, the gentleman from California, Representative HOLIFIELD, to initiate

an immediate investigation, with open hearings, of the charges made yesterday by the gentleman from Michigan, Congressman FORD.

Every Member of this body who respects our free institutions will, I hope, support my efforts.

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. RUESS, for 10 minutes, today, and to revise and extend his remarks.

Mr. CURTIN, for 10 minutes, today.

Mr. STRATTON, for 20 minutes, today, and to revise and extend his remarks.

Mr. WICKERSHAM, for 20 minutes, on Monday, June 18, 1962.

Mr. MORSE, for 5 minutes, today.

Mr. SAYLOR, for 15 minutes, today.

Mr. ALBERT (at the request of Mr. EDMONDSON), for 10 minutes, today, and to revise and extend his remarks.

Mr. DULSKI (at the request of Mr. EDMONDSON), for 30 minutes, on Friday, June 15.

Mrs. MAY (at the request of Mr. BARRY), for 1 hour, on June 25, 1962.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BARRETT.

Mr. PHILBIN in two instances, in each to include extraneous matter.

Mr. WILSON of Indiana and to include extraneous matter.

Mr. MAHON to include extraneous matter in the remarks he made in the Committee of the Whole today.

Mr. DENT.

Mr. DADDARIO.

(The following Members (at the request of Mr. EDMONDSON) and to include extraneous matter:)

Mr. CELLER.

Mr. ANFUSO.

Mr. CAREY.

Mr. SANTANGELO.

Mr. FLOOD.

Mr. MURPHY.

Mr. DANIELS.

Mr. RODINO.

Mr. FARBSTEIN.

Mr. GALLAGHER.

Mr. CLARK.

Mr. BOLAND in two instances.

(The following Members (at the request of Mr. BARRY) and to include extraneous matter:)

Mr. ALGER.

Mr. BROOMFIELD.

Mr. FINO.

Mr. WALLHAUSER.

Mr. HALPERN.

Mr. WIDNALL.

Mr. JENSEN.

Mr. SCHADEBERG.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 13, 1962, present to the President, for his approval, a bill of the House of the following title:

H.R. 10502. An act for the relief of James B. Troup and Sylvia Mattiat.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p.m.) the the House adjourned until tomorrow, Friday, June 15, 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:

2184. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend section 107(d) of the Soil Bank Act" (7 U.S.C. 1801); to the Committee on Agriculture.

2185. A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting the semiannual report to the Congress on the strategic and critical materials stockpiling program for the period July 1 to December 31, 1961, pursuant to Public Law 520, 79th Congress; to the Committee on Armed Services.

2186. A letter from the Chairman, Federal Home Loan Bank Board, transmitting the Annual Report of the Federal Home Loan Bank Board for the calendar year 1961, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking and Currency.

2187. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 172 of the Internal Revenue Code of 1954 to provide a 7-year net operating loss carryover for certain regulated public utilities"; to the Committee on Ways and Means.

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. THOMAS: Committee on Appropriations. House Joint Resolution 745. Joint resolution making supplemental appropriations for the fiscal year 1962; without amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 689. Resolution for consideration of H.R. 11921, a bill to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes; without amendment (Rept. No. 1823). Referred to the House Calendar.

Mr. SPENCE: Committee on Banking and Currency. S. 2130. An act to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes; without amendment (Rept. No. 1824). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 10383. A bill to amend the Federal Home Loan Bank Act to give Puerto Rico the same treatment as a State in the election of Federal Home Loan Bank Directors; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 11310. A bill to amend section 3515 of the Revised Statutes to eliminate tin in the alloy of the 1-cent piece; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 12133. A bill to provide that a percentage of the net budget receipts of the United States (up to 10 percent thereof) shall be devoted exclusively to the retirement of the public debt; to the Committee on Government Operations.

By Mr. CURTIN:

H.R. 12134. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance and tax credits, and for other purposes; to the Committee on Ways and Means.

By Mr. FALLON:

H.R. 12135. A bill to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes; to the Committee on Public Works.

By Mr. O'BRIEN of New York:

H.R. 12136. A bill to amend Public Law 409, 74th Congress, to authorize the appropriations necessary to carry out authorized improvements in the project for the Great Lakes-Hudson River Waterway; to the Committee on Public Works.

By Mr. REUSS:

H.R. 12137. A bill to help preserve the natural beauty of the Potomac River between Great Falls and Mount Vernon; to permit the Secretary of the Interior to accept donations of interests in Potomac riparian land; to assert the national interest against action by local governments which would impair the natural beauty of the Potomac; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H.R. 12138. A bill to amend the Agricultural Marketing Agreement Act of 1937 to permit certain payments under milk marketing orders; to the Committee on Agriculture.

By Mr. MORRIS K. UDALL:

H.R. 12139. A bill to provide that certain public lands in Yuma and Maricopa Counties, Ariz., may be appropriated or disposed of under the public land laws subject to the right in the United States to flood the lands in connection with the Painted Rock Reservoir project; to the Committee on Interior and Insular Affairs.

By Mrs. GRANAHAN:

H.R. 12140. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 12141. A bill to amend the Library Services Act in order to make areas lacking public libraries or with inadequate public libraries, public elementary and secondary school libraries, and certain college and university libraries, eligible for benefits under that act, and for other purposes; to the Committee on Education and Labor.

By Mr. HALL:

H.R. 12142. A bill to amend title 10, United States Code, to provide for the identification of a military airlift command as a specified command, to provide for its military mission, and to eliminate unnecessary duplication in airlift; to the Committee on Armed Services.

By Mr. JUDD:

H.R. 12143. A bill to provide for the distribution of the total net income from wildlife refuges administered by the U.S. Fish and Wildlife Service of the Department of the Interior, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NYGAARD:

H.R. 12144. A bill to amend section 401 of the act of June 15, 1935 (49 Stat. 383; 16 U.S.C. 715s), in order to authorize increased payments to counties in which Federal wildlife refuges are situated, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SHORT:

H.R. 12145. A bill to amend section 401 of the act of June 15, 1935 (49 Stat. 383; 16 U.S.C. 715s), in order to authorize increased payments to counties in which Federal wildlife refuges are situated, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ST. GERMAIN:

H.J. Res. 747. Joint resolution granting the consent of Congress to the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia to negotiate and enter into a compact to establish a multi-State authority to construct and operate a passenger rail transportation system within the area of such States and the District of Columbia; to the Committee on the Judiciary.

By Mr. BURKE of Kentucky:

H. Con. Res. 482. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. CAREY:

H. Con. Res. 483. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. EDMONDSON:

H. Con. Res. 484. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H. Con. Res. 485. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. FASCELL:

H. Con. Res. 486. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. HEMPHILL:

H. Con. Res. 487. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. MOSS:

H. Con. Res. 488. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. ST. GERMAIN:

H. Con. Res. 489. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. MORRIS K. UDALL:

H. Con. Res. 490. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. WHITENER:

H. Con. Res. 491. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. WRIGHT:

H. Con. Res. 492. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. ASHLEY:

H. Con. Res. 494. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

By Mr. BRADEMAS:

H. Con. Res. 495. Concurrent resolution expressing the sense of the Congress that increased emphasis should be placed in the administration of foreign assistance upon programs encouraging the ownership of farms and homes, assisting the establishment and equipment of small independent businesses, aiding the acquisition of tools of a trade, or helping provide vocational or occupational skills; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Territory of Guam, memorializing the President and the Congress of the United States relative to requesting the enactment of legislation extending the statute of limitations for claims against the Government of the United States only as to landowners whose properties are situated within the old Harmon Field area; which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIN:

H.R. 12146. A bill for the relief of David Hiestand; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12147. A bill for the relief of Orazio Morello; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 12148. A bill for the relief of the DiCuia family; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H.R. 12149. A bill for the relief of Jozefa Trzcinska Biskup; to the Committee on the Judiciary.

By Mr. McVEY:

H.R. 12150. A bill for the relief of Dr. Jose Enrique Garzon; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12151. A bill for the relief of Wong Fook Cheung; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 12152. A bill for the relief of Jozefa Pietka; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 12153. A bill for the relief of Mrs. Phoebe Thompson Neesham; to the Committee on the Judiciary.

By Mr. LANE:

H. Res. 690. Resolution providing for sending the bill (H.R. 7618) authorizing the payment of certain moneys to N. M. Bentley in settlement of claim against the United States, together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

SENATE

THURSDAY, JUNE 14, 1962

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

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

God of our fathers, whose love divine hath led us in the past: Be Thou still our ruler, guardian, guide, and stay. We lift this day our jubilate for the starry flag which in all the world is the sacred emblem of this Nation under God. As

we pledge anew allegiance to all that its flowing folds symbolize, make us solemnly conscious that—

"There's not a thread of it,
No, nor a shred of it
In all the spread of it,
From foot to head,
But heroes bled for it,
Faced steel and lead for it,
Precious blood shed for it,
Bathing it red."

Holding aloft the flag which is freedom's best hope to defeat slavish tyranny, send us forth, we pray Thee, not just to cheer for it, but to live for it; to be willing gladly to die for it; that government of, by, and for the people may not perish from the earth.

God bless our America in these tempestuous days, as under that banner she mobilizes her might to defend freedom and to oppose thralldom in all the world. And, God, our Father, make us worthy of America at its best. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 13, 1962, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 2206. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; and

H.J. Res. 745. Joint resolution making supplemental appropriations for the fiscal year 1962.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated:

H.R. 2206. An act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado; to the Committee on Interior and Insular Affairs.

H.J. Res. 745. Joint resolution making supplemental appropriations for the fiscal year 1962; to the Committee on Appropriations.

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 subcommittees and committees were authorized to meet during the session of the Senate today:

The Committee on Finance;

The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary;

The Permanent Subcommittee on Investigations of the Committee on Government Operations;

The Committee on Aeronautical and Space Sciences; and

The Judiciary Subcommittee of the Committee on the District of Columbia.

RESOLUTION OF KANSAS JUNIOR CHAMBERS OF COMMERCE

Mr. CARLSON. Mr. President, Kansas has one of the outstanding State junior chambers of commerce, under the able leadership of its president, Jim Wymore, Jr., of Salina, Kans.

At a recent meeting of the State organization a resolution in opposition to the King-Anderson bill was adopted.

I ask unanimous consent that the resolution be printed in the RECORD.

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

Whereas the Jaycee creed says that we believe that economic justice can best be won by freemen through free enterprises, and since the health insurance benefit payments during 1961 totaled over $6 3/10 billion and since 75 percent of the Nation's population had some type of hospital medical care insurance in 1961, and since the health chairman, after checking, believes that private enterprise is working diligently to handle the situation: Now, therefore, be it

Resolved, That the Kansas Jaycees in convention assembled, go on record as being opposed to the medical care to the aged under social security.

The 4,000 members of the 80 local chapters of the Kansas Jaycees feel that this resolution clearly states our belief and position on this pending legislation and urge you to vote against the adoption of the King-Anderson bill.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 10606. An act to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes (Rept. No. 1589).

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 3508. An act to amend the Tariff Act of 1930, as amended (Rept. No. 1590); and

H.R. 10986. An act to continue for a temporary period the existing suspension of duty on certain amorphous graphite (Rept. No. 1591).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 11743. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended (Rept. No. 1593).

By Mr. JACKSON, from the Committee on Armed Services, with an amendment:

H.R. 11131. An act to authorize certain construction at military installations, and for other purposes (Rept. No. 1594).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H. Con. Res. 473. Concurrent resolution providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile (Rept. No. 1592).

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, without amendment:

S. 2436. A bill to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes (Rept. No. 1595);

S. 2139. A bill to exempt from taxation certain property of the American War Mothers, Inc. (Rept. No. 1597); and

S. 3315. A bill to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia (Rept. No. 1596).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

S. 2977. A bill to amend the Life Insurance Act of the District of Columbia (Rept. No. 1601);

S. 3063. A bill to incorporate the Metropolitan Police Relief Association of the District of Columbia (Rept. No. 1599);

S. 3350. A bill to amend the act of August 7, 1946, relating to the District of Columbia Hospital Center to extend the time during which appropriations may be made for the purposes of that act (Rept. No. 1600); and

S. 3359. A bill to authorize the Commissioners of the District of Columbia to lease certain public space under and in the vicinity of 10th Street SW., for public parking (Rept. No. 1598).

TESTIMONY OF CERTAIN WITNESSES BEFORE THE COURT OF QUARTER SESSIONS, COUNTY OF PHILADELPHIA, PA.—REPORT OF A COMMITTEE

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, I report an original resolution, and ask unanimous consent for its immediate consideration.

Mr. President, there are presently pending before the Court of Quarter Sessions, County of Philadelphia, Pa., two criminal actions which arose out of an investigation conducted by the former Select Committee on Improper Activities in the Labor or Management Field relating to Local 107, International Brotherhood of Teamsters, Philadelphia.

In that connection, the court has issued subpenas requiring the testimony of former employees of the Senate select committee, and calling for the production of certain documents which now are a part of the files of the Permanent Subcommittee on Investigations of the Committee on Government Operations. As Senators know, under Senate Resolution 255, 86th Congress, the files of the select committee are transferred to the control of the Permanent Subcommittee on Investigations.

The purpose of this resolution is to authorize the former employees of the select committee to testify before the courts in Philadelphia County and to

present certain documentary evidence now in the files of the Permanent Subcommittee on Investigations.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. CLARK. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I am happy to yield.

Mr. CLARK. I should like to commend the Senator from Arkansas for the cooperation he is giving the law-enforcement agencies in my home city of Philadelphia; and I also wish to commend him for the fine investigation he made of that particular local.

Mr. McCLELLAN. I thank the Senator from Pennsylvania.

Mr. CLARK. It is one which I think was highly in need of investigation.

I express the hope that with the assistance of the chairman of the Permanent Subcommittee on Investigations, of the Committee on Government Operations, justice will be done in this case in the courts of Philadelphia.

Mr. McCLELLAN. I thank the Senator from Pennsylvania. I may say that these records were developed in the course of the investigation; and the court needs them in order to prosecute the case, in order that justice may be done.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 349) authorizing certain former Senate employees to appear and testify before certain courts of Philadelphia County, Pa., and bring certain records, reported by Mr. McCLELLAN, from the Committee on Government Operations, was considered and agreed to, as follows:

Whereas, in the case of the *Commonwealth of Pennsylvania* v. *Abraham Berman, Edward Walker, Joseph Hartsough, Joseph Grace, John Joseph Elco, Raymond Cohen, and Ben Lapensohn*, bill of indictment No. 520 of the September 1959 session of the court of Oyer and Terminer of Philadelphia County of said Commonwealth of Pennsylvania, a subpoena ad testificandum and duces tecum was issued upon the application of the District Attorney of Philadelphia County, and addressed as follows:

To John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, all of whom are former employees of the Senate Select Committee on Improper Activities in the Labor or Management Field; and directing them to bring with them all accounting analyses, work papers, statements, affidavits, and supporting documents prepared by them from the records of Local 107 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, or from the records of any of the above-named defendants, which subpoena ad testificandum and duces tecum is returnable on September 4, 1962, at 10 o'clock antemeridian; and

Whereas in the case of the *Commonwealth of Pennsylvania* v. *Ben Lapensohn* on which a preliminary hearing has been set by a judge of the Court of Quarter Sessions of Philadelphia County, Commonwealth of Pennsylvania, sitting as a committing magistrate, which preliminary hearing is scheduled to be held June 15, 1962, a subpoena ad testificandum and duces tecum was issued upon the application of the District Attorney of Philadelphia County, and addressed as follows:

To John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, all of whom are former employees of the Senate Select Committee on Improper Activities in the Labor or Management Field; and directing them to bring with them all accounting analyses, work papers, statements, affidavits, and supporting documents prepared by them from the records of Local 107 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, or from the records of any of the above named defendants, which subpoena ad testificandum and duces tecum is returnable on June 15, 1962, at ten o'clock ante meridian; and

Whereas said material is in the possession of an under the control of the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, by virtue of Section 5 of Senate Resolution 255 of the 86th Congress; and

Whereas by the privileges of the Senate of the United States no document under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession, but by its permission; and

Whereas by the privilege of the Senate and by rule XXX of the Standing Rules of the Senate, no document shall be withdrawn from its files except by the order of the Senate; and

Whereas information secured by staff employees of the Senate pursuant to their official duties as employees may not be revealed without the consent of the Senate: Therefore be it

Resolved, That John B. Flanagan, Francis J. Ward, Leo Nulty, George L. Nash, Ralph Mills, Ralph DeCarlo, Alfred Vitarelli, and Robert E. Dunne, former employees of the United States Senate Select Committee on Improper Atcivities in the Labor or Management Field, are authorized to appear and testify at the times and places, and before the courts named in the subpoenas ad testificandum and duces tecum before mentioned, or at any continued and subsequent proceedings thereof, and to take with them such documents and papers called for in said subpoenas for production before said courts where determined by the judges thereof to be material and relevant to the issues before them.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense; and

Cyrus Roberts Vance, of New York, to be Secretary of the Army.

By Mr. McCLELLAN (for Mr. EASTLAND), from the Committee on the Judiciary:

John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mrs. SMITH of Maine. Mr. President, from the Committee on Armed Services, I report favorably 282 nominations in the Regular Air Force, in the grade of major and below. All of these names have already appeared in the CONGRESSIONAL RECORD; so in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Maine.

The nominations are as follows:

Maurice Y. Gibson, Jr., and sundry other persons, for appointment in the Regular Air Force.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. BUTLER:

S. 3412. A bill for the relief of Kristina M. Prosowicz; to the Committee on the Judiciary.

By Mr. PEARSON (for himself and Mr. MURPHY):

S. 3413. A bill to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level; to the Committee on Finance.

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

By Mr. HUMPHREY:

S. 3414. A bill for the relief of Shiegeko Ikeda Rakosi; and

S. 3415. A bill for the relief of J. Ashton Gregg; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 3416. A bill for the relief of Chung K. Won; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3417. 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. BEALL:

S. 3418. A bill to amend the charter of the National Union Insurance Co. of Washington; to the Committee on the District of Columbia.

By Mr. PROUTY:

S. 3419. A bill for the relief of Enrico Petrucci; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3420. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes; to the Committee on Commerce.

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

By Mrs. SMITH of Maine:

S. 3421. A bill authorizing modification of the harbor project at Kennebunk River, Maine; to the Committee on Public Works.

By Mr. HUMPHREY:

S.J. Res. 200. Joint resolution to establish a Century of Freedom Commission; to the Committee on the Judiciary.

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

By Mr. TALMADGE:

S.J. Res. 201. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed; to the Committee on Agriculture and Forestry.

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

RESOLUTION

AUTHORIZATION FOR CERTAIN FORMER SENATE EMPLOYEES TO APPEAR AND TESTIFY BEFORE A CERTAIN PENNSYLVANIA COURT

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 349) authorizing certain former Senate employees to appear and testify before a certain court of Philadelphia County, Pa., and bring certain records, which was considered and agreed to.

(See the above resolution printed in full when reported by Mr. McCLELLAN, which appears under the heading "Reports of Committees.")

AMENDMENT OF INTERNAL REVENUE CODE OF 1954 RELATING TO AN ADDITIONAL EXEMPTION FOR FULL-TIME STUDENTS ABOVE THE SECONDARY LEVEL

Mr. PEARSON. Mr. President, this Nation's acceptance of world leadership and the complicated, perplexing issues of the day continue to emphasize this Nation's need to encourage the maximum intellectual development of our youth. The struggle for survival is more dependent upon the quality of our brainpower than upon our sheer capacity to outproduce our adversary in military hardware.

Increased enrollments and the cost of advanced education continue their rapid increase. The fact that the increased cost of education is a major obstacle for many of our young people has been a motivating force in the many recommendations made for Federal aid to education. Indeed, conditions must be created which will make it possible for more of this valuable reservoir of talent to participate, by virtue of their expanded knowledge, in the molding of our Nation's economic, social, and technical future.

The public has provided for institutions of higher learning, and other such institutions have been sponsored by private or religious organizations; but in this country the higher education of our youth has traditionally been a family responsibility. Together, these have contributed much to the great strides we have made to reach the status of the most educated people in the world.

Yet there is always more to be done.

We must now look to additional means and ways to further encourage individual and family responsibility for securing additional higher educational training. The Congress has under consideration a 10-point Federal program for aid to education. I have often expressed my opposition to Federal aid to education, with the exception of the existing National Education Defense Act, impacted area legislation, the school lunch program, and the legislation providing for loans to higher institutions for the construction of dormitories and classrooms.

The institutions of learning and the students themselves must never lose the complete freedom which is necessary for a valid and full educational program.

I now introduce a bill which will permit the head of a household to claim a double exemption for a dependent attending an institution of higher learning.

I believe this bill will serve to encourage the further acceptance by the family of the responsibility for advanced education, rather than to encourage it to abdicate its responsibility to the Federal Government.

This proposal is a simple and equitable one. It does not require any new Federal bureaucracy. It does not interfere with the family's or the student's choice of institution or course of study. It is a procedure which is easy to understand since it requires only a minor alteration in the income tax reporting form. Its enactment at this session of Congress will satisfy many of the objectives advanced in the programs of Federal aid to education and for tax reductions.

I ask that the bill be received, appropriately referred, printed in the RECORD, and held at the desk until next Tuesday, June 19, for possible cosponsorship. I may say that I am now joined in the sponsorship of the bill by the junior Senator from New Hampshire [Mr. MURPHY].

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from Kansas.

The bill (S. 3413) to amend the Internal Revenue Code of 1954 to allow an additional exemption of $600 for a dependent child of the taxpayer who is a full-time student above the secondary level, introduced by Mr. PEARSON (for himself and Mr. MURPHY), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 151 of the Internal Revenue Code of 1954 (relating to deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(g) ADDITIONAL EXEMPTION FOR DEPENDENT CHILDREN ATTENDING SCHOOL ABOVE THE SECONDARY LEVEL.

"(1) IN GENERAL.—An additional exemption of $600 for each dependent (as defined in section 152)—

"(A) who is a child of the taxpayer for whom the taxpayer is entitled to an exemption under subsection (e) (1) for the taxable year, and

"(B) who, during at least 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student above the secondary level at an educational institution.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) Child.—The term 'child' means an individual who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer.

"(B) Educational institution.—The term 'educational institution' has the meaning assigned to it by subsection (e) (4)."

SEC. 2. Section 213(c) of the Internal Revenue Code of 1954 (relating to maximum limitations on deductions for medical, dental, etc., expenses) is amended by striking out "subsection (c) or (d), relating to the additional exemptions for age or blindness" and inserting in lieu thereof "subsection (c), (d), or (f), relating to certain additional exemptions."

SEC. 3. Section 3402 (f) (1) of the Internal Revenue Code of 1954 (relating to withholding exemptions) is amended—

(1) by striking out "and" at the end of subparagraph (D);

(2) by striking out the period at the end of subparagraph (e) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (E) the following new subparagraph:

"(F) one additional exemption for each individual with respect to whom, on the basis of facts existing at the beginning of such day, there may reasonably be expected to be allowable an exemption under section 151(f) (relating to dependent children attending school above the secondary level) for the taxable year under subtitle A in respect of which amounts deducted and withheld under this chapter in the calendar year in which such day falls are allowed as a credit."

SEC. 4. The amendments made by this Act, other than the amendments made by section 3, shall apply to taxable years beginning after December 31, 1961. The amendments made by section 3 shall apply with respect to wages paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of this Act.

AMENDMENT OF SECTION 19a OF INTERSTATE COMMERCE ACT TO ELIMINATE CERTAIN VALUATION REQUIREMENTS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the chairman of the Interstate Commerce Commission, together with a recommendation and justification of the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter, recommendation, and justification will be printed in the RECORD.

The bill (S. 3420) to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter, justification, and recommendation presented by Mr. MAGNUSON, are as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., June 12, 1962.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration 40 copies of a draft bill, together with a statement of justification therefor, which would give effect to legislative recommendation No. 6 in the Commission's 75th annual report.

We would very much appreciate your assistance in having this bill introduced and scheduling a hearing thereon.

Sincerely,

RUPERT L. MURPHY,
Chairman.

RECOMMENDATION No. 6

This proposed bill would give effect to legislative recommendation No. 6 of the Interstate Commerce Commission as set forth on page 188 of its 75th annual report as follows:

"We recommend that section 19a be amended in the following respects: '(1) to eliminate the requirement that the Commission determine the present value of land; (2) to eliminate the requirement that the Commission determine the valuation of property held by carriers for purposes other than for use in common carrier service; (3) to eliminate the requirement that the Commission ascertain and report the amount, value, and disposition of aids, gifts, grants, and donations and the amount and value of concessions and allowances made by carriers in consideration thereof; and (4) to make optional the requirement that the Commission keep itself informed of changes in the quantity of the property of carriers, following the completion of the original valuation of such property.'"

JUSTIFICATION

The purpose of the attached draft bill is to eliminate certain valuation requirements that are no longer considered necessary in carrying out the regulatory functions of the Interstate Commerce Commission.

Determination of the present value of land was appropriate in finding original property valuations under an earlier concept which also gave consideration to the reproduction cost of property other than land. The determination of a rate base, however, is not restricted to this or to any other single method. It is significant, in this connection, that the Commission, in recent years, has seen fit, in establishing a base for measuring rate of return for railroads, to use the original cost of property, except land, less depreciation thereon as shown by the books of account, plus estimated present value of land, plus an allowance for working capital.

There has been considerable latitude for a number of years as to what might properly be considered in arriving at a rate base, and the wide choice available to regulatory agencies in this connection has been recognized by the Supreme Court. In *Federal Power Commission* v. *Natural Gas Pipeline Co.*, 315 U.S. 586 (1942), the Court held that "The Constitution does not bind ratemaking bodies to the service of any single formula or combination of formulas," and in *Federal Power Commission* v. *Hope Natural Gas Co.*, 320 U.S. 602 (1944), the Court amplified its opinion in the Natural Gas Pipeline Co. case by holding that "it is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important."

The magnitude of an undertaking which contemplates field appraisal of land used in carrier operations, even if such work were attempted on a staggered or recurring cycle basis, would require the expenditure of large sums of money if present value determinations are to be kept reasonably current.

The Commission has made adequate provision for the proper accounting and financial reporting of noncarrier property, and the value of such property is not considered for valuation or ratemaking purposes. Therefore, we see no need to value noncarrier property as is presently required by section 19a of the Interstate Commerce Act.

Insofar as aids, gifts, grants, and donations are concerned, practically all property in this category is of record in the original valuations found by the Commission for railroads. The significance of this information has diminished over the years, and carriers have long since discontinued the granting of concessions in the form of land-grant rates in consideration of such gratuities.

It is a current requirement that carriers by railroad and by pipeline report annually, the number of units of property added or retired during the year. This reporting requirement represents an unnecessary burden for railroads since property units are not used in the development of rate bases, as they were when the railroads were originally valued.

The situation with respect to the reporting of units of property changes by pipeline carriers is unlike that of the railroads. The Commission finds property valuations for pipeline carriers each year. In this process, property units are used in the development of the cost of reproduction new, an element which is considered by the Commission in arriving at the rate base.

Enactment of this proposed measure would, in our opinion, result in a considerable saving to the industry, and would eliminate a statutory requirement no longer necessary nor feasible because of the magnitude of the undertaking necessary to keep reasonably current.

CENTURY OF FREEDOM COMMISSION

Mr. HUMPHREY. Mr. President, I introduce a joint resolution to establish a Century of Freedom Commission to develop plans for commemorating this coming year the 100th anniversary of the singing of one of the most significant documents of human progress in the annals of history.

I refer, of course, to the Emancipation Proclamation which became effective January 1, 1863, and which declared more than 4 million men, women, and children free from the chains of slavery.

The joint resolution itself is self-explanatory and I ask unanimous consent that its text be printed in full in the RECORD at the conclusion of my remarks.

Very briefly, the joint resolution calls for the establishment of a Century of Freedom Commission to be composed of 30 persons, including the President of the United States, the President of the Senate, and the Speaker of the House of Representatives, who shall all 3 serve as ex officio members of the Commission; 3 Members from the House of Representatives appointed by the Speaker of the House; 3 Members of the U.S. Senate appointed by the President of the Senate; 20 members to be appointed by the President of the United States; and 1 member from the Department of the Interior who shall be the Director of the National Park Service or his representative.

The functions of the Commission would be to develop and execute suitable plans for commemorating the 100th anniversary of the Emancipation Proclamation.

One of the darkest chapters in world history was the enslavement and forced deportation of Negro men, women, and children. As our Secretary of State Dean Rusk said only recently at a dinner in honor of the President of the Ivory Coast, Felix Houphouet-Boigny, the United States can take no pride in regard to the manner in which Africans came to this country, but we can be proud of the contributions which Africans and their descendants have made to the United States.

Certainly the Emancipation Proclamation of 1863 was one of the most noble acts of government in the history of mankind. And the faith which Abraham Lincoln had in the Negro people has been confirmed by the contribution which they have made, against great odds, to our country.

I would hope, Mr. President, that this Century of Freedom Commission would, among other things, direct its attention to acquainting the public with the impressive accomplishments that American Negroes have made these past 100 years. It is an impressive record. It is a record in which we can all take pride. It is a record of accomplishment which deserves more attention than has been given. The Commission could perform a most valuable and important public service by focusing public attention on these accomplishments of the Negro people of America.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 200) to establish a Century of Freedom Commission, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the year 1963 will mark the one-hundredth anniversary of the Emancipation Proclamation which gave freedom from slavery to 4 million men, women, and children; and

Whereas the number of Negroes now living in these United States is in excess of 19 million; and

Whereas the Negro race has shaken off the intangible fetters of circumstance and contributed greatly to the growth of America and given prestige to its cultural customs and mores; and

Whereas the Negro has readily and unflinchingly taken up arms to defend American democracy in every war since Cripus Attucks died a martyr for freedom in the Boston Massacre; and

Whereas the Negro has constantly demonstrated his dedication to the American spirit of freedom by serving in key educational, military and governmental posts; and

Whereas it is appropriate that the ideals and accomplishments of the Negro race be reemphasized and given wider public knowledge on the occasion of the one-hundredth anniversary of its freedom; and

Whereas it is incumbent upon us as a nation to provide for the proper observance of this American event which has been and continues to be a vital force in our history: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to provide for appropriate and nationwide observances and the coordination of ceremonies, there is hereby established a Commission to be known as the "Century of Freedom Commission" (hereafter in this joint resolution referred to as the "Commission") which shall be composed of thirty members as follows:

(1) The President of the United States, President of the Senate, and Speaker of the House of Representatives, who shall be ex-officio members of the Commission;

(2) Three members who shall be Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(3) Three members who shall be Members of the Senate, to be appointed by the President of the Senate;

(4) Twenty members to be appointed by the President of the United States; and

(5) One member from the Department of the Interior who shall be the Director of the National Park Service or his representative.

(b) The Director of the National Park Service shall call the first meeting for the purpose of electing a chairman. The Commission, at its discretion, may appoint honorary members, and may establish an advisory council to assist in its work.

(c) Appointments provided for in this section, with the exception of honorary members, shall be made within a period of ninety days from the date of enactment of this joint resolution; except that vacancies may be filled after such period. Vacancies shall be filled in the same manner as the original appointments were made.

SEC. 2. The functions of the Commission shall be to develop and execute suitable plans for commemorating the one-hundredth anniversary of the Emancipation Proclamation. In developing such plans, the Commission shall give due consideration to any similar and related plans advanced by State, civic, patriotic, hereditary, and historical bodies, and may designate special committees with representation from the above-mentioned bodies to plan and conduct specific ceremonies. The Commission may give suitable recognition by the award of medals and certificates or by any other appropriate means to persons and organizations for outstanding achievements in preserving the culture and ideals of the Negro, or historical locations connected with his life.

SEC. 3. The President of the United States is authorized and requested to issue a proclamation inviting all the people of the United States to participate in and observe the centennial anniversary of the historical event, the commemoration of which is provided for herein.

SEC. 4. (a) The Commission is authorized to accept donations of money, property, or personal services; to cooperate with State, civic, patriotic, hereditary, and historical groups and with institutions of learning; and to call upon other Federal departments or agencies for their advice.

(b) The Commission, to such extent as it finds to be necessary, may, without regard to the laws and procedures applicable to Federal agencies, procure supplies, services, and property and make contracts, expend in furtherance of this joint resolution funds donated or funds received in pursuance of contracts hereunder, and may exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purpose of this joint resolution.

(c) The National Park Service is designated to provide all general administrative services for the Commission.

SEC. 5. (a) The Commission may employ, without regard to civil service laws or the Classification Act of 1949, an Executive Director and such employees as may be necessary to carry out its functions. The annual rate of compensation of the Executive Director shall not exceed the scheduled rate of basic compensation provided for grade GS-18 in the Classification Act of 1949, as amended.

(b) Expenditures of the Commission shall be paid by the Executive Director of the Commission, who shall keep complete records of such expenditures and who shall account for all funds received by the Commission.

(c) The Commission shall submit to the President, not later than September 1, 1962, a report presenting the preliminary plans developed by it pursuant to this joint resolution. A final report of the activities of the Commission, including an accounting of funds received and expended, shall be made to the Congress and the President by the Commission not later than December 31, 1964, upon which date the Commission shall terminate.

(d) Any property acquired by the Commission remaining upon its termination may be used by the Secretary of the Interior for purposes of the national park system or may be disposed of as surplus property. The net revenues, after payment of Commission expenses, derived from Commission activities, shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 6. The members of the Commission and of the Advisory Council shall receive no compensation for their services, but shall be reimbursed for their actual and necessary traveling and subsistence expenses incurred by them in performing their duties.

SEC. 7. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this joint resolution, including an appropriation of not to exceed $1,000,000 to prepare the preliminary and final plans and reports of the Commission described in section 5(c) of this joint resolution.

EXTENSION OF TIME FOR FILING LEASES FOR TOBACCO ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, last year Congress passed a law, Public Law 87-200, which authorized any tobacco farmer to lease any part of his allotment to any other owner or operator in the same county up to 5 acres. In order to be effective, it was required that this lease agreement be filed with the ASC committee office before the date prescribed by the Secretary, and in no event later than the normal planting time in the county.

This law was made necessary by the fact that many tobacco allotments were so small that they did not constitute enough acreage to form an economic unit on which the farmer could make a living. I supported this proposal and think that it will prove very beneficial to our tobacco producers.

Since the adoption of this leasing program, however, hardship cases have arisen which require further legislative action. A number of tobacco farmers have missed the deadline set by the Secretary in filing these leases, and are now faced with a penalty for overplanting unless some relief is granted. The Department concedes that these farmers thought they were in compliance and would like to allow exemptions to the general rule. Unfortunately, there was no authorization for such relief contained in the law as passed last year.

I introduce herewith a joint resolution which would give the Secretary of Agriculture this authority. A similar joint resolution was introduced in the House yesterday. It has the full support of the Department of Agriculture and I hope that it will receive early and favorable consideration by Congress.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 201) to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

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. BEALL:

Article entitled "Fathers and Sons," written by Senator JENNINGS RANDOLPH, published in Parents' Magazine.

"EXCELLENCE AND THE NATIONAL SERVICE"—ADDRESS BY SENATOR JACKSON

Mr. MANSFIELD. Mr. President, earlier this week, the Senator from Washington [Mr. JACKSON] delivered a notable address, entitled "Excellence and the National Service," to the Industrial College of the Armed Forces.

Senator JACKSON's speech sets forth certain lines of inquiry planned by the Subcommittee on National Security Staffing and Operations, which he heads.

I ask unanimous consent that the text of his address be printed in the RECORD at this point in my remarks.

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

EXCELLENCE AND THE NATIONAL SERVICE

(By Senator HENRY M. JACKSON)

Admiral Rose, distinguished guests, faculty, and members of the college, I am highly honored to join in this graduation ceremony. This is a happy day for you—and a fortunate day for our country.

This is a unique college. Nowadays, you know, most colleges don't graduate you—they parole you to the alumni association, which is a gentlemanly way of putting the bite on you for the rest of your life.

I know you will never forget that you stand in the high tradition of this college. You have had a chance to let your minds range over the perplexing problems of national security and to gain fresh insights into the complexity of the issues that face our decisionmakers. An awareness of the interrelationship of political, economic, and military factors is the beginning of wisdom in the field of human affairs to which you are devoting your lives. You should go to your next duties better equipped than before to share in the great tasks of national security—because you better understand the problems of your coworkers in these tasks in the Pentagon, State, the Budget Bureau, Treasury—and the Congress.

It is a commonplace of graduation ceremonies to say that our Nation faces a time of testing as fateful as any in its history.

It also happens to be true—which is a nasty habit of commonplaces.

What is true for us is necessarily true for our adversaries as well. They too face a time of testing. They have mobilized for it. They know what they want. They have their plans for getting it. They will use every trick of the trade, including some we have not heard of yet, and every resource that can be diverted from essential civilian

needs to achieve, in Mr. Khrushchev's words, their goal of burying us.

Let us not underestimate the adversary.

But, even more important, let us not underestimate ourselves.

The United States is a strong, dynamic, purposeful, but impatient nation. Preoccupied, as we are almost all of the time, with each new day's quota of problems, not to mention its frustrations, pin-pricks, and minor setbacks, we sometimes forget how different today is from, say, 1947. It is, perhaps, wise now and then to look back as well as ahead.

We have come far in the past 15 years. It was just 15 years and 1 week ago—on June 5, 1947—that Secretary of State George Catlett Marshall made what is surely the most important commencement address ever given—leading directly to the Marshall plan for European recovery.

Then we wondered whether communism might not take over in France and Italy. Germany and Japan were prostrate, shattered in defeat, their economies in shambles. Greece was in the throes of civil war. The bulldog British, in a remarkable act of national self-discipline, had imposed austerity on themselves as a means of rebuilding the foundation of their national greatness. The mighty power of the greatest military establishment ever built—the American Armed Forces of World War II—had been demobilized in pellmell haste and was in disarray. We wondered whether we could afford $14 billion for defense.

Today, how different our problems are: From Japan eastward across the United States to Western Europe, the economies are booming—so that our economic problems are the problems of surpluses not shortages. How Mr. Khrushchev would like to trade economic problems with us. Our allies have become so strong that we have a few problems with them now and then—but the differences that beset the Moscow-Peiping axis should help us to see our problems with our allies in a truer perspective. Hundreds of millions of people have won their independence in what is surely the most radical political transformation ever accomplished wtihout enormous bloodshed and violence. We will have our differences and difficulties with the new nations—but their desire for independence, for nationhood is, if we but keep things in perspective, a building block of a decent world order.

Today in short, our problem is to use our strength wisely—whereas only 15 years ago it was to create strength out of weakness.

It is, of course, easier to build strength than to use it wisely. It is the awesome responsibility of the President to carry the main burden of leadership in the new tasks of the new day. He cannot delegate the great decisions on which the course of events will turn to any council or committee. The responsibility is his. In the setting of the sixties it is more difficult to exercise this responsibility than ever before. It is therefore all the more important that the key departments and agencies give the President efficient, steady, large-minded support.

Standards of performance adequate for quieter times will not do. State, Defense, the military services, the economic agencies, and the rest of our Government must meet new tests of excellence. Yes, and Congress, too.

Last month the Senate of the United States established the Subcommittee on National Security Staffing and Operations and asked it to make a study of how well our Government is staffed to conduct national security operations.

The subcommittee's inquiry is based on the simple proposition that the No. 1 task is to get the right men into the right jobs at the right time and to make it possible for them to do a job. Men rise to responsibility, if they are given half a chance. The subcommittee's modest goal is to help them get half a chance.

Robert Lovett said it best in 1960:

"The authority of the individual executive must be restored. * * * Committees cannot effectively replace the decisionmaking power of the individual who takes the oath of office; nor can committees provide the essential quality of leadership."

President Kennedy has made an impressive effort to shape the Government's machinery on this principle. It is the right philosophy of operations and we should push forward with it.

In this connection, I want to mention three problems that need special attention.

First. We should carry on with new vigor the fight against overstaffing in the national security departments and agencies.

Too many cooks spoil the broth—especially if they are all in the soup to begin with.

One must distinguish between operations, like running a military base, where the size of the organization must be tailored to the requirements of the job, and decisionmaking, where, beyond a certain point, there is a negative correlation between quantity of staff and quality of advice.

In policymaking more people make for more layering, more clearances, more concurrences, more warm bodies in air-conditioned committee rooms. A good staff is a small staff. If it always has much more to do than it can possibly do, it will do what is important, and not make difficulties in order to make work.

It is hard, I know, to devise a successful attack on this problem of overstaffing. We must be prepared, I believe, to consider the abolition or sharp curtailment of entire activities when these have become obsolete or of marginal importance. We must find a way to give top officers more freedom to hire, fire, and promote. And by clearer delegations of authority, we must reduce the number of people and agencies that get in on every act—and elbow for recognition at every curtain call.

Second. We need a clearer understanding of the role of the expert in the policy process.

Specialized competence is increasingly required to deal with national affairs. Most of the President's decisions demand expert advice—economic, military, scientific, diplomatic, and so on.

Yet an expert is a difficult man to have around the house.

His advice within his specialty merits closest attention. But expertness demands narrowness. We focus in order to get greater depth perception—but at the sacrifice of the panoramic view. And the expert is often the last man to recognize how little he sees. He is tempted to confuse the microcosm with the macrocosm—and we have seen experts who could not resist the temptation to claim the authority to speak definitively on issues foreign to their areas of competence.

I have seen a good many good scientists. I have the highest regard for their contributions to our national welfare. But I have often been astonished by a political naivete which is almost childlike in its simplicity and would be touching were it not dangerous to themselves and others. In their own fields they may recognize how much they do not know and how tentative their judgments must be—but let them step outside their fields and all too often they see things black and white.

We have a long way to go in mastering the problem of using experts. We must recognize that no one is a specialist in reading the future and that in policymaking the advice of the expert must be filtered through the only policy computer yet devised—the minds of responsible leaders.

Third. The time is overdue for a career development program to discover and train men who have the aptitude for policymaking and administration.

Excellence in the high posts of Government is the key to the success of all our efforts in foreign and defense policy. The President and his chief lieutenants are critically dependent on top career men who have the gift of seeing problems whole, of devising policies to meet them, and of administering complex operations.

In an age identified as it is with the expert—the scientist—we have too often underestimated the contribution of the generalist.

The Government of the United States is one of the most complicated systems ever devised by man for getting things done. The successful functioning of this system depends on the qualities of the men and women who make it up and the efficiency of the relationships which enable it to work at all. Yet among large employers our Government is virtually alone in not having a career development program to discover and train officials for top policy and executive tasks.

In fact, present arrangements almost force men to concentrate in their careers on the particular problems and special concerns of a single bureau or service.

In terms of their own needs, the Armed Forces have done much better. The very term "general officer" is a recognition of the need for men with broad training and experience and a largeness of mind. Attendance at this college or the National War College or their equivalent, together with a tour of duty in a joint or international command, is virtually required for those men who attain general officer rank.

A comparable effort is needed throughout Government, but especially in State, Defense, and the other agencies concerned with national security, to provide civilian officials with wide backgrounds of training and experience and to expose a selected group of military officers to day-to-day tasks in areas usually left to civilians.

We do not have any leadership aptitude tests or leadership achievement tests by which we can select tomorrow's leaders on the basis of their answers to a set of multiple-choice questions. They must be discovered by letting them distinguish themselves in a variety of jobs and trained by requiring them to exercise their abilities in a variety of tasks.

My friends, whatever your next assignment, you have your work cut out for you.

At a recent commencement Bob Hope's advice to the young people going out into the world was: Don't go. But that choice is not available, attractive as it sometimes seems.

The work you undertake—whether civilian or military, in this country or overseas—will be exacting. It will have its full quota of frustration and disappointment. But it will be rewarding, for it serves the cause of freedom.

The tasks ahead will tax our rich resources of talent and determination for the foreseeable future. We must live with the sword but not by it. Our military forces are the great shield behind which we work to build a better world.

We shall do so by strengthening the center of freedom, by building a powerful, prosperous, loyal partnership of the free men who live in the Atlantic and Pacific community. It is here, in this great community of freedom, that the foundations of the future lie—rising from the truly revolutionary idea that men need not choose between material progress and individual liberty.

A false fear of the unknown and obsession with the perils ahead will confuse our judgment and paralyze our efforts. We must

know that the future is the history we make day by day—and the page we are working on is bright with promise. So, let's get on with it.

MEXICO'S ROLE

Mr. MANSFIELD. Mr. President, the Christian Science Monitor published on June 9, 1962, a most interesting article, by Marion Wilhelm, on Mexico and President López Mateos. The article deals with the Mexican postrevolutionary experience in democratic, economic, and social progress and the implications of that experience for the Alliance for Progress.

Mexico and the United States have a great deal to gain from the closest collaboration; and, working together, the two countries have much to give to the rest of the hemisphere.

It is for that reason, as this article notes, that great importance attaches to the impending visit of President Kennedy to Mexico, on the invitation of President López Mateos, the outstanding Mexican and hemispheric leader. This personal visit of Mr. Kennedy will express, above all else, our high esteem and friendly sentiments for the people of Mexico and our great admiration for the extraordinary achievements of that nation during the past few decades.

At the same time, the meeting of the two Presidents will provide an unusual opportunity for a review of the current situation and a free exchange of ideas on the Alliance for Progress and other matters of common concern. I hope that from this meeting will come greater understanding, greater cordiality in every aspect of Mexican-United States relations, and a more effective and more unified approach on both sides of the border to all hemispheric problems. The close collaboration of Mexico and the United States is basic to the security and common progress of the Americas.

Mr. President, I ask unanimous consent that the article previously referred to be included at this point in the RECORD.

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

[From the Christian Science Monitor, June 9, 1962]

MEXICO'S ROLE

(By Marion Wilhelm)

MEXICO CITY.—President Kennedy's conversations here late this month with Mexican President López Mateos could be the most significant since Presidents Franklin D. Roosevelt and Manuel Avila Camacho met in Monterrey in 1943.

Mr. Roosevelt crossed the southern border in recognition of Mexico's wartime contributions to his good-neighbor policy.

Mr. Kennedy comes to ask Mexico's peacetime support of his Alliance for Progress.

Mexico's partnership against the Communist peril today is no less important than its alinement against the Axis powers during World War II, and President Kennedy will find a willing adviser when he sits down to talks in Mexico City June 29 to July 1 with the democratic revolutionary leader of Latin America.

LIBERAL CONFIDANT

Señor López Mateos holds this distinction not only as the chief executive of Latin America's oldest and most successful revolution, but as a confidant of its liberal democratic presidents.

He is expected to press for U.S. comprehension of the economic changes which the liberal governments are making to win the democratic struggle with international communism and its aggressive hemispheric agent, Cuba's Fidel Castro.

Señor López Mateos is more than a match for Señor Castro. He is handing out land to peasants, but without confiscation. He is nationalizing production, but through the "Mexicanization" of investment capital in association with foreign companies.

REFORM CONSCIOUS

President Kennedy's Alliance for Progress with Latin America is also reform conscious but Mexicans feel it could be sabotaged if U.S. business interests do not support it.

This will be brought out during the Presidential talks probably as follows:

Foreign investors should be willing to mix their capital with Latin American capital to permit national control of basic industries under the free enterprise system, a moderate solution to the otherwise inevitable threat of nationalization.

PRESIDENT LÓPEZ MATEOS MEETING KENNEDY SOON

In Mexico, foreign capital is being welcomed under this highly profitable "51 percent" control formula, backed up by tax incentives and a free currency exchange. Many American companies are happy with the arrangement. But some are fighting it as socialism if not communism.

International banks should be ready to loan directly to Latin American governments in support of economic development, as well as to private enterprise.

Mexico is encouraged by the World Bank's reported approval of the first long-term loan to its newly nationalized electric power industry, a loan which also sets another precedent because it will finance a complete electrification program rather than a single specific project.

Price stabilization, however, is the only real and lasting contribution to the economic development of the southern half of the hemisphere, since price losses in the world market of Latin American raw materials outweigh all the incoming loans.

Mexican sugar is an immediate case in point as Congress considers the Kennedy administration's plan to discontinue bonus prices under the quota system which has favored friendly Latin American countries.

Lead, zinc, and coffee are other exports in trouble.

STATISTICS ON OLDER PEOPLE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a statement and chart setting forth current facts about the Nation's older people and submitted by the Senator from Michigan [Mr. MCNAMARA], chairman of the Special Committee on Aging, be inserted in the body of the RECORD.

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

SOME CURRENT FACTS ABOUT THE NATION'S OLDER PEOPLE

THEIR NUMBERS ARE GROWING RAPIDLY

The number of people 65 and over approached 17½ million in mid-1962 and continues to increase at the rate of well over 1,000 a day. The number is expected to more than double in the 40 years between 1960 and 2000, reaching 25 million by 1980 and more than 30 million by 2000.

Over the decade 1950 to 1960, the population 65 and older grew by about one-third. In Florida and Arizona, it more than doubled.

In 1900, only 1 person in 25 was 65 or older. Today, the proportion is 1 in every 11 for the Nation and is as high as 1 in 9 in a number of our States. Iowa has the highest proportion (11.9 percent) and Missouri next highest (11.7 percent).

Of our 17½ million older people, more than one-third have passed their 75th birthday. About 1 million people are past 85.

On reaching 65, women now have a life expectancy of 15.5 years; men, a life expectancy of 12.7 years.

THE MAJORITY ARE WOMEN

More than 9 million of those past 65 are women. There are 12 women over 65 for every 10 men and this disparity increases with age to reach 16 to 10 at age 85 and older.

On farms, however, there are only 84 aged women for every 100 aged men.

States in which the male aged population exceeds the female by a significant number are Alaska, Hawaii, Nevada, the Dakotas, and Wyoming.

NEARLY ONE-THIRD LIVE IN RURAL AREAS

More than 5 million of our elderly people live on farms or in small towns. In six States—Alaska, Mississippi, North Carolina, North Dakota, South Dakota, and Vermont—as many as 60 percent of the aged live in rural areas, double the proportion nationwide.

In many small towns throughout the Nation, one out of every four or five persons is 65 or older.

MANY ARE WIDOWED

More than half of all women 65 and over and one in five of the men are widowed. Of women 75 and over, nearly 7 out of every 10 are widows.

Only about half of all aged persons—fewer than four-tenths of the women, but more than seven-tenths of the men—are married and living with the spouse.

MOST LIVE INDEPENDENTLY

Fewer than 1 in every 25 aged persons lives in an institution. Only one in every four or five lives alone or lodges. The vast majority—more than four-fifths of the men and about two-thirds of the women—live with a related person.

For the men, this related person is usually the wife.

But for the women—because they tend to outlive their husbands—this related person is just as likely to be a son, daughter, or other relative.

THE VAST MAJORITY RECEIVE SOCIAL SECURITY BENEFITS

Practically all of the men 65 and over (96 percent) and the very great majority (nearly nine-tenths) of the women now have some cash income from a public income-maintenance program or from employment.

Fewer than one-fourth have earnings either as workers or as wives of workers; almost all of those with earnings are also receiving benefits under the social security program.

Nearly 12 million people over 65—more than two-thirds of the total aged population—now draw social security benefits (OASDI). (Benefits under this program are also being paid to many other older persons who are not yet 65: men and women aged 62 to 64, and older disabled workers.)

Persons currently drawing social security benefits, or eligible to do so if they retire, make up three-fourths of the total population over 65 and as much as 95 percent of the population now reaching 65.

Old-age assistance is currently paid to 2.2 million aged persons; about one-third of these cases are on the rolls because their social security benefits do not meet their needs or because advanced age, large medical bills, or other emergencies have exhausted their resources. Of persons now being added

to the rolls, about every other one is a social security beneficiary.

INCOMES ARE LOW

Except for full-time earnings—which very few of the aged have—the sources of income of the aged are not the kind that yield large amounts.

The average monthly old-age benefit paid to retired workers under OASDI, for example, is about $76 for all those on the rolls and $80 for those now coming on the rolls.

Widows' benefits average considerably lower and every study has shown that, as a group, aged widows have an especially hard time making ends meet.

Old-age assistance recipients received an average of $72.08 in March, of which $57.74 was in the form of money payments to recipients and $14.34 in vendor payments for medical care. In a half dozen States, the average of all assistance—for both maintenance and medical care—was $50 or less.

Not surprisingly, then, more than half of all persons 65 and older—27 percent of the men and 74 percent of the women—had less than $1,000 total cash income in 1960; fewer than one in four had as much as $2,000.

Two-person families with a head 65 or older had median money incomes of $2,530 in 1960, less than half that for younger two-person families. The median for aged persons living alone was only $1,055.

Incomes are especially low in rural areas. The median money income in 1960 for the aged living in rural farm areas was only $740, more than $200 below that for all persons 65 and over.

Many older persons have assets accumulated in earlier years to supplement their income. But, in general, those with the smallest incomes are the least likely to have other financial resources. And, for the usual retired person, most of the savings are tied up in their homes or in life insurance, rather than in a form readily convertible to cash.

BUDGET COSTS EXCEED INCOMES

The cost of a "modest but adequate" level of living for a retired elderly couple renting a home has been estimated by the Bureau of Labor Statistics to range from $2,390 to $3,110 for 20 large cities in the autumn of 1959.

This budget applies to a retired man and wife in reasonably good health for this age who require no unusual medical or other services. (It does not make allowances for any savings that result from home ownership.)

Their budget costs relative to costs for younger adults are about the same for all goods and services combined, but are 50 to 75 percent higher for medical care and 20 to 45 percent higher for housing.

MANY HAVE HEALTH PROBLEMS

The aged person has a 1 in 6 chance of going to a hospital in a given year.

Persons over 65 spend two to three times as many days in hospitals, on the average, as do younger persons.

Chronic conditions, which occur with much greater frequency at the older ages, limit the activity of more than one-third of all persons aged 65–74 and more than half of those aged 75 or older.

Elderly farm families suffer more disabling illnesses than do urban residents. Nearly half of all aged persons residing in rural areas, in comparison to 39 percent of the urban, have chronic conditions which limit their activity. Bed disability days per person per year average 17 for the rural farm aged in contrast to 11.8 for the urban.

THEIR MEDICAL COSTS ARE GREATER

Medical costs thus become higher during the period of life when income shrinks and when there is less opportunity to spread the cost burden through health insurance.

Private medical costs for aged persons averaged $177 per capita in a year (1957–58), in contrast to $86 for younger persons. Of all public expenditures for medical care, nearly one-fifth is in behalf of the aged. Close to 30 percent of total public expenditures for patient care in hospitals goes for treatment of the aged, triple their numerical proportion.

Only half of them have any health insurance to help in paying their medical costs. Those who would have the greatest difficulty in meeting medical bills—the retired, those with lowest incomes and the persons with major chronic health problems—are the least likely to have the advantage of any health insurance coverage.

In 24 States, there are now Kerr-Mills programs of medical assistance for the aged. But only 88,000 aged persons—one-half of 1 percent of the aged population—received help under these programs in March.

Five States—New York, Massachusetts, California, Michigan, and West Virginia—accounted for 83 percent of all recipients and for 90 percent of all Medical Assistance Act payments.

The States and their older population

State	Characteristics of the population 65 and over as of Apr. 1, 1960					Percent of aged population receiving OASDI and OAA as of June 30, 1961			Average OAA payments March 1962
	Total number	As percent of all ages	Percent change over 1950	Males per 100 females	Percent living in rural areas [1]	OASDI benefits	OAA payments	OASDI or OAA or both	
Total	16,559,580	9.2	+34.7	82.8	30.4	65.7	13.4	74.9	$72.08
Alabama	261,147	8.0	+31.5	81.2	49.5	56.2	37.4	84.2	63.42
Alaska	5,386	2.4	+13.6	163.9	60.1	57.3	23.7	72.3	70.13
Arizona	90,225	6.9	+103.9	98.9	21.4	59.6	14.6	69.6	59.30
Arkansas	194,372	10.9	+30.5	95.5	57.9	58.8	28.6	82.1	52.58
California	1,376,204	8.8	+53.8	78.9	12.7	63.7	17.8	72.6	99.84
Colorado	158,160	9.0	+36.8	84.0	24.9	58.6	29.3	75.7	97.91
Connecticut	242,615	9.6	+37.2	79.2	19.0	73.1	5.5	76.1	[2] 146.14
Delaware	35,745	8.0	+35.8	80.8	34.3	68.6	3.3	71.0	48.94
District of Columbia	69,143	9.1	+22.0	65.0	----------	53.1	4.4	56.0	85.09
Florida	553,129	11.2	+132.9	95.7	21.4	62.4	11.6	69.7	60.54
Georgia	290,661	7.4	+32.3	73.5	46.6	53.6	32.1	79.5	48.61
Hawaii	29,162	4.6	+42.8	116.8	26.2	67.8	4.8	71.4	65.76
Idaho	58,258	8.7	+33.8	101.2	47.5	69.8	12.1	77.8	70.97
Illinois	974,923	9.7	+29.2	81.9	22.1	67.3	7.0	72.3	82.41
Indiana	445,519	9.6	+23.4	82.4	39.2	72.4	5.8	76.7	67.92
Iowa	327,685	11.9	+20.0	83.6	46.3	66.9	10.1	73.9	86.35
Kansas	240,269	11.0	+23.7	83.2	45.4	64.4	11.3	72.7	85.39
Kentucky	292,323	9.6	+24.3	87.1	54.1	63.9	18.8	78.7	53.90
Louisiana	241,591	7.4	+36.6	79.6	39.4	47.9	50.8	82.9	77.28
Maine	106,544	11.0	+13.9	82.2	48.1	73.4	10.3	79.7	69.33
Maryland	226,539	7.3	+38.5	75.3	29.0	62.5	4.1	65.6	68.20
Massachusetts	571,609	11.1	+22.0	71.8	13.6	69.9	10.8	75.0	83.38
Michigan	638,184	8.2	+38.2	89.2	29.3	73.9	8.6	79.5	79.82
Minnesota	354,351	10.4	+31.7	90.8	38.7	65.7	12.6	74.3	99.52
Mississippi	190,029	8.7	+24.2	87.1	65.2	55.7	42.3	85.7	35.64
Missouri	503,411	11.7	+23.6	81.3	37.5	62.7	22.1	77.3	61.17
Montana	65,420	9.7	+28.6	105.9	48.5	67.2	9.7	73.6	65.63
Nebraska	164,156	11.6	+25.9	87.0	49.4	65.8	8.6	72.2	77.28
Nevada	18,173	6.4	+65.4	117.0	28.8	60.9	13.3	67.1	83.75
New Hampshire	67,705	11.2	+17.2	78.3	43.4	74.3	7.1	78.6	91.33
New Jersey	560,414	9.2	+42.2	78.8	11.7	72.1	3.3	74.2	100.61
New Mexico	51,270	5.4	+55.1	98.6	37.4	53.6	20.5	70.3	71.68
New York	1,687,590	10.1	+34.1	80.1	14.3	70.3	3.5	72.5	[3] 81.45
North Carolina	312,167	6.9	+38.6	79.8	61.0	65.5	14.9	77.7	50.42
North Dakota	58,591	9.3	+21.6	104.7	66.2	67.4	12.0	76.4	84.05
Ohio	897,124	9.2	+26.5	82.2	26.0	68.0	9.8	74.5	78.46
Oklahoma	248,831	10.7	+28.3	85.1	41.7	54.4	34.8	80.0	82.35
Oregon	183,653	10.4	+38.1	91.9	32.6	72.9	8.7	78.3	[3] 83.44
Pennsylvania	1,128,525	10.0	+27.3	81.8	26.3	70.2	4.3	73.2	69.35
Rhode Island	89,540	10.4	+27.2	74.5	11.0	75.8	7.3	79.9	81.56
South Carolina	150,599	6.3	+30.9	74.3	58.1	59.3	20.2	77.9	44.51
South Dakota	71,513	10.5	+29.3	99.1	62.2	66.7	11.6	75.4	76.21
Tennessee	308,861	8.7	+31.5	82.8	50.2	59.5	17.1	74.5	44.98
Texas	745,391	7.8	+45.2	82.6	33.5	55.2	28.5	76.4	63.64
Utah	59,957	6.7	+41.3	86.9	24.2	65.6	12.1	74.4	78.19
Vermont	43,741	11.2	+10.6	76.9	60.6	70.1	12.8	78.3	75.44
Virginia	288,970	7.3	+34.7	79.1	49.3	63.3	4.9	67.6	54.83
Washington	279,045	9.8	+32.0	91.2	28.8	68.9	16.5	78.6	95.25
West Virginia	172,516	9.3	+24.5	94.8	58.1	69.2	10.8	78.8	42.53
Wisconsin	402,736	10.2	+29.9	88.7	38.4	72.4	8.1	77.8	92.83
Wyoming	25,908	7.8	+42.6	107.8	39.9	64.0	11.5	71.0	78.93

[1] Places of 1,000 to 2,500 and other rural areas.
[2] Includes retroactive payments to vendors for medical care; February average was $105.29.
[3] Represents data for February; data for March not available.

ATTITUDE TOWARD U.S. TESTS ENCOURAGING, USIA FINDS

Mr. YOUNG of Ohio. Mr. President, my attention was called today by a constituent to an excellent news article published in the Columbus Dispatch of June 10. The Columbus Dispatch is a leading newspaper in the State of which I am proud to be junior Senator.

This news article was written by Carl DeBloom, chief of the Washington bureau of the Columbus Dispatch. He is to be congratulated upon his factually correct statement and his objective interpretation of the encouraging findings made by USIA officials of the attitude in the free world toward the nuclear atmospheric tests recently reluctantly undertaken by our Nation, following our giving the leaders of the Soviet Union every opportunity to agree to ban such tests, provided adequate safeguards were set.

It is evident that Carl DeBloom in the comparatively short time he has been in the Nation's Capital as chief of the

Washington bureau, has rapidly forged to the front as one of the outstanding reporters commenting on what takes place in the Nation's Capital and throughout the world as a result of activities here in Washington.

I consider his article an important one, worthy of being called to the attention of my colleagues, and I ask unanimous consent that it be printed at this point in the RECORD as part of my remarks.

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

[From the Columbus Dispatch, June 10, 1962]

ATTITUDE TOWARD U.S. TESTS ENCOURAGING, USIA FINDS

(By Carl DeBloom)

WASHINGTON.—The U.S. Information Agency probably has one of the toughest selling jobs any salesman has ever faced—convincing the world it should "buy" a product that could destroy civilization.

When President Kennedy announced that this Nation would resume nuclear testing because of previous testing by the Russians, USIA was handed the task of telling the peoples of foreign nations "it is for your own good."

The task compares with the assignment of convincing a youngster that a big dose of castor oil is good for him. Even those few youngsters who might agree don't really like it.

Now that nuclear testing in the atmosphere is well underway USIA has had an opportunity to check its efforts. Generally the results seem encouraging although there is no way of knowing how many were swayed by USIA's efforts.

Some of the steps taken by the agency to get the United States' story across were these:

The President's statement of March 2 announcing the tests and explaining the reasons was sent to 95 USIA posts overseas. It was quickly translated into local languages to be run in full in newspapers.

Additional statements have been handled in a similar manner. Favorable editorials and cartoons from the free-world press have been made available to foreign newspapers.

A one-reel film outlining the necessity for international agreement on nuclear testing, called "Gateway to Peace," has been sent to 106 countries. Distributed in 22 languages the film stresses the Soviet refusal to accept such an agreement.

Another film stressing the same theme followed on April 13. Titled "The Search for a Treaty," it is available in 106 countries and is based on Kennedy's March 2 message.

Supplementing these documentary films are newsreel clips covering the March 2 statement. USIA made the clips available in both 16-and 35-millimeter versions.

The USIA radio service gave wide coverage to the March 2 announcement. Private industry with international affiliation gave a hand and 350 firms distributed copies.

A study of the heavy news coverage after testing resumed leads USIA to characterize press reaction as "tolerant understanding."

"Few (newspapers) took a hard position for or against the U.S. action," USIA says. "Most comment included qualifying statements, and the effect was to soften the chosen position."

Beyond the general health factor, the most common overriding fear was the specter of a never-ending nuclear arms race leading to world disaster, the survey showed.

Most critical comment came from Africa, Syria, Iraq, India and the United Arab Republic. Generally, the opposition was against nuclear testing by any nation, including Russia.

The United States received strong support from Western Europe, Latin America, and the CENTO countries. These same countries also were highly critical of the Soviets for breaking the test moratorium.

With Russia threatening to resume testing, it appears USIA will have a continuous job of sugar coating this nasty tasting pill which seems to be the only known cure for those bitten by the war bug.

FRANCO'S DESPERATE HOURS

Mr. YOUNG of Ohio. Mr. President, it is evident to the world that dictator Franco is in trouble and that these are Franco's desperate hours. Recently in this Chamber I stated, in connection with the renewal of our bases in Spain and our foreign assistance program, that we would do well to stop, look, and listen before proceeding further, and that we should not permit this dictator, who is suppressing freedom in his country, to consider that he has us "over the barrel" and that he can extort money from us.

Furthermore, I took a very dim view of foreign assistance being given by this Nation to dictatorships, such as Franco's in Spain, and Duvalier's in Haiti, where year after year we have given aid and year after year the inhabitants have been held in helplessness, misery, and squalor, without civil liberties.

In the New York Post there is a fine editorial which states:

Rumblings inside Franco Spain grow steadily louder and full of portent. The Generalissimo shows rising symptoms of panic as the opposition spreads; new measures of oppression are accompanied by desperate efforts to brand as "Communist" every variety of conservative, Catholic, and monarchist disaffection from his decaying despotism.

After all, 23 years of tyranny must have broken many free spirits, and the machinery of modern dictatorship is not easily destroyed. Still enough has already happened to suggest Franco is in his deepest distress since he smashed the Spanish Republic.

For Spaniards who have kept alive the vision of liberation, these are dramatic moments. One yearns to hear more voices in the Congress of the United States speaking out in behalf of their fight for freedom.

In this connection, in John Gunther's recent great work "Inside Europe Today," he said:

One lesson that may well be drawn from all this is that it is always dangerous for a democracy, like the United States, to become too closely involved with a dictator or semidictator, no matter how convenient this may seem to be. It is the people who count in the long run, and no regime is worth supporting if it keeps citizens down—if only for the simple reason that they will kick it out in time.

Apparently, the liberty-loving people of Spain are on the alert and Dictator Franco will soon be out. A free Spain could become a genuine bulwark of democracy.

NUCLEAR WARFARE—NOT BY INTENT BUT MISCHANCE

Mr. YOUNG of Ohio. Mr. President, it is significant that Secretary General U Thant of the United Nations in a recent statement announced his view that neither the Soviet Union nor the United States would deliberately launch a nuclear war. Nuclear missiles are not weapons of war but are means of indiscriminate destruction. He stated that "the risk of war by accident is becoming greater and greater. Both the nuclear giants have rockets ready to be triggered in a few minutes, and the risk of a nuclear warhead leaving the launching pad unintentionally is very great." The smaller powers of Europe, such as the Scandinavian countries, Belgium, Holland, Spain, and Portugal, and their neighbor nations—Italy and France—could contribute to removing distrust and bitterness on the part of the leaders of the Soviet Union against this Nation. In this manner they would work toward permanent peace. Unfortunately, these smaller nations, and particularly West Germany, France, and Italy, are seeking to develop nuclear weapons. If they succeed, or any of them succeed, then the chance that a nuclear war would be triggered by accident or mischance instead of by design would be greatly increased. The United States, and its leaders, should stop, look, and consider implications and dangers involved in connection with any expansion of nuclear power and adding to nuclear weaponry and nuclear know-how anywhere else in the world.

A NOTE OF TRIBUTE TO THE BOY SCOUTS OF AMERICA, ON BOY SCOUT CHARTER DAY, 1962

Mr. LONG of Missouri. Mr. President, Boy Scout Charter Day is a national event in every sense of the word. As a nonmilitary, nonsectarian, and nonpolitical organization, dedicated to the development of healthy and hardy virtues, the Boy Scouts of America have few critics and many friends. Chartered by Congress, 46 years ago today, the Boy Scouts came into existence for the purpose of building leadership. It is the judgment of America that this purpose has been fulfilled, a thousandfold.

Nowhere in America is the Boy Scout movement more deeply revered than in the State of Missouri. Irondale, located in Washington County, Mo., is the site of one of the largest and best equipped Boy Scout camps in the Nation. Founded in 1914 by the St. Louis Council of the Boy Scouts of America, the camp consists of 210 acres, on which there are 165 buildings, including a large amphitheater and auditorium. The people of Irondale, Washington County, and all of Missouri are proud of their association with this camp, and their consequent association with the ideals of the Boy Scout movement.

Camp Lewallen, near Coldwater, in Wayne County, is another Boy Scout recreation center of which Missouri is duly proud. Still another: Camp Maries, located near Jefferson City on a knoll overlooking the Maries River.

The people of Missouri are fully in accord with the practices and purposes of the Boy Scouts of America, and offer their congratulations, on this day: Boy Scout Charter Day, 1962.

REDUCTION OF FEDERAL TAXES AND SPENDING

Mr. CAPEHART. Mr. President, I recommend and urge the Congress to reduce Federal taxes by $10 billion and Federal spending by $15 billion before this session adjourns.

I urge the President to approve this program and place our Government back on a sound fiscal policy with consequent restoration of confidence of the American public, halt to inflation, and return to a sound economy.

Why? Because it is the only sound way out.

The administration has proposed a tax cut only. But any reduction in income without a corresponding reduction in expenditures is unrealistic. Such a program would not give the relief sought and would not be sound fiscal policy.

Governments, at all levels, are as inflexibility bound by an unbending economic rule as are individuals. That is, if either spends more money than it has, it goes broke.

Three major slumps in the stock market in as many weeks give evidence American investors, large and small, are losing confidence. Individuals are weighted down by taxes, direct and hidden.

Yet Government continues to spend around the world with complete abandon, with no apparent regard for the burden on corporate and individual taxpayers for generations to come.

The time has long passed for retrenchment. There is no better time than now to begin. If we cannot quit spending and provide tax relief now, when can we?

War-ravaged European nations, using American dollars generously given, have recovered economically and industrially to a point where they are a serious threat to the United States in world markets.

Because of the fiscal policies of the Federal Government, American and foreign investors are wary about purchasing stocks and other securities. They are becoming afraid to invest further in America. The consequent outflow of gold is a threat to stable currency.

This condition must not be permitted to continue. The time to act is now.

If a farmer, worker, or businessman is going deeper in debt all the time, his interest payments keep going up, and all experiments he tries, sincere as they may be, fail to increase his income. He cannot borrow any more money because his backers lose confidence in a losing proposition.

So, such a farmer, worker or businessman faces two alternatives:

First. He may go broke, or

Second. He may reduce his expenses below his income, start to pay off his debts, and reduce his interest payments.

Eventually, his backers or shareholders recognize a change from unsound to sound operation and they start to back him again. Eventually he prospers again and rehires the people he had to lay off. Everybody benefits.

So with the Government.

Basically, we all recognize this as the financial dilemma of today.

We are in debt to the point that interest is eating us up.

Our debts continue to increase because we continue to spend more than we take in.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator from Indiana has expired.

Mr. CAPEHART. I ask unanimous consent that I may have 2 more minutes.

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

Mr. CAPEHART. Our backers—the taxpayers who pay the bills—are losing confidence in us. We are in trouble. Investment capital is understandably timid. Markets slump.

In Government, the problem is complicated by the international effect of an unsound dollar. Central banks of foreign nations withdraw their investments and our gold begins the flight abroad. It is happening.

As members of the board of directors, it is our moral responsibility, our solemn duty, to do the only thing anybody can do—cut expenses below income.

We say, in effect: We are going to get along with less money than we take in, and we are going to start paying off our debts.

Thus, we relieve the demand on our backers. We regain their confidence. They are willing to help us. We benefit; everybody benefits.

It is the only sound way out, Mr. President, and I urge that the Congress and this administration give it very serious consideration.

There is no more a substitute for sound economics in government that there is in a family budget, a farm, or a business.

We still have the highest income in history, the highest gross national product, more people at work than ever before despite increasing unemployment, and a potential economy that is reluctantly falling asleep because it is not interested in a losing proposition. Let us wake it up the sound way.

With all these plus factors, if we cannot put our financial house in order now, when can we?

Mr. President, tomorrow I shall submit a concurrent resolution to follow through on the suggestions I have made.

CONGRESSIONAL TASK OF REINSPIRING CONFIDENCE

Mr. DIRKSEN. Mr. President, apropos of what the distinguished Senator from Indiana has said, and also in line with the statement made yesterday by the distinguished Senator from New York [Mr. JAVITS] I wish to speak on the same general subject.

The Senator from New York suggested that the controversial portions of the tax bill which is now before the Senate Committee on Finance be junked and that there be added an incentive income tax.

I respectfully suggest to the Congress that, in an objective appraisal of the problem which is before us and for the purpose of reinspiring confidence, the Congress should hold a mirror up to itself also, because it cannot escape its responsibility.

I think, for instance, of the drug bill in its original form, with a feature for compulsory licensing, registration, and that sort of thing.

I think, for instance, of the civil investigations demand bill, which will come to the Senate in the form of a conference report sometime soon.

I think of a bill on which testimony is now being taken to freeze all the merger proposals—some 20 of them—pending at the present time before the Interstate Commerce Commission, a body created by and authorized by the Congress to look into this question.

I think of the constant effort made to amend the Robinson-Patman Act and to destroy the "good faith" defense which, under existing law, can be used.

I think of the standby tax cut proposal.

I think of the withholding tax proposal.

I think of the farm controls that came to us in the original bill.

And I think of Federal spending.

I made a modest effort yesterday and the day before, which did not command very many votes in the Senate. Senators cannot merely stand and talk about reducing spending—there must be some affirmative action.

When a Senator says to me, "I have a project in the bill" I can only reply, "I have projects, too." I come from a huge State with 10½ million people. I am sometimes hurt, and my people are hurt, but there comes a time when it is necessary to put the national interest first. We cannot always be parochial and provincial in respect to our responsibility in that field.

I remind the Senate that it should hold up the looking glass to itself now, when there is talk about restoring confidence in this country, and it should take a good objective look at what we have to do and what is our real duty in order to cut the cloth properly in respect to demands, and the revenues which are available to meet those demands.

SENATOR NEUBERGER CALLED "SWEETHEART OF U.S. CONSUMERS"

Mr. GRUENING. Mr. President, consumers have no more loyal champion than the Senator from Oregon, MAURINE NEUBERGER. Since coming to the Senate, she has worked arduously for legislation which will protect consumer rights. As a member of the Oregon State Legislature, she had sponsored and helped enact into State law legislation assuring the buying public of an honest purchase.

Senator NEUBERGER last year fought for truth in lending, for a study of consumer problems through a Select Committee on Consumers, and for air pollution control legislation. In each area great progress has been achieved.

Recently Senator NEUBERGER was a featured speaker at the Cooperative League's Government Affairs Conference which was held in this area. Because highlights of her remarks as they appear in the June 6, 1962, issue of the Co-op Newsletter concern each consumer, I ask unanimous consent that it be printed in the RECORD. I applaud the action of co-op officials in calling Oregon's junior

Senator the "Sweetheart of U.S. Consumers."

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

SENATOR LIKES LOW-KEY CO-OP TOOTHPASTE AD

WASHINGTON.—Halfway through a talk on the consumer and Congress, Senator MAURINE NEUBERGER, Democrat, of Oregon, paused to read the label on co-op toothpaste and praised its "informative, factual appeal."

It is, she said, "a welcome relief" from other toothpaste ads that "constantly try to hoodwink the customers." Such ads, she said, "constitute the major irritating ingredient built into the toothpaste."

Surprised co-op officials afterward agreed that "the sweetheart of U.S. consumers" had delivered the most effective unsolicited, unpaid commercial announcement in memory.

Speaking at the Cooperative League's Government Affairs Conference here May 25, Mrs. NEUBERGER charged that the marketplace continues to spawn monopoly and abusive, wasteful practices.

"The most insidious evil of all is the continued state of consumer ignorance." This is fostered by deceptive packaging, spurious appeals, and tricky labels, she said. Generally, consumers lack the facts to select and consume wisely.

Fresh from Senate debate on the farm bill, Senator NEUBERGER told how she grew up on a dairy farm and milked nine cows every morning for 10 years. "But this year I'm voting with the city folks, the consumers." She pledged to support administration amendments "that would bring the farm bill back to reality."

The Oregon Senator said it isn't her purpose "to take the homemaker by the hand" and lead her to the "best buys" in the marketplace. "Rather I'm interested in seeing that product makers give her the facts she needs to make an informed choice."

"How does the consumer know the Government alphabet is working to protect his interests?" she asked. "He needs something that has the word consumer in it—a department he can identify with his interests." She urged a truth-in-lending bill and one to require drug makers to give up patent restrictions.

DR. FREDERICK G. KRAUSS

Mr. FONG. Mr. President, I would like to give final tribute to an adopted son of Hawaii, Dr. Frederick G. Krauss, who has been hailed as the father of diversified agriculture in Hawaii, and who passed on to his eternal reward on June 4.

In 1901, he arrived in Honolulu to teach agriculture courses at Kamehameha schools.

During the ensuing 61 years in the islands, Dr. Krauss served as an agronomist on the University of Hawaii faculty and at the Hawaii Experiment Station, and director of the agricultural extension service.

In addition, he helped organize Hawaii's first 4-H Club chapter.

Dr. Krauss established a model farm at Haiku on the island of Maui, to prove his theory that Hawaii's agricultural future included more than pineapple and sugar.

Despite his advanced years—he was 92 at the time of his death—Dr. Krauss remained active. During the last few years he confined himself to conducting small-scale seed experiments in his backyard.

Through his conviction, foresight, and experimentation, Dr. Krauss has left a legacy to the State of Hawaii—the diversification of our agricultural industry. It is heartening that in his lifetime he witnessed the fruit of his labors.

Mr. President, I ask unanimous consent that the editorial tribute to Dr. Krauss which appeared in the Honolulu Star-Bulletin of June 6, be printed in the RECORD.

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

HE LOVED THE SOIL

The death of Dr. Frederick G. Krauss at 92 recalls an interesting era in the agricultural development of Hawaii.

He came to Hawaii as a teacher of agriculture, first at Kamehameha, then at the University of Hawaii. When it appeared that his classroom exhortations in support of diversified agriculture were not hitting the mark, he left the classroom and established a model farm on Maui, which he operated successfully for nearly a decade before returning to the university.

Dr. Krauss made his point, and diversified farming today is a well-established fact of agricultural life in Hawaii.

Changing times have brought changing problems to the farmer, and not the least of them is the inefficiency of smallness as a handicap in competition with industrial-scale farming, which makes it possible to land mainland produce on the local market at prices competitive with domestic production.

Nevertheless, Hawaii is still far from being self-sufficient in food production, and the point Dr. Krauss made a half century ago remains valid today. There are new problems to be overcome today, but the basic opportunity remains.

Few men were more devoted to growing things that Dr. Krauss. Up until advancing age incapacitated him, he continued his backyard agricultural experiments.

Dr. Krauss leaves many living memorials. The 4-H clubs came into being under his leadership. So did the university's Haleakala experiment station.

And many a youngster who competed for Star-Bulletin garden prizes will remember him as the kindly but keen-eyed judge who helped to make the decisions.

Dr. Krauss made contributions to the growth of Hawaii that will be felt far into the future. He loved the soil and he helped others to love it and make it produce.

ILLEGAL OIL DRILLING IN TEXAS OF NATIONAL CONCERN: WIDENING SCANDAL

Mr. YARBOROUGH. Mr. President, the fast developing investigation of illegal oil drilling in the east Texas oilfields involves some of the most complex legal questions that we are likely to encounter for many years to come. The Dallas Times Herald, in an article by Oil Editor Richard Curry, on Sunday, June 10, presents a simplified report of some of the ramifications of the east Texas oil situation. The Times Herald story makes it clear that investigation of this massive oil operation will go on for quite some time and will be an extremely difficult one. I would like to call the attention of the Congress to some of the problems involved and something of the background of the east Texas oilfield. It is clear that the investigation now underway in Texas will be of extreme importance to all of us because of the role of oil in our national economy.

The Dallas Times Herald states that illegal drilling techniques may have resulted in the production of $6 million worth of "hot oil" monthly.

Mr. President, that refers to stolen oil in the private ownership sense and to "hot oil" in the public ownership sense—oil which is produced and transported in violation of Federal law. Over a period of 25 months, this would amount to a monumental fraud of approximately $150 million.

And if this illegally produced oil is marketed across State or National lines, it is in violation of the Federal statute, the Connally Hot Oil Act of 1935, authored by one of my predecessors from Texas, the Honorable Tom Connally.

I ask unanimous consent to have printed in the RECORD an article by Oil Editor Richard Curry in the Dallas Times Herald of Sunday, June 10, under the caption, "Six Million Dollar Oil Swindle Charged—Evidence Mounts—Oil Scandal Indications Stun Etex."

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

SIX-MILLION-DOLLAR OIL SWINDLE CHARGED—OIL SCANDAL INDICATIONS STUN ETEX

(By Richard Curry)

KILGORE.—This proud east Texas city is the home of Van Cliburn, the Kilgore College Rangerettes and the largest oilfield in the Nation.

People here hope Kilgore will not become a focal point in an ugly oil-theft scandal.

But there is a growing mass of data pointing to possible wide-scale production of crude oil through illegal, slanted drilling techniques. None of the charges has reached the court verdict stage yet. Both State personnel conducting the investigation and the owners of leases being investigated are reluctant to talk. Despite this, the following facts are known:

At least 8 out of 10 wells surveyed so far were slanted to such a degree that the wells could not be producing oil from their own leases.

Several wells scheduled for investigation were plugged with cement or other clogging materials when it became known those wells would be tested for slant. By plugging a well, it is possible to make testing much harder to conduct, and in some cases, impossible.

The investigation has figured in testimony in a murder trial involving a major oil company investigator who claimed self defense in the shooting of an oilfield roughneck. The investigator was found innocent by a Rusk County jury.

Threats of violence have been made against staff members conducting the investigation.

Two Kilgore employees of the railroad commission, which regulates oil production, were dismissed last month after the investigation began and following the administration of polygraph (lie detector) tests to all commission engineers and field men here. Said Commission Chairman William Murray: "I cannot deny that the two employees were fired."

Several major oil companies have filed multimillion damage suits against operators of leases adjacent to the companies' leases charging the operators with illegal production of oil from beneath the companies' leases.

Attorney General Will Wilson has filed a $3.4 million suit against several operators for deviating well holes and plugging the wells.

Neither this case nor the cases brought by the major oil companies have been heard in court.

The investigation and rumors surrounding it have resulted in charges of "oil piracy." Some observers have already likened the story to the Billie Sol Estes scandals. State officials felt it necessary to call in about 60 armed Rangers and department of public safety personnel to assist in the investigation. The Times Herald learned last week that illegal drilling techniques may have resulted in the production of $6 million worth of hot oil monthly.

For their part, some independent operators in the east Texas field have banded together and branded means used in the investigation by State agencies as "police state methods." A spokesman for the group said "the attorney general and department of public safety in our opinion have overly dramatized the situation." One purpose of the new group was reported to be to gather information which members can use in individual lawsuits and to save on legal fees.

All the charges and counter-charges revolve about deviation, directional or slanted-hole drilling. What is it?

Petroleum technology has reached such an advanced state that it is possible to aim or slant the drilling bit in a well so that the well hole can make an angle of as much as 60 degrees with the true perpendicular beneath the well at the earth's surface. This practice has entirely legitimate purposes and is often used in offshore well completions as a cost- and maintenance-saving device so that many wells drilled directionally can be completed from a single, stationary drilling platform.

The practice can also be illegal. The railroad commission has issued orders that well holes may not slant more than 3 degrees from the true perpendicular without a commission permit. By law, the owner of a lease whose well produces oil through a slanted hole bottomed in an adjacent lease can be fined up to $1,000 per day for each day's violation. In addition, the owner of the adjacent lease can bring suit to recover the value of the oil produced illegally.

Production of oil from an illegally-drilled hole might also be in violation of a Federal statute, the Connally Hot Oil Act. Perry Blanton, director of the Federal Petroleum Board in Kilgore, refers all questioners to Secretary of the Interior Stewart Udall in Washington, but it is known that the Department has moved several field investigators into the Kilgore area recently.

It is possible to determine the slant of a well hole. An inclination survey can determine how many degrees outside the legal 3-degree limit a well was drilled. A directional survey can be taken to determine in what direction the well slants and into which oil pools. A well is in violation of State law if it exceeds the 3 degrees limit, no matter where it bottoms out.

The railroad commission has been conducting inclination surveys from its Kilgore district office for the past 10 days. Atty. Gen. Will Wilson has called results of the tests "startling."

Roy D. Payne, Kilgore district supervisor for the railroad commission, told the Times Herald last week that out of 10 wells surveyed, 8 were so slanted that the wells could not be producing from the leases on which the wells are located. Payne said further that at least 160 such tests on leases on which more than 1,000 wells are located are planned "in this first phase of the investigation."

If illegal, slant-hole drilling has taken place in the east Texas oilfield, the stakes are enormous. The field, largest ever found in the United States, originally contained about 5 billion barrels of oil and was discovered in 1931. Despite the fact that after more than 30 years of production the field still has more than 2 billion barrels of oil, production in some areas of the field is playing out.

Most of the commission tests so far are on the east side of the big field where crude oil production has been drying up for several years. If an operator on the east side of the field were to see his production dwindling, it would be possible for him to drill a slanted hole from the original well shaft to more prolific production west of his well and thereby assure his well of higher production for as long as 2 years.

This possibility and evidence already gathered in the investigation form the basis for the ugly rumors revolving around the field.

A Kilgore resident, who pleaded anonymity, said last week that he had heard stories from oilfield roughnecks of illegal well slanting as long as 5 years ago. Another said illegal drilling techniques in the field had been joked about for years.

Some of the stories being told in Kilgore do indeed have a humorous edge. One involves a well which suddenly began producing oil mixed with drilling mud while a well on an adjacent lease was ostensibly being worked over.

Another story is told of an operator completing a well, receiving commission approval for the straight hole and then drilling a crooked hole on the sly. Another story involves a drilling bit in an illegally slanted hole intercepting the producing shaft of a well drilled 330 feet inside its lease boundary; these wells were not even within seeing distance of each other.

Attorney General Wilson said last week one of the deviated wells already surveyed slanted 56 degrees. He said the well was bottomed at 3,500 feet below ground surface, but held 5,100 feet of pipe. The horizontal distance from the ground opening of this well and its bottom was 3,286 feet.

There is evidence the railroad commission suspected possible illegal drilling in the east Texas field as long as a year ago. A commission order dated May 10, 1961, states "all wells drilled in the east Texas field must be drilled with due precaution to maintain a straight hole." The order said further that "all operators of all wells hereafter drilled will conduct an inclination survey for each 500 feet of hole drilled beginning at a point within 500 feet of the surface."

Last December, the commission persuaded Payne, who served with the agency in Kilgore in 1932–35 when Rangers were first called to the field to enforce the commission's proration orders, to take over as district supervisor.

The investigation reached widespread public notice when the commission in April sent letters to operators ordering them to prepare their wells for inclination surveys. Response to the letters was generally regarded as poor. The commission held a hearing May 15 at which operators were given an opportunity to show why their wells should not be surveyed or their pipeline connections severed. The hearing room was packed with operators and their lawyers, but only one person testified.

When the commission went ahead with plans to test wells for deviation, fieldmen found some of the wells plugged with cement. It was at that point that a big force of Rangers and other law enforcement personnel was called into Kilgore to assist the commission. In addition, the commission on June 1 issued an order prohibiting all plugging of wells in the field for 15 days.

Since that time, inclination tests have been speeded up with testing conducted on a 24-hour-a-day basis at the end of last week.

Meanwhile, the people of Kilgore, Henderson, Longview, Tyler and other east Texas cities have watched the investigation mount with growing interest. Some of those named in suits evolving from the investigation are civic, political and business leaders in east Texas.

Reaction in Kilgore to the investigation varies. One man said last week he resented the presence of 60 armed law-enforcement officers in Kilgore. Another said he feared the impact on the area's economy of the investigation's findings. Another said he hoped it would not ruin the area's reputation. Another said he would not believe the men already named in suits, some of whom he said have been his friends for years, were guilty until they were found so in a court of law.

The sheer size of the investigation, the number of leases, wells and operators involved and the heretofore uncharted legal path of the issues all mean it will be months, perhaps years, before the controversy ends.

ANNIVERSARY OF RECLAMATION ACT

Mr. ANDERSON. Mr. President, next Sunday, June 17, will mark one of the most significant anniversaries in the social and economic development of our country. I refer to the 60th birthday, so to speak, of the signing of the basic Federal Reclamation Act on June 17, 1902, by President Theodore Roosevelt.

This legislative enactment by the 57th Congress has had a most profound effect upon America and indeed upon the world. It has had a key role, as I shall show, in the development of the American West, which is one of the major factors in our national strength and greatness.

Its part in social and political development has been as far reaching as its economic impact. For the Reclamation Act of 1902, with its acreage limitation and its encouragement of family-size, family-run farms, was a land reform act before there was any need in the United States of such reform—when there still was plenty of land for anyone who cared to go out and live and work on it. The act speaks with the spirit of the American frontier—the old frontier as well as the New Frontier. Both in letter and in spirit, it has fostered courage, hard work, and thrift. It assures the man who has and uses these qualities the rewards thereof—full ownership of his land, the means of livelihood for himself and his family.

This is the goal of the land reforms President Kennedy has been fostering and encouraging in other countries of our New World hemisphere, and, as I pointed out, it was done in the American way before there was any need of land reform, as such, in the United States.

Physical and economic achievements under the reclamation law speak for themselves. This year, on its 60th anniversary, the Department of the Interior, which administers the reclamation law, can point proudly to the construction of dams and reservoirs providing dependable supplies for more than 8 million acres of fertile land producing a variety of high-demand crops valued at more than $1 billion annually; 42 powerplants with installed capacity of 5.2 million kilowatts—sufficient to serve the normal needs of about 7 million persons; municipal and industrial water supplies to 200 communities; and 25 million days per year of recreational use at reservoirs;

plus flood control, river regulation, and other continuing services.

The Bureau of Reclamation, which was created as the Reclamation Service in the 1902 Act, has often been recognized for its technical achievements over the past six decades. Two of its undertakings, Hoover Dam, on the Colorado River between Nevada and Arizona, and the Columbia basin project, which includes Grand Coulee Dam on the Columbia River in Washington State, were chosen by the American Society of Civil Engineers as two of the seven modern engineering wonders. More recently, recognition was extended to the Bureau's Glen Canyon Bridge, over the Colorado River near Glen Canyon Dam in Arizona, as the most beautiful steel-arch bridge of 1959, in competition sponsored by the American Institute of Steel Construction.

Among the Bureau's many major projects are the Central Valley project, California; Colorado-Big Thompson project, Colorado; Colorado River storage project, Arizona-New Mexico-Utah-Colorado-Wyoming; Columbia basin project, Washington; and the 10-State Missouri River basin project.

In addition, the Bureau's experience in reclamation is being made available on a worldwide basis through technical assistance programs of the U.S. Government.

Mr. President, in commemoration of its birthday, the Bureau of Reclamation has published a pamphlet entitled "Reclamation—60 Years of Service," outlining some of the history and concepts of its work, and I commend it to Members of the Senate. I think it is an extremely interesting and informative publication.

TRIBUTE TO WRUL AND METROMEDIA

Mr. LAUSCHE. Mr. President, it has come to my attention that a company having an influential radio voice in Cleveland, Ohio—namely, WHK—is also the owner of what the New York Herald Tribune calls "possibly the biggest audience of any radio station in the entire world." WRUL, or Worldwide Broadcasting, is a division of Metromedia, Inc.

For a number of years this powerful voice, with handsome new studios in New York City's World Broadcasting Center, and with transmitters in Scituate, Mass., was subsidized by the Federal Government up to $300,000 a year. Since its acquisition by Metromedia, WRUL has been entirely on its own—without that Government aid.

WRUL has been relying on itself and enterprising, internationally minded American companies. In other words, here is a prime example of free enterprise relieving Government of financial burden.

Many foreign governments are either wholly or partly owners of the country's broadcast facilities. This raises some doubts in the minds of world listeners about the impartiality of the reports heard. In other words, all Government radio facilities, even though they may or may not be operated on an impartial basis so far as news reporting is concerned, are suspect to a degree by listeners for the reason mentioned.

The FCC, recognizing WRUL's value, has been most cooperative in providing it with the necessary operating frequencies. WRUL broadcasts to Latin America 76 hours weekly; to Europe 50 hours weekly; and Africa 50 hours weekly. They perform this operation with 5 transmitters and 280,000 watts on 11 different frequencies.

An average of 2,000 listeners' letters a week, from two-thirds of the world, testify to the range of influence of this radio station. In addition, this station has invested $100,000 in research to show both the size and quality of its audience.

WRUL carried live the developments of the recent 16th General Assembly of the United Nations, in Spanish and English. It carried the Eichmann trials to the world; and dramatized the space shots and the election returns. It provides the stock market reports to Latin and South American investors.

Many of these broadcasts are made possible by farsighted American corporations who accept the responsibility of not only selling their wares, but also selling their belief in the free enterprise system. I refer to companies such as RCA, Pepsi-Cola, Merrill Lynch, Time, Life, American Machine & Foundry, American Motors, and Owens Corning Glass. Recently, 11 west coast savings and loan associations bought time to induce foreign investors to deposit savings in this country.

WRUL has lost money for a number of years, but gradually the picture is brightening as more companies are seeing their responsibilities in selling the system, as well as their products and services. They recognize, as we all must, that this is a necessary function of those firms who enjoy the benefit of a free society.

In addition to calling these facts to the attention of Senators, Mr. President, I would also like to compliment and congratulate WRUL and Metromedia for its enterprise and stewardship. A recent recognition of their achievement was the receipt of the George Foster Peabody Award for Promotion of International Understanding. This was the second significant honor gathered by this radio station in recent months, the previous one having been the Honor Medal of the Freedom Foundation of Valley Forge.

In conclusion, I ask unanimous consent to have the Peabody Award citation printed herewith.

I hope that by calling this activity to your attention, WRUL and Metromedia will rededicate their effort along the lines to which they are so obviously dedicated. I also hope to point out to American business that this is the true spirit of the admonition given by President Kennedy in his inaugural address. This is a good example of "what you can do for your country."

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

Be it known that the George Foster Peabody Broadcasting Award is hereby presented to WRUL (Worldwide Broadcasting) for an outstanding contribution to international understanding, 1961.

With this citation WRUL (Worldwide Broadcasting), a division of Metromedia, Inc., carried into the homes of millions of peoples around the world through the medium of radio the complete daily proceedings of the General Assembly and Security Council of the United Nations in English and Spanish, thereby extending their participation in this international organization's global efforts to build world peace. This unique radio coverage was made possible by the enlightened world consciousness of AMF International of the American Machine & Foundry Co. and its chairman, Mr. Morehead Patterson.

Upon recommendation of the Henry W. Grady School of Journalism, University of Georgia, and the Peabody Advisory Board, by authority of the regents of the University System of Georgia.

———,
Chairman of Peabody Board.
JOHN E. DREWRY,
Dean of School of Journalism.

THE FLAG OF THE UNITED STATES OF AMERICA

Mr. DIRKSEN. Mr. President, 185 years ago today the then Congress met and prescribed the characteristics of a flag to have 13 alternate red and white stripes and 13 white stars on a field of blue. In consonance with the resolution, a committee was designated to call upon Betsy Ross to develop the kind of flag prescribed.

Interestingly enough, on that committee, among others, were George Washington and Robert Morris. They proceeded to Betsy Ross' house in Philadelphia. The house is still known as the Betsy Ross house, and it is located on Arch Street in that city.

In pursuance of the prescription by Congress, Betsy Ross provided the first flag.

Since that time I believe there have been 26 changes in the flag, to attest the growth and expansion of our country. Today that flag flies in all parts of the world as a symbol of unity, hope, loyalty, and freedom. If ever that unity is impaired, if ever that hope is destroyed, if that loyalty is ever sullied, or if that freedom is ever diluted, in my judgment it will not come by forces from without, but rather by forces from within. As we contemplate the fevers extant in the world, the economic threat from abroad, the struggle for power, pressures for advantage, and the strange indifference to the forces which menace our stability, our values and our capacity to live in a state of concord and understanding, truly we can say now, as Thomas Paine said in the Revolutionary War days:

> These are times that try men's souls.

So then, as now, if reason prevails, and if patience marks our tempers, and if understanding colors our judgment, I am confident that in the pursuit of our course we will endure, and endure forever, as a free republic.

So today we salute the flag, a symbol of a great land.

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is concluded.

AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

Mr. PASTORE. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

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

The LEGISLATIVE CLERK. A bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

There being no objection, the Senate resumed the consideration of the bill.

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

The committee amendment was agreed to.

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

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

MRS. EVA LONDON RITT

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives announcing its amendment to S. 2143.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2143) for the relief of Mrs. Eva London Ritt, which was, to strike out all after the enacting clause and insert:

That, for the purposes of title III of the Immigration and Nationality Act, section 352(a)(2) of the said Act shall be deemed to have been and to be inapplicable in the case of Mrs. Eva London Ritt, a naturalized citizen of the United States: *Provided*, That the said Mrs. Eva London Ritt establishes residence in the United States, as defined in section 101(a)(33) of the Immigration and Nationality Act, prior to the expiration of thirty-six months following the date of the enactment of this Act.

Mr. DIRKSEN. Mr. President, on March 29, 1962, the Senate passed S. 2143, to grant the beneficiary an exemption from loss of her United States citizenship under the Immigration and Nationality Act.

On June 5, 1962, the House of Representatives passed S. 2143, with an amendment to grant such exemption with the proviso that she resume her residence in the United States within 3 years after the date of the enactment of the act.

I move that the Senate concur in the House amendment to S. 2143.

The motion was agreed to.

MARIA LA BELLA

Mr. DIRKSEN. Mr. President, I ask that the Chair lay before the Senate the message from the House of Representatives announcing its amendment to S. 1881.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1881) for the relief of Maria La Bella, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Maria La Bella. From and after the date of the enactment of this act, the said Maria La Bella shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. DIRKSEN. On February 20, 1962, the Senate passed S. 1881, to grant the status of permanent residence in the United States to the beneficiary.

On June 5, 1962, the House of Representatives passed S. 1881, with an amendment to provide only for cancellation of deportation proceedings.

I move that the Senate concur in the House amendment to S. 1881.

The motion was agreed to.

AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. PASTORE. Mr. President, the bill before the Senate is H.R. 8031, which is an act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

The purpose of this legislation is to amend the Communications Act of 1934 so as to authorize the Federal Communications Commission to require that all television receivers shipped in interstate commerce or imported into the United States shall, at the time of manufacture, be capable of adequately receiving all television channels.

Essentially, the bill would amend the Communication Act in order to give the Federal Communications Commission certain regulatory authority to require that all television receivers shipped in interstate commerce or imported into the United States be equipped at the time of manufacture to receive all television channels. That is, the 70 UHF and 12 VHF channels.

One of the most valuable national resources which this country possesses is the radio spectrum. In carrying out its statutory mandate to provide the people of the United States with a truly nationwide and competitive broadcasting system, the FCC has allocated sufficient spectrum space to accommodate 2,225 television stations, which includes 1,544 UHF stations and 681 VHF stations. But, chiefly because of the nonavailability of television receivers which are capable of picking up UHF signals as well as VHF signals, the bulk of the UHF band is unused today, for at present there are only 103 UHF stations and 500 VHF stations in actual operation. This means that only 7 percent of the potential UHF assignments are in actual use, while the remaining 93 percent remains idle.

This legislation is designed to remedy this situation, for its basic purpose is to permit maximum efficient utilization of the broadcasting spectrum space, especially that portion of the spectrum assigned to UHF television. At the same time, this legislation will benefit the public interest in other substantial and important respects, for in addition to bringing new television service to underserved areas, it will promote the development and growth of educational television.

At present the FCC has reserved 279 television channels for educational purposes, of which only 62 are in use. Of the total reserved for educational purposes, 92 are VHF and 187 are UHF. Only through the establishment of additional educational television broadcasting facilities and the activation of noncommercial educational television broadcasting stations can the goal of creating an educational television system serving the needs of all the people in the United States be accomplished.

Recently the Congress enacted legislation—Public Law 87-477, 87th Congress, 2d session—that provides for grants-in-aid for the acquisition and installation of television transmission apparatus for certain educational television broadcasting stations.

During the consideration of this educational television legislation, it became evident, as a result of a nationwide study, that there was a maximum need for at least 97 VHF and 821 UHF channels which should be added to the presently reserved channels to meet the needs of education in the years ahead. This means, in short, that the minimum needs of education projected from a grassroots level from school to school throughout the country will require at least 1,197 television channels for over-the-air broadcasting, in addition to closed circuit systems which might be used.

Therefore, it becomes obvious that this legislation calling for the manufacture of all-channel television receivers ties in significantly with the recently passed educational television legislation. For even in areas where there is extensive commercial VHF service, the all-channel television receiver legislation would help create the type of circulation which will permit the development of the educational television broadcasting stations that use UHF channels.

This goal would be achieved by eliminating the basic problem which lies at the heart of the UHF-VHF dilemma—the relative scarcity of television receivers in the United States which are capable of receiving the signals of UHF stations. Of the approximately 55 million television receivers presently in the hands of the public, only 9 million—or about 16 percent—can receive UHF signals. This scarcity of all-channel receivers is further aggravated by the fact that the overwhelming bulk of television set production is limited to VHF sets only. Moreover, since 1953, the situation has become progressively worse. In that year, over 20 percent of television

receivers were equipped at the time of manufacture to receive UHF; by 1961, that percentage had declined to 6 percent.

The practical effect of this scarcity of all-channel receivers is clear: It prevents effective competition between UHF and VHF stations which operate in the same market, thus relegating UHF to those areas where no VHF stations are in competition. Where the two types of stations operate together, advertisers show a marked preference for placing their programs on VHF outlets, as do also networks, who will affiliate with a VHF station wherever possible. Nor has the viewing public shown any substantial willingness to buy receivers capable of receiving UHF signals, except in those areas where no VHF programs are available.

At the present time the country is divided into 278 so-called television markets: 127 of these markets have only 1 television station, 70 are 2-station markets, 57 are 3-station markets, and 24 are markets with 4 or more stations. Consequently, under the television market term, almost three-fourths of the television markets have a choice of one or two local stations. The significance of these figures illustrates that our present system of competition in the television field is limited by the allocations structure to no more than three national networks. Moreover, even in terms of the present 3 networks, 1 of them is under a limited handicap because of the second figure—70 markets are limited to 2 stations—and this leads to a situation that makes it difficult for a third network to secure primary affiliates in those markets. In addition, the opportunity for local outlets which would be available for local programing and local self-expression is severely restricted in many of the markets because of the limited number of stations that are available and even in those areas where there are some available, the stations are network affiliates.

The committee has fully considered the various arguments which have been advanced against this legislation. It has been argued that it would be a dangerous precedent which might lead to congressional control of all types of manufactured products. It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products. Thus we are here concerned with an instrumentality of interstate commerce. Television receivers are an essential factor in the use of the spectrum, and, as such, are clearly within the ambit of congressional legislation.

While initially there will be an increased cost, it is expected that this will be substantially reduced once the benefits of mass production are fully realized. In any event, the relatively slight increase in cost will be a small price to pay for the unlocking of the 70 valuable UHF channels.

As originally proposed the language of the legislation would have granted the Commission blanket authority to prescribed "minimum performance standards" for all television receivers shipped in interstate and foreign commerce. This provision was widely criticized during the hearings held by your committee and before the House Interstate and Foreign Commerce Committee on the ground that it was too broad and that it would give the FCC authority to prescribe any and all performance characteristics of television receivers. As an example, it was suggested that this broad authority would permit the Commission to adopt standards covering the manufacture of color television receivers. The Commission agreed that this authority was broader than was necessary. Consequently, the bill was amended to eliminate this broad approach.

The Federal Communications Commission in a letter dated May 11, 1962—appendix C in the committee report—expressed deep concern to your committee that the legislation as amended could be construed as being too limited and would make the Commission powerless to prohibit the shipment in interstate commerce of all-channel television sets having the barest capability of receiving signals which therefore could not permit satisfactory and usable reception of such signals in a great many instances.

According to the FCC it was not clear how far the Commission could proceed in promulgating rules regarding the performance characteristics sufficient to permit satisfactory and usable reception of each of the present 12 VHF and 70 UHF channels. Or to what extent, if any, enforceable rules could be promulgated concerning the performance capabilities for all-channel television sets that would assure the purchasers of these sets that they were in fact getting comparable signals from UHF and VHF stations.

In view of this doubt on the part of the Commission and its assertion that the bill as passed by the House might not accomplish the objective of the legislation; that is, to provide authority necessary to insure that all television sets be capable of effectively receiving all channels, the committee, therefore, adopted a simple amendment that should remove all doubt. I understand that the amendment has been adopted by the Senate. This amendment makes it crystal clear that the Federal Communications Commission has adequate authority to proscribe appropriate criteria and rules to achieve the objectives of this legislation. It should prove to be effective. It should meet the questions raised by the Federal Communications Commission and to do less would be to permit the whole thrust of this legislation to be thwarted.

I hope that without too much opposition the bill will become law.

Mr. CASE of New Jersey. Mr. President, both Senators from New York are vitally interested in the passage of H.R. 8031, the all-channel television receiver bill. In light of their interest, they have asked me to present their statements for the RECORD in support of this bill. I ask unanimous consent that their statements appear in the RECORD during the debate on H.R. 8031.

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

STATEMENT BY SENATOR JAVITS

I support H.R. 8031 because in my judgment it will benefit the people of New York and the Nation in three very important respects.

First, H.R. 8031 will spur educational television. This is both necessary and desirable. By making sure that the public has television sets able to pick up UHF channels as well as VHF channels, H.R. 8031 goes hand in hand with recent congressional action providing for financial aid to educational television stations, most of which will be on UHF channels.

Second, H.R. 8031 will held develop more commercial television. It will assure the public UHF reception wherever entrepreneurs decide to put UHF stations on the air.

Third, H.R. 8031 will preclude the necessity of the shifting VHF stations to UHF, which has proved so unpopular and controversial in many parts of the country. It is my understanding that the FCC has stated that there will be a moratorium on Commission plans for shifting VHF stations to UHF and that this moratorium would last at least 5 to 7 years, and probably longer, until the effectiveness of all-channel set legislation has had a reasonable chance to prove itself. Thus H.R. 8031 will make sure that VHF television is not now taken away from millions of people. If H.R. 8031 is not enacted, many thousands of people in New York State are threatened with loss of television service because of existing FCC proposals to take VHF stations out of Binghamton, Hartford, Conn., and Erie, Pa.

Against these clear public benefits of H.R. 8031 I can see no substantial public disadvantage. No existing set would be made unusable. The extra cost of an all-channel set compared with a VHF-only set is estimated at $20 to $25 per set, which is not much when measured against the greatly expanded reception capability of these sets. Furthermore, it is reasonable to believe that when all-channel sets become universal, savings can be realized in mass production which will eliminate most or all of the presently anticipated extra cost.

I do not think H.R. 8031 is a dangerous precedent for Government intervention in private enterprise. The UHF–VHF question is unique. A decade of painful experience has made clear that all-channel set legislation is needed if the public is to have the benefit of an 82-channel TV system with its possibilities for expanded commercial and educational service. In any event, as amended and reported by the Senate Commerce Committee, H.R. 8031 would allow the FCC to establish standards for television sets only to the limited extent necessary to assure that all sets are capable of adequately receiving all television channels. The FCC would not be authorized to get into such questions as picture tube size or whether all sets should be equipped for color.

Finally, it is noteworthy that H.R. 8031 has widespread support: from the FCC, virtually all television stations, television networks, educators, at least three major set manufacturers, set dealers, and numerous farm and civic groups.

STATEMENT BY SENATOR KEATING

As a member of the Communications Subcommittee of the Senate Committee on Commerce, I voted in favor of reporting this bill to the Senate. I believe that it is the best available method by which we can provide a greater choice in programing to TV viewers and therby meet the demands of an even larger proportion of the general public.

I was pleased by the effective way in which all of the parties interested in this legisla-

tion have worked together to develop a concensus of opinion representing the interests of viewers, the TV industry, our committee, and the Federal Communications Commission. I should like to congratulate the chairman of the subcommittee, Senator PASTORE, for his leadership in the handling of this legislation in committee. I do not anticipate a close division of opinion on this bill; however, I regret that several urgent commitments in New York City prevent my being present to hear and participate in the floor debate.

NATIONAL DEFENSE AND FOREIGN POLICY

Mr. HARTKE. Mr. President, in the past few months there has been a great deal of discussion in the press, on the radio, on television and, in fact, on the floor of this legislative hall, about something called a no-win policy as being a part of the overall American foreign policy. It has even been alleged in certain quarters that the present administration has embraced a no-win policy, whatever that is supposed to mean. This discussion has concerned itself more with slogans than with facts; more with words than with action; and when I have finished this speech I hope, and it is my firm desire, to have Senators say that I have dealt with facts and not with mere slogans and words meaning little or nothing except to confuse and inflame emotions.

In entering a discussion of this nature, I am also reminded of a pertinent observation relating to the nature of democratic government and one that pertains particularly to the conduct of foreign policy and military policy in such a program, was made during the time of George Washington by that famous pessimist—turned optimist for the moment—Fisher Ames, of Massachusetts. He once remarked:

> A monarchy is like a merchant vessel. It sails the seas proudly. If it strikes a rock, it will sink. A republic, however, is like a raft. It will never sink in any sea—but your feet are always wet.

We in a democracy such as the United States always have our feet wet; and if we are to fulfill our international commitments, and deal with the insidious foreign policy practiced by the Kremlin masters, we will in ensuing years indeed have some rather wet and distressing times. Yes, I am sure that at certain intervals those who are responsible for high policy in this great Republic of ours, will be accused of having a no-win policy when we refuse to place this country on the brink of a precipice where some unintentional push could plunge us into a war from which all mankind and society would be reduced to a heaping pile of rubble.

Mr. President, let us consider what this administration has accomplished in the last 18 months and let us analyze some of the new policies that have been instituted to insure the defense of our country, and to prevent an all-engulfing nuclear holocaust.

The present administration has increased the defense budget by almost 25 percent—from $41.3 billion appropriated in fiscal year 1961 to $50.1 billion requested by President Kennedy for fiscal year 1963. Indeed, the 1963 budget request is more than $8 billion higher than the last defense budget requested by the Eisenhower administration for fiscal year 1962.

It is one thing to talk about winning, but it is quite another thing to provide the military forces required to assure our victory in combat. It has long been recognized that the advent of the nuclear-armed ballistic missile has confronted the Nation with a defense problem entirely new to its experience.

But the actions required to prepare the Nation to cope with the threat of a war engaging such weapons had not been taken in a timely fashion. Much too large a proportion of our strategic retaliatory forces were vulnerable to the kind of attack we would have to face in the future. Accordingly, one of the first actions taken by President Kennedy last year was to strengthen our strategic retaliatory forces by moving more rapidly into these weapons systems which have the best chances of riding out any kind of nuclear surprise attack. Because bombers on the ground are soft targets and highly vulnerable to ICBM attack, orders were given to increase by 50 percent the portion of the manned bomber force to be maintained on ground alert so that they can get off the ground within the 15-minute warning time provided by our ballistic missile early warning system. This action alone has significantly increased our power to retaliate against even a surprise nuclear attack.

Prompt action was also taken to expand and accelerate the programs for other weapon systems which have a high degree of survivability against ICBM attack The number of Polaris submarines was increased by 50 percent, from 19 to 29, and the construction schedule accelerated so that the 29th submarine would become available about 2 years earlier than would otherwise have been possible. Six more Polaris submarines are proposed for the coming fiscal year and 6 more for the year thereafter, bringing the total to 41 submarines with 656 Polaris missiles distributed upon the seas of the world. Mr. President, not only is this a very large and potent force, but these submarines can fire their missiles from beneath the surface of the oceans of the world; they are invulnerable to surprise attack by intercontinental ballistic missiles.

The number of land-based Minuteman missiles to be deployed in hardened and dispersed sites was also significantly increased, and the production capacity for these missiles was doubled. Another 200 operational missiles are included in the fiscal year 1963 budget, raising the total to 800, with more to come in future years. I submit a question: Are these the actions of a Government that has a no-win policy? There is more to this picture:

To prolong the useful life of our B–52 bomber force, the development effort on the new Skybolt air-to-ground missile program was substantially increased and accelerated. Additional funds for this missile are included in the 1963 budget. Each B–52 bomber can carry four of these solid fuel ballistic missiles in place of two air-breathing Hound Dog air-to-ground missiles. I point out that the fiscal year 1962 Eisenhower budget did not include any funds for the Skybolt missile, and its future was left in doubt.

Because our opponent may in time develop some kind of defense against a ballistic missile attack, the Kennedy administration has greatly expanded the program to provide penetration aids for our ballistic missiles. These devices will ensure that our missiles can penetrate to their targets against any foreseeable kind of defense.

Finally, the new administration undertook an accelerated program to develop an effective, protected command and control system so that at all times, before, during, and after an enemy attack, the constituted authorities, from the President on down, will have full command of our military forces.

Now I shall sum up our strategic retaliatory power.

The programs proposed by the present administration and reflected in the fiscal year 1963 budget will provide a force of over 1,000 Atlas, Titan, and Minuteman ICBM's, plus 41 Polaris submarines with over 650 missiles, plus more than 700 B–52 and B–58 manned bombers. By 1966–67 the alert portion of this force alone, that is the portion of the total force which can be launched with only 15 minutes warning, will have three times the destructive power of the alert force we had a year ago.

All these measures are required if the Nation is to be in a position to retaliate decisively against a nuclear attack upon the homeland and all of these measures will increase defense cost. In fact, the 1963 budget contains about $1½ billion more for the strategic retaliatory forces than did the last Eisenhower budget for fiscal year 1962. To insure the supremacy of our strategic retaliatory forces in the future, the Kennedy administration has requested funds to start preliminary work on new land-based and sea-based missiles. In addition, work will be continued on the development of the B–70, long-range supersonic bomber. The future of this aircraft is now being restudied in the Pentagon. Secretary McNamara has already indicated that work will be pressed forward on the reconnaissance elements of the newly proposed reconnaissance-strike version of this aircraft, the RS–70. This reconnaissance subsystem, we are told, is the pacing item of the RS–70.

Under the present plan, the B–70 program has been increased to 3 prototypes instead of 2, thus permitting a more complete development and evaluation of the airplane.

In addition to increasing and strengthening our strategic retaliatory forces, the new administration faced up squarely to the problem of air defense in the ballistic missile age.

President Kennedy, therefore, immediately proposed a further dispersal of the air defense interceptor forces and the creation of a manual backup for the automatic SAGE system which, because it is soft and relatively concentrated, is perhaps the most vulnerable element of the entire air defense complex. These manual control facilities will provide an

alternative means of controlling our air defense weapons in the event all or most of the SAGE centers are destroyed.

The administration has also proposed additional procurement of Nike-Hercules and associated equipment. Together with the Missile Master acquisition, tracking and control system, the Nike-Hercules missile constitutes a relatively self-contained air defense system.

The administration is also continuing development of a system of orbiting satellites to augment the Ballistic Missile Early Warning System which already is partially operational. In addition, work has been started to improve the bomb alarm system, so that it can provide timely information for damage assessment and the evaluation of the fallout pattern.

Like the former administration, the present administration has decided against production and deployment at this time of the Nike-Zeus missile defense system. However, development, test, and evaluation of this system provide a significant amount of additional data on the many problems of ballistic missile defense. Meanwhile, the administration is exploring other approaches to the problem of ballistic missile defense, the details of which are, of course, classified.

The threat of submarine-launched missiles has also received greatly increased attention. The best defense against this threat still lies in the detection and destruction of the launching submarine before the missile is fired, and for this purpose the administration has nearly doubled the available funds. The 1963 appropriation request includes $2,206 million for antisubmarine warfare, compared to $1,253 million appropriated in 1961. For example, eight nuclear attack submarines are included in the 1963 budget, compared with three in 1962, and only one in 1961. The procurement of ASW aircraft has been nearly doubled from 1961 to 1963, and the research and development effort has been expanded, to insure that all practical approaches to the problem are carefully explored.

Finally, an important innovation has been made to strengthen the Navy's management of the ASW program. The position of Director of Antisubmarine Research and Development has been established, to serve as the focal point of the entire ASW effort. This step will insure that a more comprehensive approach is taken to the ASW problem, as well as to improving overall management.

One of the most significant actions taken by this administration was to make the first real start on a meaningful civil defense program. Certainly if this Nation is to stand fast in defending its vital interests, even to the point of nuclear war, it must make a reasonable effort to provide its citizens with protection at least against the extensive fallout which would result from a nuclear attack on this country. The goal of this expanded program is to provide, by 1967, a shelter space for every American.

The task of locating and stocking existing space which is suitable for fallout shelters is already well underway, using the $256 million requested by the administration and appropriated by the Congress last year. The administration has requested a total of $695 million for the program in the next fiscal year, compared with the few tens of millions of dollars requested and appropriated in past years.

Not only has the present administration greatly strengthened the Nation's posture for general war; it has also greatly strengthened our posture for limited war, the type of armed conflict which is much more likely to occur over the next decade. The Berlin crisis last year, together with Communist covert aggression in southeast Asia, provided convincing evidence, if more evidence was needed, that, in total, our combat-ready limited-war forces were sadly inadequate to the task of coping with the many threats confronting us around the world. Furthermore, the lack of adequate combat-ready, nonnuclear forces in Europe, including both United States and allied forces, severely limited the character and scope of our possible response to the Soviet aggression there.

Mr. President, we must constantly realine and reorganize our military forces, to counter the aggressive forces that confront us in today's world. Yes, military doctrine and strategy must be under constant review and change; this year, this was one of the first great overall military problems tackled by President Kennedy and Secretary McNamara. The administration fully recognized, as Secretary of Defense McNamara repeatedly pointed out to the congressional committees, that tactical nuclear weapons might have to be used, not only in Europe, but elsewhere. And this was emphasized by President Kennedy, who said in a statement to Saturday Evening Post Writer Stewart Alsop:

> Of course in some circumstances we must be prepared to use the nuclear weapon at the start, come what may—a clear attack on Western Europe, for example.

But the administration was particularly concerned that the decision to employ such weapons in limited war situations should not be forced upon us simply because we have no other alternative. Thus, what the administration has proposed is not a reversal of the previously existing policy, but, rather an augmentation of our nonnuclear capabilities, so as to provide to our limited-war forces a greater flexibility of response. Clearly, our position throughout the world would be greatly strengthened if, when confronted with deliberate Communist provocation, we were not forced to choose between doing nothing or deliberately initiating nuclear war.

Accordingly, last year the administration undertook a major strengthening of our limited-war forces. By a series of actions, the number of combat-ready divisions in the Army was increased by 50 percent—from 11 to 16. And in order that we shall continue to have this increased capability, the two Army National Guard divisions which were called to active duty last year are now being replaced by two new regular Army divisions. The active duty strength of the Army has been greatly increased, and will be held to 960,000 men, compared with 860,000 last June.

The strength of the Marine Corps was raised by 15,000 men—from 175,000 to 190,000; the nucleus of a fourth Marine division was created within the active establishment; and the amphibious lift was expanded from less than 1½ divisions to a full 2 divisions. The number of active ships, aircraft, and personnel in the Navy were increased. The ship construction and conversion program recommended by the administration for the fiscal years 1962 and 1963 will be about double that for the 2 previous fiscal years.

The tactical fighter forces of the Air Force were expanded by almost one-third, to provide more air support for the Army ground forces. The number of aircraft to be provided for these forces in 1963 and 1962 is more than double that of the 2 previous years. The airlift program was increased by 50 percent, to provide the means to move the limited-war forces promptly to wherever they might be needed. The number of airlift aircraft to be procured during this fiscal year and the next will be more than 150 percent higher than that for the fiscal years 1961 and 1962. In fact, the program proposed by the present administration will increase our airlift capacity threefold by 1965.

To insure that our limited-war forces are properly equipped and supplied, the procurement of weapons, equipment, and ammunition for these forces has been vastly increased. For example, in 1963 the Army will double its 1961 procurement of small arms and tactical and support vehicles, and will increase its purchases of combat vehicles by about 75 percent. The number of Army aircraft in the 1962 and 1963 programs is more than twice that of the 2 preceding years.

In the Navy, the procurement of fighter and attack aircraft during the current and the coming fiscal years will average more than one-third higher than that of the 1960–61 level. The procurement of missiles such as the Sparrow III, Terrier, and Bullpup for the Navy in 1963 will be more than double that of the 1961 level. Similarly, the procurement funds for the Marine Corps in 1962–63 have been increased by nearly 150 percent over those for 1960–61.

In the Air Force, the procurement of nonnuclear munitions in 1962 and 1963 is more than five times that of the 1961 level. And to insure that all of the general-purpose forces will continue to have the kinds of weapons and equipment needed in order to deter limited aggression in the future, the research and development effort in the limited-warfare area was significantly expanded.

Finally, to deal more adequately with what Mr. Khrushchev calls "wars of national liberation," which we know as subversion and armed aggression, our counterinsurgency forces have been more than doubled. But, even more important, counterinsurgency training has now become general throughout our limited-war forces. Such training is given to personnel at all levels—senior

officers, as well as new recruits; to Navy and Air Force personnel as well as Army, and to the Reserves as well as the Regular Forces. And to provide new, specially designed equipment for the forces preparing for the counterinsurgency mission, a large research and development program has been initiated.

This effort to improve counterinsurgency capabilities is not limited solely to our own forces. U.S. training teams have been sent to various parts of the world to help other free nations improve their own capabilities to deal with Communist-inspired and supported insurrection and covert aggression. Our determination to help the nations of southeast Asia maintain their freedom and sovereignty has been fully manifested by the extensive help now being given to the Government of South Vietnam and by the deployment of U.S. forces in Thailand. In contrast to the situation which prevailed in that area in 1955, the United States has now made it clear that it is determined to halt Communist aggression in southeast Asia.

A year ago last January, Mr. Khrushchev laid before the Moscow Conference of Communist Parties a strategy for the 1960's. He said:

> In present day conditions it is necessary to distinguish the following kinds of war: world wars, local wars, and wars of liberation and popular uprising. This is necessary in order to work out correct tactics with regard to these wars. Communists are the most resolute opponents of world wars.

Such wars, Mr. Khrushchev pointed out, would wreak death and destruction upon all mankind. And he concluded that world wars are not needed for the victory of communism. Mr. Khrushchev is also opposed to what he calls local wars, because such wars "might develop into a world thermonuclear rocket war." But there is one kind of war which Mr. Khrushchev favors, and that is the guerrilla war or war of insurrection.

The United States and the free world must not only be prepared to fight and win a thermonuclear war but must also be prepared to win local wars and wars of insurrection. Indeed, the more successful we are in deterring general war, the greater becomes the likelihood of wars of lesser scope.

Until we have found a sure road to a safeguarded disarmament, our best hope—and in fact a very good hope—of avoiding thermonuclear war is to keep our own strategic deterrent strong and secure. And this is a basic tenet of our military policy. We have today, and will continue to have under the programs proposed by this administration, the undisputed capability to strike back with decisive force at any nation which might decide to attack us, even after absorbing the full weight of an all-out surprise nuclear attack. This, I believe, is the real reason why Mr. Khrushchev says that Communists oppose thermonuclear wars.

Similarly, our best hope of avoiding the more limited types of open conflict is to maintain forces of the size and kinds necessary to make such wars unprofitable to the Communists. And this, too, is a basic tenet of this administration's military policy.

Finally, the United States and the free world must develop the capabilities to win Mr. Khrushchev's third kind of war, the wars of insurrection and covert armed aggression, and it is in this area that the administration has undertaken another major expansion.

But all of these measures are still not enough; our struggle against communism cannot be limited solely to military action. The Communist threat extends to every facet of human endeavor—economic, political, technical, and so forth—and the free world must learn how to defeat these other forms of the Communist challenge.

There is every reason to believe that we will win the economic struggle. We have only to observe what is now taking place behind the Iron Curtain, in the Soviet Union as well as in Communist China, to appreciate the vast superiority of our own economic system over that of communism. Even now, without fully using our enormous productive capacity, we have no difficulty in far out-producing the Soviet Union. And while famine rages in Communist China and food shortages plague the Soviet Union, the United States year after year produces all the food that our people desire, with more than enough left over to feed a significant part of the rest of the world.

And there is every reason to feel confident that we will eventually win the struggle for the minds and hearts of men. Freedom has always had an irresistible attraction for people everywhere in the world. The desire to be free cannot long be suppressed. From Murmansk to Hong Kong the Communist bloc has walled itself in to prevent the people from fleeing to freedom. The Communists are plainly afraid of the ideals of freedom and justice.

But meanwhile we must learn to live with the dangers of the thermonuclear age and with the prolonged tensions of the cold war struggle. There are no shortcuts to victory. Victory will come only with patience and resolution—backed by strength. What we seek to win in this historic struggle against communism is not a world reduced to radioactive rubble, but rather a world in which law and order prevail and in which all peoples are able to determine their own destiny. That is the kind of victory which will benefit all mankind. And that is the kind of victory America has always wanted to win.

ISSUANCE OF PROCLAMATION WITH RESPECT TO NATIONAL WHEAT ACREAGE ALLOTMENT

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 198) deferring until August 25, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment, which were, to strike out all after "of" in line 9, down through line 11, inclusive, and insert "wheat," and to amend the title so as to read: "Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment."

Mr. ELLENDER. Mr. President, the House yesterday passed Senate Joint Resolution 198 with an amendment striking out the provision for extending the wheat quota referendum to as late as August 25. As amended, the joint resolution provides only for deferring the proclamation of the 1963 wheat marketing quota and national acreage allotment as late as July 15. The Department would like to have the House amendment agreed to so that the resolution can become effective immediately. Otherwise, quotas would have to be proclaimed tomorrow.

I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

U.S. LABOR AND THE U.N.

Mr. HUMPHREY. Mr. President, the AFL–CIO is justly celebrated for its enlightened attitude toward the human problems of U.S. foreign relations. The American merged labor movement has worked for years within the International Labor Organization and has played an outstanding role in the International Confederation of Free Trade Unions. Its horizon is anything but limited by the domestic problems of unemployment, automation, and wages.

In this spirit of worldwide awareness and human brotherhood, the AFL–CIO executive council and the New York Labor Council have, with little fanfare, established and maintained a new AFL–CIO Committee for the United Nations, Inc. This committee has functioned as a center where members of the labor movement and friends of labor the world over could meet and could participate in a variety of social, cultural, and intellectual activities. In so doing, the AFL–CIO has performed a genuine service for the United States.

Mr. President, I ask unanimous consent to place in the RECORD an account of this undertaking of the American labor movement, as reported by Ed Townsend in the Christian Science Monitor of June 9, 1962.

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

[From the Christian Science Monitor, June 9, 1962]

PEOPLE AT WORK—LABOR, THE U.N., AND HOSPITALITY

(By Ed Townsend)

NEW YORK.—Some time ago, an American labor official met, by chance, an African delegate to the United Nations while passing through a New York hotel lobby. They had become acquainted years before at an international labor conference abroad.

The two men chatted in French, and the American union official was disturbed to learn that his acquaintance—a man with a deep interest and long experience in labor—was finding life duller and less fruitful than it should be in this country. He was handicapped because he could speak only his native tongue, French. He had few friends outside his own delegation and U.N. official circles. He was anxious to get to know Americans but he had been able to meet and mingle with very few of them.

Instead, he said, he was spending his free time sitting in the hotel lobby, watching passers-by, or in movie houses in the hotel

area. He shrugged when he told this, commenting that it was a pleasant way of life, perhaps, but no way to get to know a people.

An idea was born in the chance meeting. The union official saw a gap that labor could fill, and an opportunity to perform a service. Other unionists agreed. So did the AFL–CIO president, George Meany, a former United States delegate to the U.N., and Harry Van Arsdale, president of New York City's Central Labor Council.

The AFL–CIO executive council and the New York labor council agreed to sponsor a new AFL–CIO Committee for the United Nations, Inc., to set up and operate a hospitality center for U.N. delegates. The center opened this spring around the corner from the U.N.'s home on New York's East River, with windows opening on the inspiring tower and buildings of the world organization

President Kennedy greeted it with a send-off message commending "labor's mature view of our responsibilities in a shrinking world." U Thant, Acting Secretary-General of the U.N., added his praise, commenting, "You help to achieve a fundamental purpose of the United Nations, greater understanding and personal contact among peoples of all countries and all walks of life."

There were other official words of praise, all welcomed, but more important to the committee was the response to the center by U.N. delegates and New York unionists. At the opening, doubts of the response had caused nagging worries. Would delegates really come to the center to seek access to the American way of life through unions and the men and women in them? Would they welcome opportunities to attend union affairs? And would they be welcomed there?

The worries proved unnecessary. The delegates are making use of the center, particularly those from younger, undeveloped nations who sometimes need special help in adjusting to New York. They do welcome the informality of union affairs—meetings, dances, lunches, dinners, rallies, and the like. And they are being welcomed everywhere.

Just a few days ago, the African delegate of the chance hotel lobby meeting attended and "very much enjoyed," he said, a dinner given by an office employees' union in New York for its office stewards, those who carry on the union's day-to-day business in offices. The U.N. delegate attended the dinner in the company of a group of French-speaking office unionists employed by the French Line.

That was only one of the union functions he has attended or been invited to attend in recent weeks. New York's big and busy labor movement has something going all the time, occasionally an entertainment or social affair, a theater party, dinner, or rally drafting Broadway stars, but usually something less glamorous and more in line with American everyday living. Actually, the center is more interested in referring delegates, with introductions and, if necessary, escorts, to the more routine gatherings that give a better insight on American life.

Its aims are:

To afford trade unionists connected with the U.N. an opportunity to meet and exchange views with unionists in this country—local members and officials and, at times, visiting labor executives such as Mr. Meany and internationally known Walter P. Reuther, president of the United Automobile Workers. If Mr. Reuther is to speak at a meeting, there is always a demand for admission cards.

To demonstrate the dynamic role of unions in New York and the United States, many U.N. delegates were union guests of a dedication of a labor housing development.

To open to them more social, cultural, and intellectual opportunities.

To help them see American workers—"the real New York and United States," a center spokesman said—at home, in union and political life, and in plants and offices.

The hospitality center has, in fact, been described as a sort of lonely hearts club and servicemen's club combined.

Its staff tries to match personalities and interests. With a million union members in New York's AFL–CIO affiliates, the committee says it can provide almost any language, trade, or special interest. There is something for everyone.

It does not attempt to adhere to diplomatic protocol. It stresses informality—"a real trade union welcome," a spokesman said. Formality, the committee has found, is something most delegates want to escape from, an artificial barrier from the people of this country. In line with that, the center emphasizes contacts with union rank-and-file members as much as with officers.

It has a warm feeling of accomplishment whenever it is told—and it frequently is—that a delegate has been made to feel at home and that he has seen a side of American life he would not have had a chance to see otherwise.

FOOD FOR PEACE CONFERENCE

Mr. HUMPHREY. Mr. President, on June 9, 1962, the American Food for Peace Council sponsored a regional meeting on the food-for-peace program at the University of Minnesota.

The meeting was well attended. Participants came from several of the Midwestern States. The program was extensive in its scope and intensive in its discussion.

Minnesota was particularly honored by the presence of the Administrator of the Agency for International Development, Mr. Fowler Hamilton, and the special assistant to the President and Director of the food-for-peace program, Mr. George McGovern. We also were privileged to have with us the national chairman of the American Food for Peace Council, Mr. Paul S. Willis.

I wish to pay tribute to one of the great leaders of the Kennedy administration, a dedicated administrator who has given a new dimension to America's foreign aid program. I speak of George McGovern, Director of the food-for-peace program, who will be leaving Washington soon to seek his political fortune in South Dakota. As I watched and listened to George McGovern at this recent conference, I realized evermore what a great contribution he has made to the development of the food-for-peace program and to the improvement and strengthening of our foreign policy.

We shall miss George McGovern, not only as a friend and neighbor, but, more important, as a true humanitarian who has transformed his belief in mankind into a whole series of positive accomplishments that have given new luster and meaning to the words, "food for peace."

Seventeen months ago, when Mr. McGovern was appointed Food for Peace Director, the President said:

> America's agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way. * * * We must make the most vigorous and constructive use possible of this opportunity.

Yes, the food-for-peace program has been greatly accelerated under the direction of George McGovern. The food-for-peace program requires a director with broad interagency responsibilities who reports directly to the President.

I know that the President is fully aware of the importance of this, and I am confident that he will soon name a highly qualified successor to Mr. McGovern, an able administrator who can furnish the affirmative leadership that is so essential if our food-for-peace efforts are to succeed.

I ask unanimous consent that excerpts from my address to the food-for-peace conference be printed at this point in the RECORD. I also ask unanimous consent that the program be printed in the RECORD.

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

EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY, AT THE FOOD-FOR-PEACE CONFERENCE, MINNEAPOLIS, MINN., JUNE 9, 1962

Seventeen months ago, when Mr. George McGovern was appointed Food for Peace Director, the President said, "America's agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way. We must make the most vigorous and constructive use possible of this opportunity."

Just how has President Kennedy's Executive order been implemented? What has happened to food for peace?

Probably the best answer would come from a Moroccan laborer who owes his very job to food for peace, a schoolboy in Peru who is getting a nourishing meal each day for the first time in his life, or a family of Chinese refugees in Hong Kong who are finding that people do care.

In statistical terms, 45 billion pounds of U.S. commodities were programed for oversea shipment under food-for-peace authority during the 1961 calendar year. This is an alltime record in utilizing our abundance in a coordinated attack on hunger and poverty throughout the world.

Here are only a few of the many other accomplishments of food for peace:

1. The negative concept of "surplus disposal" has been replaced by a positive view of U.S. agricultural abundance as a precious national resource. This change in concept is fundamental to the success of the program. It has given rural America an appreciable stake in American foreign policy. It has resulted in much greater appreciation for U.S. food aid both at home and abroad. Critical food shortages in Asia, Africa, Latin America, and the Sino-Soviet bloc highlight the enormous food assets of the United States. Food is our most valuable material resource, and our clearest advantage in any competition with the Communist world.

2. The Departments of State, and Agriculture, and the Agency for International Development have demonstrated a growing awareness of the importance of food in foreign assistance. Officials in State and AID in cooperation with the Department of Agriculture are taking steps toward a much-improved integration of food with other oversea development resources.

Although progress is being made, there is a need for more consideration by U.S. loan agencies and foreign assistance planners of the possibilities of using food to supplement dollar aid. No U.S. official should give final clearance to a foreign loan until he is convinced that the possibility of using food as a substitute or supplement for aid dollars has been fully evaluated.

3. Food as an instrument of economic development has been sharply increased. Two countries, Tunisia and Afghanistan,

were using U.S.-donated food for the partial payment of wages on public works projects at the beginning of the Kennedy administration. Eleven countries have such programs today, and negotiations are underway with 25 others.

4. Important new school-lunch programs were established in a number of countries in 1961. Ambassador James Loeb of Peru advises that the first Latin American government-to-government school-lunch program, which George McGovern signed with Prime Minister Pedro Beltran a year ago, has had a remarkably good impact. Aside from noticeable nutritional improvements, school attendance has increased by 40 percent. So successful has this program been that it was recently enlarged to feed more than 175,000 Peruvian children during the current school year.

5. Six nations have signed agreements to purchase food for long-term loans with repayment in dollars. These agreements are the first of this kind.

6. In 1960, 54 million persons were fed with U.S. foodstuffs donated to private voluntary agencies. That number was increased by 10 million in 1961, and further increases are in the making. Voluntary agencies established feeding programs in eight additional countries last year.

7. Food for peace moved swiftly to meet famine, flood, and other disaster conditions in the Congo, Vietnam, Kenya, North Africa, and other areas in 1961. Steps have been taken to broaden and add flexibility to our refugee feeding programs.

8. An American Food-for-Peace Council, representing a broad cross-section of the public, has been organized to develop public understanding and support for the program.

9. A U.S. Freedom From Hungar Foundation has been established to support the U.N. Food and Agriculture Organization's 5-year campaign against hunger. Former President Truman was named by the President as honorary chairman.

10. As delegate to the FAO meeting in Rome in April 1961, George McGovern suggested, with the President's approval, that the United States would contribute $40 million in surplus commodities toward an overall U.N. food bank of $100 million in food and cash. That proposal has since been approved by the FAO Conference and the United Nations and is being implemented within the U.N. system.

11. An interagency committee has been established to evaluate new food processes that will increase the effective use of our foodstuffs abroad.

12. The Food for Peace Director has proposed that the Alliance for Progress can be assisted by a formula under which the United States would provide feed grains to Latin American poultry-raising cooperatives. Part of the poultry proceeds could be used to finance social and economic projects. This is another way in which cereal surpluses can be converted to high-protein foods.

These are just a few of the positive accomplishments of the food-for-peace program during the past 17 months. The program has proved to be the most ambitious and imaginative effort in world history to construct a bridge between the abundance of the United States and the undernourished half of the world that cries for food.

It helps the United States find constructive outlets for our surplus food production; it reduces our storage costs; it stimulates our shipping industry and our ports; it bolsters farm income; it develops future dollar markets overseas; it raises purchasing power of other countries, and it strengthens U.S. foreign policy objectives.

On the other side, sharing our food abundance reduces human misery, sickness, and premature death. It gives men the strength to work, students the energy to study, and brings nourishment and hope to millions. In supplementing the resources and the energy of food-deficient countries, the food-for-peace program has become a powerful ingredient in economic and social development throughout the world.

I know that President Kennedy and the American people stand ready to share our resources, so that every child can have food in his stomach, strength in his arms, hope in his heart, and light in his eyes.

For transforming this into deeds, we owe a debt of gratitude to the food-for-peace program, and to its imaginative Director, George McGovern.

What does the future hold for food for peace?

Today, U.S. food-for-peace-assisted school lunch programs are reaching 30 million children in 80 countries of the world. But there are 700 million children around the world who need such a program. Is food for peace equal to that challenge? Will the local governments do their part in establishing a school lunch for every needy child? I hope that some day in the not too distant future we can answer in the affirmative both of those questions.

The food-for-peace program faces other challenges. They are continuing challenges. They are immense challenges.

The three basic challenges to our generation—and perhaps to many generations to come—are represented by three tragic statistics of human need reported to me by the Library of Congress.

First, 83 percent of the world's people are underfed.

Second, 70 percent of the world's people are either sick or ill housed.

Third, 62 percent of the world's people are illiterate.

Is it any wonder that this earth is torn by conflict and scarred by repeated violence?

These conditions of hunger, misery, and ignorance are more than disgraceful reminders that mankind has lacked the wisdom to put his technical know-how to work to banish poverty and misery.

These conditions nourish the needs of discontent, revolution, and violence.

These conditions are the allies of communism and other forms of totalitarianism.

These conditions are the real and the basic enemies of freedom, of peace, of justice.

We in the United States must learn to face these challenges squarely. We need to understand fully and deeply the meaning of the hunger, poverty, and ignorance which stalks two-thirds of the world.

Our response to these conditions of misery must be more than a fleeting or momentary sense of compassion and sadness for the rest of the world.

We must place our understanding of these conditions into the context of the present world struggle and our own struggle for the security and survival of freedom.

We must realize the practical and political effect of hunger, sickness, and ignorance.

The hunger of any man weakens to some degree the chances of freedom for all men.

The sickness or poverty of any human being strengthens the forces of communism.

The ignorance or illiteracy of any citizen of this world cuts into the prospects for peace and contributes to the ingredients for war.

We in this Nation must realize that we are not threatened merely by the ambitious, aggressive personalities of particular leaders in specific nations.

We must realize that the dangers we face are not limited to guns or bombs.

We must realize that this struggle in which we are engaged is deeply meshed with the struggle of all mankind to lift itself out of the chains of poverty and ignorance.

Let me pause for a moment to comment on those who whine that this Nation is being led by a no-win policy.

They wave the banner of victory. I am not critical of that.

But they demand victory now. Or—in their most patient mood—they demand victory by next Tuesday.

I suggest that those who rave about a no-win policy are really guided by a know-nothing approach to today's international struggle.

They would win now, or tomorrow or at the latest next Tuesday with guns and bombs.

And, of course, they would win ultimately nothing but death and desolation and at best a reversal to the Dark Ages.

More and more Americans, fortunately, are coming to realize that the security of the United States and of freedom is not linked merely to military strength.

The people of this Nation realize that this struggle demands military strength, yes—but also economic and technical strength—and the use of them throughout the world.

And there is yet another dimension to our strength which is unique, and which gives us a distinct and powerful advantage in the struggle with totalitarianism.

This fourth strength is our agricultural abundance.

No other nation in the world has the strength and the power of an agricultural abundance to the degree we enjoy, and almost all nations are gripped by tight food shortages and agricultural failures. I need not remind you that the Soviet Union, most of its satellites and Red China are hindered and checked in their aggressive aims by shortages of food.

I can remember the days in the late 1940's when this Nation was confident, proud—and even a bit smug—because we had a monopoly of atomic weapons. We lost that monopoly quickly, and with that loss a bit of our confidence too.

Today, we have a comparable advantage—a superabundance of food and fiber. I would hope that more Americans will realize the power of this advantage, and will gain renewed confidence from it.

Clearly, we must use our agricultural abundance to feed and to lift those millions throughout the world who are chained to hunger and poverty.

We have begun.

Food for peace is no longer a dream. It is no longer a goal. It is no longer a slogan in American political campaigns.

Food for peace is a practical, vital, effective instrument of the foreign policy of the United States, and a compassionate arm of the people of the United States.

Victory will be ours. We will win this struggle for freedom and progress—not today, not tomorrow, not next Tuesday. We will win it with an effort which will take many years and perhaps even several generations.

The victory we seek is a victory over the basic conditions of misery which have chained men through all of recorded history.

With a growing food-for-peace program—fully utilizing the agricultural abundance given to us by God and cultivated by the skills of our people—we cannot and will not fail.

FOOD FOR PEACE, UNIVERSITY OF MINNESOTA, JUNE 9, 1962

PROGRAM

Host: Hon. Elmer L. Andersen, Governor of Minnesota.

Guest: Hon. George McGovern, Special Assistant to the President and Director, Food for Peace, the White House.

Chairman: Mr. Paul S. Willis, chairman, American Food-for-Peace Council, and president, Grocery Manufacturers of America, Inc.

Conference coordinators: Mr. Earl W. Madsen, president, Madsen's Super Valu Stores; Mr. Burton M. Joseph, president, I. S. Joseph Co., Inc.

8:15 a.m.: Registration; Coffman Memorial Union.

Morning session, Mayo Memorial Auditorium, University of Minnesota

9:15 a.m.: Invocation, Rabbi Max Shapiro, Temple Israel; Flag slaute, Maj. James G. Sieben, Minnesota National Guard; President John F. Kennedy, special recorded message to the Midwest Conference of the Amercan Food-for-Peace Council; welcome, Hon. Arthur Naftalin, mayor of Minneapolis.

9:45 a.m.: Address, Hon. George McGovern, "Agricultural Abundance: Instrument for Peace."

10:15 a.m.: Panel discussion, "Food for Peace as an Instrument of Foreign Aid"; moderator, Prof. Sherwood Berg, head, Agriultural Economics Department, University of Minnesota; panelists, Prof. Raymond Penn, Agricultural Economics Department, University of Wisconsin; Mr. Louis Brewster, manager, operations control, specialty products division, General Mills, Inc.; Mr. Herschel D. Newsom, master, the National Grange; Mr. Aled P. Davies, vice president, American Meat Institute; Hon. JOSEPH E. KARTH, U.S. House of Representatives; Hon. CLARK MACGREGOR, U.S. House of Representatives.

11:15 a.m.: Group discussion period, moderator and panelists.

12:15 p.m.: Adjournment of morning session.

12:30–2:00 p.m.: Luncheon, Coffman Memorial Union, main ballroom.

LUNCHEON PROGRAM

Chairman: Mr. Paul S. Willis, chairman, American Food for Peace Council.

Invocation: Rev. Martin Schirber, O.S.B., St. Johns University, Collegeville, Minn.

Introductory remarks: Hon. George McGovern.

Address: Hon. Fowler Hamilton, Administrator, Agency for International Development.

Afternoon session, Mayo Memorial Auditorium

2 p.m.: Mr. James G. Patton, president, American Freedom from Hunger Foundation "Food for Peace and the Freedom from Hunger Campaign."

2:30 p.m.: Panel discussion, "Voluntary Agencies and Food for Peace—A Partnership for Global Food Assistance," moderator, Rev. Clyde N. Rogers, Town and County Department, the Ohio Council of Churches; panelists, Mr. Frank L. Goffio, deputy director, CARE, Inc.; Rev. Reuben Youngdahl, Mt. Olivet Lutheran Church; Dr. Reginald Helferich, vice chairman, Church World Service, and vice president, Meals for Millions; Rev. Joseph Gremillion, head, socioeconomic division, Catholic Relief Services; Rabbi Hugo Gryn, executive assistant, American Jewish Joint Distribution Committee.

3:30 p.m.: Group discussion period.

4:15 p.m.: Motion picture, "A School Lunch Program in Peru," by NBC.

5 p.m.: Adjournment of afternoon session.

5:15–6:15 p.m.: Leadership meeting for State coordinators, board room, third floor, Coffman Memorial Union.

7 p.m.: Banquet, Coffman Memorial Union, main ballroom.

BANQUET PROGRAM

Chairman: Hon. George McGovern.

Invocation: Rev. Robert L. Anderson, St. Anthony Park Lutheran Church.

Address: Gov. Elmer L. Andersen.

Address: Hon. HUBERT H. HUMPHREY.

"American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way and to play an important role in helping to provide a more adequate diet for peoples all around the world. We must make the most vigorous and constructive use possible of this opportunity. We must narrow the gap between abundance here at home and near starvation abroad.

"JOHN F. KENNEDY,
"President of the United States."

"Midwest America is the heartland, not only of our Nation, but of the world. As such, it must be the vital center of the humanitarian program to move surplus stocks from storage bins and shelves, to the needy peoples of the world. We midwesterners are proud to take the lead in this program—not alone because of its implications for peace, but because of the primary obligation we deem a privilege: to feed the hungry, to clothe the naked.

"ELMER L. ANDERSEN,
"Governor of Minnesota."

American Food for Peace Council, midwest region

States:	*Coordinators*
Illinois	Richard Waxenberg
Indiana	Jacob E. Kiefer
Iowa	L. B. Liddy
Kentucky	Mancil Vinson
Michigan	Sanford A. Brown
Minnesota	Earl W. Madsen
Missouri	Don Thomason
Ohio	James A. Lantz
Wisconsin	Robert Clodius

Mr. Paul S. Willis, chairman, American Food for Peace Council, Washington, D.C.

MINNESOTA ASSEMBLY ON ARMS CONTROL

Mr. HUMPHREY. Mr. President, as chairman of the Senate Subcommittee on Disarmament I have frequently placed in the RECORD documentary material relating to our disarmament policy, the conduct of international negotiations, and the like. I do this not only to keep the record straight, but also to inform the American public. Without an informed and articulate public opinion, without a large number of thinking Americans able to discuss disarmament on its merits and not on the basis of clichés or stereotypes, the U.S. Arms Control and Disarmament Agency could find itself working in a vacuum.

Happily no such vacuum exists. Although few Americans believe that a workable disarmament agreement is imminent or feasible, very many of our people believe that disarmament is one of the essential goals of our foreign policy. It is no longer true, if it ever was, that a person expressing interest in disarmament is a pacifist or a "bleeding heart." The American people, Mr. President, have a far better idea of the requirements of national security than they are sometimes given credit for.

As proof that Americans can discuss disarmament and arms control in both constructive and levelheaded terms, Mr. President, I ask unanimous consent to have printed in the RECORD the text of conclusions reached at a recent gathering of the Minnesota Assembly on Arms Control, March 28–31. This conference took place shortly before the latest U.S. disarmament proposals were unveiled at Geneva on April 18. It is interesting for this reason to note the extent to which interested citizens—representatives of business, labor, farm groups, the professions, Government, and the academic community—anticipated the conclusions independently reached by agencies of the U.S. Government.

The Minnesota assembly demonstrated what one Government participant called "a fine mixture of realism and a desire to progress steadily toward needed goals." Mr. President, I venture to say that this is the only attitude with which the subject of disarmament can usefully be approached. I know it is the attitude displayed by other similar discussions around the United States. The Minnesota Assembly on Arms Control was not an isolated phenomenon. It has had its counterparts in many different localities, in many widely separated communities. All such activities contribute their share toward the evolution of a U.S. posture on disarmament and arms control.

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

ARMS CONTROL—ISSUES FOR THE PUBLIC

(Final report of the Minnesota Assembly on Arms Control)

At the close of their discussions the participants in the assembly reviewed as a group the following statement. Although there was general agreement on the final report, it is not the practice of the American assembly or the University of Minnesota for participants to affix their signatures, and it should not be assumed that every participant necessarily subscribes to every recommendation included in the statement.

The American assembly is a program of conferences which bring together business, labor, farm groups, the professions, political parties, government, and the academic community. These meetings develop recommendations on issues of national concern. The American assembly is a nonpartisan public service designed to throw light on problems confronting citizens of the United States.

The assembly was established in 1950 by Dwight D. Eisenhower, as president of Columbia University.

I. APPROACHES

1. Universal disarmament: It should be our stated goal to achieve general and complete disarmament as soon as this becomes consistent with national security. At present conceptions of national interest and attachments to disparate national institutions and value systems severely limit the growth of international community, so that states will not consistently rely upon pacific methods of settling international disputes. In the absence of acceptable alternatives to war for the settlement of such disputes, general and complete disarmament would be premature, whether by unilateral or multilateral action. It would not assure peaceful solution of international issues, and might encourage intensification of the Communist tactics of infiltration and guerrilla warfare.

2. Control of armament: Our immediate objective should be the control of arms in ways which will be discussed hereafter, in order to minimize danger of resort to war and to encourage growth of institutions of pacific settlement. This is an interest which must be considered paramount to economic considerations. To these ends we should continue to negotiate and to examine every area of possible agreement.

3. Alternatives to force: The United States should continue to use or try to develop such alternative means of settlement as quiet

diplomacy, conference diplomacy, the procedures of the United Nations, international arbitration and adjudication, international police, regional security arrangements. It should seek to develop new areas of common action in education and cultural relations, communications, economic relations, scientific exploration of outer space, and social welfare. Such efforts may contribute to mutual trust among nations and to the growth of international community and consequently diminish the inclination to settle disputes by force.

II. UNILATERAL ACTION

4. Deterrence: We have no choice at present but to try to provide deterrents which will convince leaders of Communist states that it would not be worth the cost either to attempt a nuclear attack against the United States or aggression against other areas regarded by us as important to American security. This means we are compelled to maintain appropriate strategic forces, nuclear and conventional, for retaliation against either type of attack. Hardening of these systems against destructive attack is necessary to assure the ability to retaliate. Any measures which increase the credibility of our intention to retaliate under such circumstances will help to make deterrence effective. We are under no illusion that such a system of deterrence assures security, or that it can be wholly stabilized, but the effort to stabilize it may create a situation which will encourage realistic investigation and negotiation.

5. Survival: In a period of stabilized deterrence through unilateral action there will be more identity of ends pursued by the Soviet Union and the United States than of means; thus stabilization may be attempted by one through secrecy concerning forces, by the other through overt hardening of them. In this uncertain context there may be substantial risk in not taking measures to assure maximum survival of our people in the event of nuclear attack, but also some risk that such measures would be regarded as evidence of aggressive intent. The essentially defensive program of fallout shelters should in any case be continued. Planning for a system of deep blast shelters ought to go forward, but construction should be deferred until Soviet attitudes with respect to stabilization of deterrence can be more fully examined. Standby machinery of government, capable of functioning after a nuclear attack, should continue to be developed throughout the country.

6. Planning and administration: The Arms Control and Disarmament Agency is in a good position in terms of permanency, independence, and definition of mission to make a creative approach to arms control and disarmament. It may face difficulties in terms of coordination with many interested departments and agencies, access to necessary materials, and budgetary limitations. These need not be serious if the President and the Congress give it the support it should have. To achieve maximum effectiveness it must have the resources for a substantial program of research, and the opportunity to present its data and conclusions to policy agencies.

The research program should not be limited to the technical problems of control or disarmament presented by different weapons systems. It should include such problems as Soviet attitudes toward arms control, social and political implications of inspection, methods of verification without direct inspection, the possibility of limited sanctions for the observance of control systems, the rechanneling of resources from arms production to economic aid and development programs, technological unemployment resulting from arms reduction, methods of pacific settlement of international disputes, international police, regional organizations. The Agency should encourage universities and other organizations to participate in appropriate research and training programs and should cooperate with them and with voluntary associations and educational leaders in developing wide study and discussion of these problems. It is important that the Agency be given sufficient budget to support such research and educational activity and to train personnel competent to direct it.

7. Problems of domestic adjustment: Either regulation of armament or disarmament poses serious problems of domestic adjustment. They might require acceptance of an international regulatory agency with powers of inspection and verification which some would regard as interferences with national freedom of action. Disarmament would require a transfer of industrial capacity from military to civilian production. In terms of impact upon the total economy this appears to be a manageable problem. In certain areas which are disproportionately committed to defense production the impact can be severe, so that careful reallocation of remaining defense contracts is necessary to avoid local dislocations of industry resulting from cuts in military production. The adjustments needed in both attitudes and economy deserve much more systematic study than they have yet received. Accurate information about the economic impact of proposed measures should be made available to labor, industry and the public generally.

III. BILATERAL ACTION

8. Negotiable areas of armament regulation: Only continuous research and negotiation can make clear whether there are substantial areas of arms control or disarmament with respect to which the Soviet Union and the United States can agree. We venture the following tentative conclusions:

(a) Nuclear test bans: Resumption of Russian nuclear testing has not only impaired confidence in the Soviets' willingness to observe a prohibition, but has also left us in doubt concerning the present balance of nuclear technology. Even if we already possess nuclear capacity sufficient for deterrence, an incompletely observed test ban would put us at a disadvantage in terms of new scientific advances. We support the present U.S. position to seek an agreement for an adequately policed test ban and to postpone resumption of testing while a reasonable prospect of such an agreement exists.

(b) Measures against surprise attack and accident: A stabilized system of nuclear deterrence presupposes timely detection of aggression and nearly automatic retaliation, so that effective measures against surprise attack and accidental war become essential. A basic step is adequate protection of launching bases of the retaliatory force from destruction by a first strike. Other possibilities which ought to be explored with the Russians in order to determine whether there is common ground, are some form of open skies for surveillance, perhaps by joint use of a reconnaissance satellite system, zonal inspection on the ground, disengagement proposals, admission of foreign observers to missile detection bases, or even to hardened retaliatory launching bases, direct communications to minimize the chance of misunderstanding in the event of accident. Something might be learned about methods of inspection and verification by experimenting with control systems in areas where there is not yet a direct nuclear confrontation as in Antarctica, or outer space. Joint conduct of scientific projects in the exploration of outer space might help to develop mutual confidence.

(c) Limitation of materials and production: Because of difficulties in inspection and verification of nuclear production and existing stockpiles, it may be more hopeful to attempt limitation of vehicles, although it is not clear that those to be used for scientific purposes can be separated from those intended to carry warheads. Some reduction of military manpower and armament in all categories may be possible. When the point is reached at which such reduction would affect forces in direct confrontation, this method would present problems of equating armament in different categories, to which no simple answer can be given. All these possibilities require more research and discussion than they have yet received. National security requirements for arms control are not alike for all systems of weapons, so that we are not entitled to conclude that obstacles to the regulation of one type will bar all progress.

IV. MULTILATERAL ACTION

9. Participants in arms control and disarmament agreements: An agreement between the Soviet Union and the United States for some initial reduction of forces and weapons, or for control of certain categories of weapons, might be feasible without the inclusion of Communist China. For several years this would be true of the control of strategic nuclear weapons, or of activities in outer space. Ultimately participation by the Communist Chinese will become essential to effective control or disarmament. This may mean that the United States will find it necessary to recognize the Peoples Republic of China, although in doing so the independence of Taiwan must be assured. Control of armament or disarmament could not proceed far without affecting the members of the North Atlantic Treaty Organization.

10. North Atlantic Treaty Organization: In order to reduce the danger of nuclear war it may prove necessary to build up conventional forces of the NATO countries in Western Europe. This should be done by increasing contributions of European states more nearly in proportion to their capabilities. Although these forces would be trained in the use of tactical nuclear weapons, the United States should continue its present control of the nuclear warheads. It should not encourage the development of an independent nuclear capability in these countries.

11. Asia: In the absence of effective measures of arms control or disarmament in southeast Asia, areas of the Western Pacific and other areas where there is military confrontation with communism, we should pursue a policy of developing conventional and guerrilla forces to meet Communist aggression.

12. United Nations: It is desirable for the United States to support every practical proposal to substitute effective United Nations arms control and disarmament for other multilateral agreements.

PROGRAM, THE MINNESOTA ASSEMBLY ON ARMS CONTROL

Wednesday, March 28

5:30: Check-in of participants.
6:00: Dinner..... Charles Room
7:30: Opening plenary session... Charles Room
Welcome and introduction, W. C. Rogers, Clifford Nelson.
An introduction to arms control, Betty Goetz.

Thursday, March 29

8:00: Breakfast..... Charles Room
9:00: Group discussions.. Charles Room, Albert Room
12:00: Luncheon..... Boreas Room
1:30: Group discussions... Charles Room
4:30: Adjourn for the day.
6:30: Dinner..... Boreas Room
7:30: Plenary session; panel discussion..... Charles Room
Betty Goetz, Donald S. Bussey, Donald Michaels, J. I. Coffey, Barbara Stuhler, Chairman.

Friday, March 30

8:00: Breakfast..... Boreas Room
9:00: Group discussion.... Charles Room, Albert Room
12:00: Luncheon..... Boreas Room
1:00: Group discussion.... Charles room, Albert Room
3:30: Recreation period.
6:30: Dinner..... Charles Room

Saturday, March 31

7:30: Breakfast..... Boreas Room
9:00: Final plenary session.. Charles Room
11:30: Adjournment.
12:00: Luncheon..... Boreas Room

FACULTY

Fred E. Berger, director, Center of Continuation Study, University of Minnesota.

Lt. Col. Donald S. Bussey, U.S. Army War College, Carlisle, Pa.

J. I. Coffey, Institute for Defense Analyses, Washington, D.C.

Betty Goetz, Special Assistant to the Director, U.S. Arms Control Disarmament Agency, Washington, D.C.

Donald Michaels, Director, Planning and Programs, Peace Research Institute, Washington, D.C.

Clifford Nelson, vice president, American Assembly, Columbia University, New York, N.Y.

William C. Rogers, professor and director, World Affairs Center and State Organization Service, University of Minnesota.

Richard Simons, associate professor, General Extension Division, University of Minnesota.

Barbara J. Stuhler, associate professor and assistant director, World Affairs Center, University of Minnesota.

AGENDA

First session, Thursday morning, March 29

1. Should the United States try to achieve general and complete disarmament? If so, on what basis? Unilaterally? By negotiation? With what safeguards or security machinery?

2. If not, what alternative goals can the United States develop and espouse?

3. How do these goals relate to U.S. and allied security, international peace and stability, minimizing the effect of war if it should come, U.S. prestige and influence abroad, and U.S. domestic welfare?

Second session, Thursday afternoon, March 29

1. What are the problems and prospects of strengthening the security of the United States by finding common ground with Russia on cessation of nuclear tests, measures against surprise attack, measures to reduce likelihood of accidental war, controls on use of outer space, limitations on further production of missiles, of nuclear materials, other measures to stop spread of nuclear weapons to other nations?

2. Which of these controls might be sought as immediate measures even if no other disarmament should take place?

3. Which of these might be sought as a next stage in comprehensive disarmament?

4. What principles should govern arrangements for inspection and control of disarmament agreements?

5. Are sanctions for violations of arms control agreements possible?

6. Must China be included in control agreements? Other powers?

Third session, Friday morning, March 30

1. Is the policy of deterrence an adequate safeguard against war? What unilateral policies by the United States would help stabilize the deterrent? Steps to assure the certainty of retaliation? Steps to increase the probability of survival? Standby government and legislation?

2. Should the United States seek to build up conventional power in NATO, build up conventional power elsewhere, give nuclear weapons to NATO, including the West German Army, help France develop a nuclear arms capability?

Fourth session, Friday afternoon, March 30

1. Does the creation of the new Arms Control and Disarmament Agency meet the need to assign responsibility within the executive branch for arms control policy?

2. How could planning and decision-making be improved? What increases or changes are called for in personnel, budget programs?

3. What should be priority areas for planning and research? Methods of detection? Methods of administration and organization for an effective control system? Improvements in international police to maintain peace as levels of disarmament advance? Advocating U.S. policy on disarmament? Economic planning for the contingencies of arms control?

4. What policies can be adopted to prepare for possible controls in the future? Reexamination of security and classification policies? Keeping records to make later controls possible?

5. What policies can be adopted to prepare for the possible economic effects of disarmament? What is the nature of this effect likely to be? What Government policies may be required? What needs to be done by labor and industry to anticipate the economic effects of disarmament?

PARTICIPANTS

Adams, Frank E., veterans service officer (Hennepin County) and member of the Minneapolis School Board, Minneapolis, Minn.

Anderson, Mrs. O. H., president, League of Women Voters of Minnesota, Mahtomedi, Minn.

Bassett, Wayne R., Nobles County librarian and member, Minnesota State Legislature, Worthington, Minn.

Beebe, Rev. Lawrence E., First Unitarian Society of Minneapolis, Minneapolis, Minn.

Boe, Yvette, graduate assistant in political science, Ford Hall, University of Minnesota.

Canning, W. Myles, Northwest Bell Telephone Co., Fargo, N. Dak.

Chipman, William, director, Department of Civil Defense of Wisconsin, Madison, Wis.

Deutsch, Harold C., chairman, Department of History, University of Minnesota, Minneapolis, Minn.

Dupre, J. Huntley, professor of history, Macalester College, St. Paul, Minn.

Edie, John, history teacher, Blake School, Minneapolis, Minn.

Fiola, Mrs. Nell, housewife, Minneapolis, Minn.

Flanigan, William H., instructor, Department of Political Science, University of Minnesota, Minneapolis, Minn.

Fugina, Peter X., member, Minnesota State Legislature, Minneapolis, Minn.

Godwin, Paul, graduate student, Department of Political Science, University of Minnesota, Minneapolis, Minn.

Hage, George S., professor, School of Journalism, University of Minnesota, Minneapolis, Minn.

Johnson, Mrs. Walter E., civic leader, Crookston, Minn.

Leach, John V., professor of religion, Dakota Wesleyan University, Mitchell, S. Dak.

Lowe, Mrs. Justus F., church leader, Minneapolis, Minn.

Lund, Mrs. Russell T., Republican national committeewoman, Minneapolis, Minn.

Luther, Mrs. Sally, member, Minnesota State Legislature, Minneapolis, Minn.

Motter, Rev. Alton M., Minnesota Council of Churches, Minneapolis, Minn.

Okie, Richardson B., author and civic leader, St. Paul, Minn.

Otterness, Mrs. William, Women's International League for Peace and Freedom, Minneapolis, Minn.

Palmer, Miss Mary J., American Association of University Women, Minneapolis, Minn.

Pickrel, Luther, extension economist in public affairs, University of Minnesota, Minneapolis, Minn.

Pilch, Mrs. Mary M., Minnesota State Department of Education, St. Paul, Minn.

Pilgrim, Rev. Norman W., Methodist pastor, South Dakota Annual Conference of the Methodist Church, Colman, S. Dak.

Platt, Martha R., member, United World Federalists, Minneapolis, Minn.

Platt, Kenneth, high school senior, Minneapolis, Minn.

Robinson, Morris C., Grace Presbyterian Church, Minneapolis, Minn.

Schon, Hubert A., director, Department of Civil Defense of Minnesota, Minneapolis, Minn.

Simon, Sheldon, graduate assistant in political science, University of Minnesota.

Smith, Robert W., associate editor of the editorial pages, Minneapolis Star and Tribune, Wayzata, Minn.

Spaulding, Marjorie, foreign relations committee, AAUW; and World Affairs Council of Minneapolis, Minneapolis, Minn.

Wolfsberg, Vernie H., Minnesota division, AAUN, St. Paul, Minn.

ORDER OF BUSINESS

Mr. RANDOLPH obtained the floor.

Mr. COTTON rose.

Mr. RANDOLPH. Mr. President, I should like to accommodate my colleague in some manner. I always wish to do so. I am prepared to wait until he has spoken.

Mr. COTTON. Mr. President, I thank my good friend from West Virginia for his courtesy. I am very happy to have him proceed. However, I was seeking recognition in connection with the debate on the bill before the Senate. A number of Senators have been waiting to discuss this important legislative proposal; and I hope we may have some slight attention from the Chair.

Mr. RANDOLPH. If my colleague will remain in the Chamber, I shall be glad to yield the floor, because I do not wish to break the continuity of the consideration of the pending bill. However, I have heard other Senators speaking on subjects not pertinent to the pending measure, and I desired to speak on an important matter. Nevertheless, I shall be glad to yield.

Mr. COTTON. I thank the Senator; but he is not breaking the continuity. It has been broken for a long time, by a number of Senators. I am very happy to have the Senator proceed.

SMALL BUSINESS ADMINISTRATION IS STIFLED; APPROPRIATIONS TO MATCH AUTHORIZATIONS URGED; SBA LENDING NEEDED TO HELP STRENGTHEN ECONOMY

Mr. RANDOLPH. Mr. President, the Senate soon will act on S. 2970 as reported by the Committee on Banking and Currency. This measure, to amend the Small Business Act, has been reported with substantial amendments, according to the report filed for the committee by the junior Senator from Wisconsin [Mr. PROXMIRE].

I will support the committee amendments which would increase the overall authorization for the Small Business Administration's revolving fund by $250 million, making the new total $1,450 mil-

lion; eliminate the separate restrictions in the act on commitments under the regular business loan program and the disaster loan program; and place the two funds in a single pool, available for either of the two programs; increase the amount of authorization for these two pooled programs by $234 million to a total of $1,109 million; and increase the separate authorization for programs under the Small Business Investment Act of 1958 by $16 million to a figure of $341 million.

Believing that the Small Business Act and the Small Business Investment Act are significant and vital elements of our country's statutes for economic stimulation, it will be a privilege for me to support amendments to increase funding authorizations.

But in the light of conditions which have been prevailing during the past 2½ months, and unless there is a dedicated effort to improve the situation in the future, whatever the Senate does about S. 2970 may prove to be a hollow gesture. Authorizations unsupported by appropriations are not of real value to program administration. This is a condition about which I am much concerned. In a letter to the President of the United States on June 6, 1962, I wrote:

It was most disturbing to learn that, because of insufficient appropriations, SBA was required last December to take administrative action to reduce to $200,000 the amount for which it could permit any single applicant to apply for a loan. There are many qualified small businesses that require more than this administratively imposed ceiling which is so substantially below the $350,000 limit provided in the Small Business Act. The Bureau of the Budget eventually cleared a supplementary appropriations request of only $90 million which, within itself, was not sufficient to enable SBA to meet credit demands.

I feel sure, Mr. President, that you deplore, as I do, the fact that because of controversy between the Appropriations Committees, not even the $90 million request of the Budget Bureau has been made available. Thus, since March of this year, SBA has been without funds for lending purposes, except for the relatively small amounts made available from loan collections accruing to the revolving fund.

This is, indeed, a tragic set of circumstances. At a time when responsible efforts should be made, and are being made, to stimulate the economy and advance the pace of economic growth, one of the agencies of Government most willing and best able to be of assistance—the Small Business Administration—is being retarded in its efforts instead of being encouraged.

The enforced hiatus on SBA lending certainly is not providing any stimulus for forward movement of the economy. It could have been avoided had adequate funds been approved for the 1962 fiscal year. I regret that it has not since been corrected by agreement on a supplemental appropriations measure.

As set forth in my communication to the President, I believe that by comparison with the salutary effects, the additional $100 million which should have been provided for the Small Business Administration this fiscal year would have been a relatively insignificant amount. It would have afforded very real help for many small firms. Moreover, the funds would have been repaid to the Government—and with interest.

In concluding the letter to the President, I wrote:

I intend to urge in the Senate without delay that there be a cognizance of these conditions, both in the legislative and executive branches. When such a vital element of our Government's economy stimulating agencies as the Small Business Administration is virtually forced by fiscal starvation to ride at anchor we are permitting both the agency and the economy to rust and erode. I am disturbed by this condition and urge that it be corrected. This is a petition both to my colleagues of the Congress and to you as the Chief Executive.

Mr. President, I urge that you direct the Administrator of the Small Business Administration to rescind the $200,000 administrative limitation on loans as of the beginning of fiscal 1963. And I express the belief that it would be helpful, too, if the Budget Bureau would be directed to adopt a more sympathetic attitude toward the needs of the SBA. It is my judgment that the end product of such actions would be improvement in the ability of the Small Business Administration to assist the small business segment of the economy and thus enhance stimulation of the country's total economic growth.

Mr. President, the 100 largest manufacturing corporations in the United States last year had combined total assets of almost $126 billion and provided employment for over 5 million persons. The prosperity of the "glamorous 100" is vitally important to the Nation. But we must likewise be cognizant of the fact that Big Business is only a part of the Nation's economy which altogether employs more than 70 million persons in nearly 5 million enterprises.

So, it is important that we keep in mind the knowledge that there are as many enterprises in this country as there are citizens in the employ of the 100 largest manufacturing corporations. And we must not forget that most of the 5 million enterprises which provide jobs for over 70 million persons are in the smaller business category. In fact, the number of small businesses in the country within the definition used by the Small Business Administration is more than 95 percent of all businesses in the United States—or more than 4¾ million of them.

It is said that there are more owners—more stockholders—of the largest manufacturers than there are persons employed by those same corporations. This is significant and it bears relationship to the fact that the average investment per worker is very high among most of the largest firms.

Just as we must take action to sustain the small family-size farms in America, so we must likewise concentrate substantial effort on creating more economic strength and growth and more job opportunities among the smaller businesses and service instrumentalities of the country. The development of job opportunities is generally at a higher rate among the smaller businesses than seems to be the case with respect to the highly automated larger enterprises.

We must encourage business and industrial growth on a broader base, and certainly more at the level of activity which the statutes intend that the Small Business Administration shall serve.

Mr. President, I have not risen in this forum in any spirit of narrow, carping criticism. I have stated very forthrightly and, I trust, constructively, the facts as they relate to the failure of, yes, the Congress and, yes, the executive establishment to meet this problem. In West Virginia, loans have been approved which, if they were consummated, would result in men and women being employed. However, no money has been forthcoming from the Small Business Administration on those loans because the Agency is lacking in funds. Credit has been made available by the local banking institutions, representing a participation in the amount of approximately 25 cents on every dollar. Yes, the local banks' participating shares have been subscribed by the local lending institutions. The Small Business Administration has approved the Federal loans, but, I repeat, no money has been made available through the Federal Government. As a result, 20 men or 50 men or a hundred men, who would be gainfully employed if the loans were consummated, are without work. This is a serious situation.

I am not pointing a finger directly at any person or any agency or any committee. However, the administration, the Congress and its committees should be more affirmative and more positive, and must make an all out frontal effort in the area concerning which I have addressed these remarks.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT OF FEDERAL COMMUNICATIONS ACT SECTION 315(a)—EQUAL TIME PROVISION

Mr. CLARK. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. PASTORE. I yield.

Mr. CLARK. I am thoroughly in support of the pending bill, and I intend to vote for it. I should like to raise one question, however, if my friend the Senator from Rhode Island will be good enough to answer it.

There is a bill pending in his committee which would either suspend or permanently remove the requirements of section 315 of legislation dealing with equal time in political campaigns. As a candidate for reelection this year, I am deeply interested in that proposed legislation. It has been my view that there was an equal reason for suspending section 315 in congressional and senatorial elections as there was in connection with the presidential election of 1960. If it made sense to suspend the requirement in the presidential election, it seems to me it makes equal sense to suspend it in connection with senatorial and congressional elections. My question is: Does

the Senator intend to press this bill, is there a chance that he will soon hold hearings on it, and what are his views as to the desirability of the proposed legislation insofar as the campaign of 1962 is concerned?

Mr. PASTORE. So far as I am concerned, I should like to see that kind of legislation enacted before the elections take place this year. I hope there will be a majority in the Senate and in the House who will be of the same mind. However, there are pending before our committee four bills which touch upon the same point.

The Senator will recall that it was upon the initiative of the Commerce Committee that we were able to suspend the equal time provision insofar as it applied to the offices of President and Vice President in 1960. That led to the famous debates as to the election of 1960. They turned out to be so very successful that the Senator from Rhode Island introduced a bill permitting the exemption to be applied to the offices of Senator and Member of the House of Representatives and Governor of a State. Four such bills are pending. One has to do with the Presidency and the Vice Presidency; another has to do with the Presidency and Vice Presidency and Senators and Representatives and Governors, which I introduced; then there is another bill which I believe was introduced by the Senator from New York; and there is also a fourth bill. We have assigned this subject for hearings to begin on July 10.

Mr. CLARK. I thank the Senator from Rhode Island for his answer.

I observe my colleague, the Senator from Pennsylvania [Mr. SCOTT], in the Chamber. Ever since he became a Member of the Senate, we have conducted a series of biweekly reports to the people for the benefit of our constituents in Pennsylvania. On occasion, we have expressed differing points of view. We try to make the programs lively. We have had guests. We believe, perhaps egotistically, that that program was a real public service to the people.

Mr. SCOTT. It was the longest nonsustaining program on the air.

Mr. CLARK. The Senator is quite correct. At one time we broadcast over 39 radio and 15 television stations which carried the program in Pennsylvania each week. Today only 9 radio stations and 3 television stations carry the program. We are no longer able to produce a joint program, simply because I am a candidate for reelection, and the radio and television stations tell us—and I have a sheaf of letters from them—that under the equal time provision of the law they cannot continue to broadcast the program. This seems to me to be a great misfortune. My colleague, will be up for reelection in 1964, and I am certain he will feel as I do.

I ask the Senator from Rhode Island if in some way the situation cannot be improved, so as to enable this kind of program to continue.

Mr. PASTORE. There is nothing that can be done until the law is changed. That is one of the questions which perplexes the Committee on Commerce. I am one who believes the law should be relaxed. We must begin to consider the problem in the public interest. Most of the people in the industry are persons of integrity and maturity. They are interested in providing a public service. But so long as the equal time provision exists, it means that anyone who is a candidate or who announced he is to be a candidate for office would be entitled to the same opportunity his opponent enjoys. This raises a problem for the broadcasters, who simply restrict the number of programs involving legally qualified candidates who seek an elective office.

If it is desired to open up the opportunity for debates, as was done in the last campaign for President, it will be necessary to modify the law. It is my fervent hope that that may be done at this session.

Mr. SCOTT. Mr. President, I should like to have my remarks apply generally rather than with reference to Pennsylvania particularly, although I hasten to say that I agree exactly with what my senior colleague has said about the need for equal time to express views and about the utility of such programs. We would be lacking in a due sense of modesty if we were not able so to agree.

Speaking now of the broad scope, as I was formerly a minority member of the subcommittee under the chairmanship of the Senator from Rhode Island, the Subcommittee on Freedom of Information—and I take some pride in the fact that I gave the subcommittee that high-sounding title—I signed a report, together with the two majority members of the subcommittee, which report concluded that perhaps the equal time amendment could be changed as of next year instead of now. We recall the late revered Senator from Arizona, Mr. Ashurst, who is supposed to have said that consistency is, at best, a semiprecious stone.

I have had—as I believe every Senator should have—an opportunity to have time for reflection. I have concluded that perhaps I was wrong in agreeing with the two majority members about the equal time provision, and I here make my pilgrimage, if not to Canossa, at least to the Senate, and say that, after careful consideration of all sides of the question, I am inclined to believe that it would be quite desirable to amend the act so as to apply it to congressional elections—that is, to the election of Members of the Senate and House—and to apply it, perhaps, to the gubernatorial races.

I believe the right of the people to know is of sufficient importance to warrant expediting the measure. After all, the position I took earlier was that perhaps the revision could wait until next year. But now I question my own earlier judgment. I think it would be better if there could be such legislation.

AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain additional remarks, together with certain sections from the hearings on this subject. I make this request because I am losing my voice, and I know that other Members of the Senate would not want that to happen to a compatriot.

Mr. PASTORE. Inasmuch as the Senator from Pennsylvania is not a candidate this year, I think he is entitled to his voice.

There being no objection, the statement and excerpts from the hearings were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCOTT

The all-channel TV bill was reported by our committee with such near unanimity that I thought at first I would have nothing to say about it. However, there are minority views, and I think I owe it to the legislative record to offer some comment on them, particularly because the minority views came from this side of the aisle.

The main argument of the minority views is that this bill, H.R. 8031, would intrude the Federal regulatory power into an area which it has not heretofore entered and would thus establish a bad precedent.

I think I am as loath as the next man—certainly as loath as any of my colleagues on the Commerce Committee—to see any unnecessary extension of Federal regulatory power. On principle, I oppose placing Federal regulation between the purchaser and the manufacturer, but I try most carefully to apply principle in proper cases.

With the mass of legislative proposals clamoring for our attention, it is natural enough that each of us should try to dispose of them initially by measuring them against his basic philosophy. In doing that we look for ways in which the new proposals are similar to those we have dealt with in the past. That approach is a sound one, and it will guide us rightly so long as we remember to look not only for the ways in which things are the same but the ways in which they are different.

Senators who have signed the minority views ask, if we say today that people can buy only all-channel TV sets, "where will we draw the line tomorrow?" They ask, "Why not force automobile manufacturers to make only compact cars, because limousines take up too much room, or only convertibles because sunshine is good for people?"

I submit that the minority views draw a parallel that ignores the way in which regulation of the interstate sale of TV sets differs from Federal regulation of other interstate sales. That difference lies in the fact that the Federal Government, by necessity, regulates use within the United States of the electromagnetic spectrum.

There is only one such spectrum. It exists worldwide and possesses physical characteristics that command regulation and order, if we are to get any benefit from the spectrum at all. One use at a particular point on the globe excludes another, and for this reason the Federal Government, in order to serve the people, long ago took control of the spectrum. The Federal Communications Act itself dates from 1934, so there is no novelty in the thought that there must be regulation as to who uses a frequency, at what time and in what place.

At a date which predates the service of many of us here, the Federal Communications Commission found it wise to work out a nationwide assignment of television frequencies. In the state of the telecasting art then existing, it seemed reasonable to assign VHF and UHF frequencies for ulti-

mate service to the public in the same area. As television grew, heavy public investments grew up around the television stations that began service. Most of these, for sound engineering reasons, were in VHF frequencies, so the public investment in receiving equipment has been predominantly in sets that will receive only VHF frequencies.

Now, however, the public need for more television broadcasting—to serve areas not now competitively served, or to serve the needs of educational telecasting—is demanding more and more television transmitters. They cannot be built unless there are frequencies on which they can operate. There are no longer enough frequencies in the VHF band.

Unfortunately, there are only a minute percentage of receivers in the UHF band—and there is the rub. To give a licensee a UHF frequency today is much like giving a sandlot ball team everything to play with except a ball. There simply isn't money enough in telecasting to permit a new licensee to build his transmitting facilities and his studios, and then go out and offer, free of charge, to equip every TV receiver within his range with a UHF converter. The alternative, in the public interest, is to require that future TV sets offered for sale be able to receive any transmission on an authorized frequency.

The parallels to this action are not to be found in the example given in the minority views, but in such things as requiring that aircraft using the Nation's airways be of an approved type and certified as to airworthiness, or that a household refrigerator shipped in interstate commerce be equipped with a device permitting it to be opened from the inside. Of a similar nature is a bill which has already passed the House and which would prohibit the shipment in interstate commerce of hydraulic brake fluid that fails to meet specifications of the Secretary of Commerce.

Aside from these examples, there are a host of laws in the field of food and drugs and many in the field of weights and measures. By Federal law, it is even prohibited to ship false teeth in interstate commerce unless they have been prescribed by a dentist in the State to which they are shipped.

I am not much impressed by the argument that this legislation will require a high-priced addition to set components and will thus raise the cost to consumers by as much as $150 million per year at the present level of sales. You can go downtown in Washington right today and buy a 19-inch all-channel TV set for under $150. Once this legislation goes into effect, the difference in cost between VHF and all-channel sets will reach the vanishing point. Already, I have been told, the order has gone to the design staff of one manufacturer of electronic components to develop an all-channel tuner that will sell to the assembler at a cost not more than $2 higher than the VHF-only tuner now used.

I cannot conclude without saying that I, too, feel a pang of regret that legislation of this sort is necessary. It would not be if mere mortals had the foreknowledge of gods. Had the FCC known in time of the dissimilar characteristics of UHF and VHF transmissions, we would have had a different allocations plan. Had anybody known in time, we could have had a continuous band of VHF frequencies—or UHF frequencies—set aside for television's use. But that is not the way the world works. Hindsight never anticipates, and we are left to make do with our human limitations. We are left to face the facts as they are—not as we would want them to be.

Those facts tell us that the alternative to this legislation is to choke off—indefinitely into the future—the further expansion of nationwide competitive television, and to stifle in its infancy the development and maturity of educational television.

In this same Congress, just a few weeks ago, we approved a program of Federal matching grants to stimulate educational telecasting. What we are asked to do now is to give a further vigorous lift to the educational TV potential allocated to the UHF band. Of 279 channels reserved for educational TV, 187 are in the UHF band. Of these only 28, or less than 16 percent, have been granted construction permits. The little extra lift this legislation can give could mean more to putting educational TV stations on the air than giving them exclusive rights to telecast college football—and I have heard that wistfully discussed by educational broadcasters.

May I say, in closing, that in my view, this legislation is definitely in the public interest. It will play its part, over the years ahead, in helping us to a better informed citizenry. It will give our Nation voters who have had the opportunity to see and hear all candidates, with none excluded because of unavailability of broadcast time. It will expand opportunities for education and entertainment, and will create no precedent that has not already been carved out in the public interest.

I, for one, shall vote for H.R. 8031, and I urge all Senators to do likewise.

(The following excerpt from the table of assignments shows television channels assigned to Pennsylvania.)

Table of assignments

Pennsylvania:	Channel No.
Allentown	39, 67
Altoona	10—, 25—
Bethlehem	51—
Bradford	80—
Butler	43—
Chambersburg	46—
Du Bois	31+
Easton	57—
Emporium	42—
Erie	12, 35+, [1] 41— 66+
Harrisburg	21+, 27—, 33+
Hazleton	63
Johnstown	6, 19+, 56—
Lancaster	8—, 55+
Lebanon	15+
Lewistown	75—
Lock Haven	32—
Meadville	62+
New Castle (see Youngstown, Ohio)	
Oil City	64
Philadelphia	3, 6—, 10, 17—, 23+, 29, [1] 35—
Pittsburgh	2—, 4+, 11, [1] 13—, 16, 22, 53+
Reading	61—
Scranton	16—, 22—, 44
Shamokin	65
Sharon	39+
Shinglehouse	60+
State College	[1] 69+
Sunbury	38
Uniontown	14
Washington	63+
Wilkes-Barre [2]	28
Williamsport	26+
York	43, 49

[1] Reserved for educational TV.

[2] Wilkes-Barre, Pa.: 34 deleted eff. Jan. 22, 1962.

Educational television channel reservations

Pennsylvania (5):	Channel No.
Erie	41
Philadelphia [1]	35
Pittsburgh [1]	13
Pittsburgh [1]	16
State College	69

[1] Educational stations on the air; does not include noncommercial educational stations operating on nonreserved channels.

Statements or communications from Pennsylvania, as printed in the hearings on S. 2109, were as follows:

STATEMENT BY MORT FARR, CHAIRMAN OF THE BOARD OF NATIONAL APPLIANCE & RADIO-TV DEALERS ASSOCIATION, IN SUPPORT OF BILL S. 2109, TO ENABLE THE FCC TO REQUIRE TV MANUFACTURERS TO MAKE ALL-CHANNEL TELEVISION RECEIVERS

My name is Mort Farr, an appliance and television retailer from Upper Darby, Pa. I have been associated with the radio and television industry since 1920. I have been a pioneer in the amateur radio field, having been issued amateur call letters 3ME, and an operator's license signed by Mr. Hoover, then a Director of Department of Commerce in 1920.

I appear here today as chairman of the board, and chairman of the legislative committee of NARDA. Through my association with this organization, as a director since 1946, and as president in 1950–51 and chairman of the board continuously since that time, I am in constant contact with retailers throughout the United States. We are here to lend support to the enactment of bill S. 2109 and its principles as proposed by Mr. Newton Minow.

There are many reasons why our organization supports this bill.

(1) A radio, if purchased in 1920 and still operative, would be capable of receiving all frequencies currently in use in the United States. Television is the only mass communication service whereby all frequencies assigned to that service cannot be received on all sets. An individual pays 90 percent of the cost of what would constitute a complete set, and that set is only capable of receiving one-seventh of all available channels.

In color TV for example, the consumer is really paying 95 percent of this cost and for less than 5 percent additional, they could purchase a receiver which cannot become absolete. If it becomes mandatory to include all-channel selectors in the manufacture of all television sets, it would therefore encourage the building of more TV stations to better serve markets that have either no or too few broadcasting stations.

(2) A much wider selection of programs would become available to the viewing public. This would create much keener competition between networks and stations which would tend to improve the quality of the programs. It would also bring network programing to areas not being currently serviced.

(3) The greatest single factor in all-channel television would be in the field of educational TV. This could probably be the greatest single force in furthering education since the invention of the printing press.

It is interesting to note that the Educational TV Association has indicated that as many as 1,000 of the approximately 1,800 additional channels available will be required for educational purposes.

It is true that a small percentage of our current TV programs are devoted to education. However, the scheduling of these shows at inconvenient hours and not available in many areas reduces greatly the benefits that could be gained.

(4) There is no doubt as to the need for all-channel receivers. We have already established the additional cost is insignificant for the extra services possible. Having gone through the early problems incurred when UHF was first introduced after the "freeze" and recognizing the tremendous advances both in transmission and receiving of these channels, there should be no reason why in most locations the quality of the picture should not be as good on channels 14 to 84 as they are now on channels 2 to 13.

(5) I have no doubt that had a ruling such as this bill proposes been enforced in

1952 when there were less than 7 million television receivers on the market, the position of the television industry would be in a more advanced state today.

The bill, as proposed, will not obsolete present sets. The viewer can be sure of getting the channels they now receive and the most they might have to do, if additional stations open up in their area, is to add a converter.

As a representative of an industry which has been paying a 10-percent excise tax on television sets manufactured, I have gone to Washington on many occasions to try to have this unfair tax removed. While it was imposed as a temporary measure, it is renewed each year with a promise that at some further time relief wil be granted. Perhaps this might be a good time to propose that all sets being manufactured that include all-channel tuners will either not be taxed or perhaps taxed at 5 percent.

This will be especially beneficial to stimulate the sale of color television sets as it will make the price of all-channel color sets no higher than the VHF models.

I believe that the stimulation that the sales of color television would receive could conceivably result in little loss to the revenue department, as a color television set sells for at least twice as much as a black and white model.

I want to thank the committee for giving me the opportunity of presenting our views relative to the inclusion of the all-channel selector on all television sets manufactured, and would now like to give the gentlemen on the committee a chance to ask any questions that they might desire.

PHILADELPHIA DISTRIBUTORS, INC.,
King of Prussia, Pa., March 8, 1962.

Hon. JOHN O. PASTORE,
Chairman, the Communications Subcommittee of the Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: As a distributor of Motorola television sets for the Philadelphia area, I am writing to you to express my opposition to S. 2109, a bill which you know is designed to amend the Communications Act of 1934, and thereby give the Federal Communications Commission some regulatory authority over television receiving apparatus. It seems our free enterprise system is being affected by this bill, since it tends to dictate to manufacturers the kind of products they should build.

While this bill has been referred to as a UHF bill, it actually seems to cover a much wider field, since it would place in the hands of the Federal Communications Commission the capability of specifying the performance of all television sets. Not alone would it stop there, but it would place in the hands of this group the authority over picture power, number of tubes and circuits and the amount of wiring in each set.

If this bill were limited to allowing the manufacture of only VHF–UHF sets, which is not the case, it is my opinion that any action taken prior to ascertaining the results from the New York channel 31 tests would be a little previous. It is our opinion any tests run showing the comparison between UHF and VHF will prove the VHF system to be far superior. You probably already know the UHF signal is 30-percent less effective, and very definitely UHF chassis are far more likely to be affected by interference.

Last, but not least, the most important factor is that a television set with UHF tuners will sell for considerably more money than VHF sets, and it seems this is an imposition when every customer would be forced to pay this additional amount even in areas where there is no UHF broadcasting. This situation exists in some of our most populated cities in the country; i.e., Philadelphia, New York, Chicago, Washington, D.C., and Los Angeles.

May I ask this letter be inserted in the transcript of the hearings in the above bill.

Respectfully yours,

A. E. HUGHES, Jr., *President.*

THE ELECTRONIC SALES CO.,
West Haven, Conn., March 1, 1962.

Hon. JOHN O. PASTORE,
Chairman, Communications Subcommittee of the Senate Commerce Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: We vigorously oppose bill S. 2109 amending the Communications Act of 1934.

Passage of this bill places an unfair financial burden on large segments of our population.

In southern Connecticut we are served by seven VHF channels from New York, and two channels located within Connecticut. These channels offer the public a wide variety of entertainment and news.

The Government enforcement of UHF transmission and production of only all-channel receivers would not benefit the residents in this area as they are receiving currently a wide variety of programing. However, they would be forced to pay the extra cost of all-channel receivers.

There are other items in the bill to which we object. Notably, the placing in the hands of a Government agency the authority to dictate to private manufacturers the kind of products they can build. Granting the FCC this authority is not consistent with the Government's policy of laissez faire. This broad authority in the hands of FCC will help destroy our system of free enterprise which has been an integral part of our democracy.

We ask that this letter be made part of the record of hearings to be held on S. 2109.

Yours truly,

FRANK J. DECAPRIO,
Vice President.

ERIE, PA., *February 17, 1962.*

Hon. SENATOR PASTORE:

I strongly encourage you to vote for Representative ROBERTS' bill, H.R. 9267.

As a Democratic State committeeman from Erie County, Pa., channel 12 is needed badly. Petitions are circulated and it would be a great disservice to put it on UHF.

I contacted many of your fellow Senators and Representatives and many feel as we do in Erie County. Northwestern Pennsylvania needs channel 12 on the VHF signal.

Sincerely,

STEVE JANCEK,
Democratic State Member.

PENNSYLVANIA LEAGUE OF ITALIAN VOTERS,
Erie, Pa., February 17, 1962.

DEAR SENATOR PASTORE: I strongly encourage the Roberts bill, H.R. 9267, to be passed. As president of Pennsylvania League of Italian Voters I personally recommend channel 12, WICU, Erie, Pa., station to be retained on VHF signal, not a UHF signal. Many of my friends throughout northwestern Pennsylvania will be very disappointed if channel 12 will be eliminated.

Sincerely yours,

ANTHONY SENECI.

CRAIG CORP.,
Los Angeles, Calif., February 26, 1962.

Hon. JOHN O. PASTORE,
Chairman, Communications Subcommittee of the Senate Communications Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: It has come to our attention that there is a bill to amend the Communications Act of 1934 to give the Federal Communications Commission certain specified requirements for the manufacture of television receivers. This bill is S. 2109.

We would like to express strong opposition to this bill. First of all, making all-channel VHF–UHF television receivers mandatory by law the Government is forcing millions of people to pay an extra cost for something they may never use. Major metropolitan ares across the country who are not using UHF may never adopt its application. This seems extremely unfair to the millions of consumers located in areas such as Los Angeles, New York, Philadelphia, and Chicago.

It is a known fact that UHF is an inferior system to VHF as it does not offer the same quality to the customer. The range of UHF signal is less and, in addition, is more susceptible to interference caused by buildings, trees, etc.

I also strongly oppose the fact that this bill jeopardizes the American free enterprise system by placing in the hands of a Government agency the authority to dictate the kind of products private manufacturers may build.

Sincerely yours,

ROBERT CRAIG, *President.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 1, 1962.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Senate Committee on Commerce, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The attached statement is to be incorporated into the record of the Communications Subcommittee on S. 2109.

Your assistance in this matter is appreciated.

With all good wishes.

Very truly yours,

JOHN B. ANDERSON,
Member of Congress.

AMENDMENT OF FEDERAL COMMUNICATIONS ACT SECTION 315(a)—EQUAL TIME PROVISION

Mr. CASE of New Jersey. Mr. President, the Senator from Pennsylvania, if only by reason of the authority he has cited, is entitled to change his mind. But I remember that the poet Walt Whitman had a line or two which are apropos:

> Do I contradict myself?
> Very well then I contradict myself,
> (I am large, I contain multitudes.)

Mr. SCOTT. The Senator from New Jersey contained multitudes when he won by so great a majority.

Mr. CASE of New Jersey. We worked this out beforehand. [Laughter.]

On the question more immediately before us, I desire, as a member of the Senator's subcommittee, to express complete satisfaction, and I wholeheartedly endorse his position about the holding of hearings on the bills. I think the objective is a sound one.

The senior Senator from New York [Mr. JAVITS], the sponsor or the author of one of the bills, asked me if I would, on his behalf also, express his appreciation of what he had understood the chairman proposed to do at this time, so in the Senator's absence, and for him, I also thank the chairman.

I thank the Senator from Rhode Island, who is chairman of the subcommittee, for his gracious, sound, and right recognition, with respect to the report of our subcommittee on the pending bill, of the interests of the great State of New Jersey, which I have the honor, together with my colleague [Mr. WILLIAMS], to represent.

AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. COTTON. Mr. President, I have been seeking recognition because, as one of the signers of the minority views on behalf of the Committee on Commerce, I desire to express the reasons for our opposition.

I should say, before I begin to discuss the legislation itself, that since the bill was taken up on the floor last night, my attention has been called to a situation which I deplore. It will be recalled that just before adjournment last night a colloquy took place concerning the length of time debate on this measure would take. The distinguished Senator from Rhode Island [Mr. PASTORE] implied that he did not anticipate any substantial or important opposition. This was a gentle jibe at me and was received in that spirit. I then stated that there would be some opposition, and that I was one who would oppose the bill.

To my amazement, since the colloquy took place in the Senate last night, I have found myself, I will not say bombarded, but importuned by representatives or persons who are under the supervision of the Federal Communications Commission to please not assert any determined opposition to the bill, because it is their fear that if the bill were held up or defeated, the Federal Communications Commission would be so irritated that those persons might suffer before the Commission. I am positive that those representations were not made because of any instigation by any member of the Commission.

I am a great admirer of the Commission, and an admirer especially of the Chairman of the Commission. I was much impressed by him when he appeared before our committee. I have had reason to congratulate him, with great sincerity, because of the effort he has been making to clean up television and radio entertainment and to make it of a better grade for the American people. I have great confidence in his ability and integrity, and also in those of all his associates. However, Mr. President, as is stated in the report, this bill is admittedly a Federal Communications Commission proposal, and it has been proposed for reasons which to the Commission seemed sound.

Now the bill has been brought to the Senate. The Federal Communications Commission is a creation of the Congress and is a servant of the Congress. Certain duties have been delegated to the Federal Communications Commission; but the Commission is not the master of the Congress, not even in this field. Therefore, I rather resent attemps to muzzle some of us, particularly in view of the fact that the proposed legislation involves a principle which inherently is extremely dangerous.

Mr. President, at this time I wish to present a slight amplification of the views set forth in the committee report.

Despite the complexity of television, and despite the ease with which VHF may be confused with UHF, the basic issue which confronts the Senate on this bill is relatively simple.

The question is whether the benefits of all-channel TV receivers would outweigh the evils of the precedent which the bill would set. My own conclusion, arrived at after long and careful consideration, is that they would not.

By requiring that all TV sets shipped in interstate commerce be capable of receiving 82 channels, instead of only the 12 VHF channels, the bill would set a far-reaching precedent whose dangers are clear and direct.

Make no mistake about it, Mr. President, the bill would substitute Government regulation for the public's freedom to choose among manufactured products. It might be a forerunner of the consumer controls of the future, and it would open whole new vistas of coercion and confusion. In the past Congress has limited the public's right to choose among products, when the public health or safety was a paramount factor. But no such considerations are presented in connection with this bill.

Neither the public health nor the public safety is involved, and the most ardent supporters of this proposed legislation concede this. The regulatory purpose of this bill is purely social. Once we started down this road, could anyone tell where it would end? If, today, we force people to buy TV sets they do not want and cannot use, where shall we draw the line tomorrow, if there is any line left to draw? Why not force automobile manufacturers to make only compact cars, because limousines take up too much room; or only convertibles, because sunshine is good for people? There would be literally no end to the chains of regulation which would bind the American people, if this approach were adopted generally.

There will be those who will say that this bill ought to be enacted because its purpose is good. It seeks the laudable goal of expanding and improving the television services available to the public. But it is no excuse to contend that the purpose of the bill is good. Justice Brandeis scotched that when he said:

> Experience teaches us to be most on our guard to protect liberty when the Government's purposes are beneficent.

Other important disadvantages to this bill should not be obscured by the general desire for more and better TV service.

First, estimates presented to our Committee during its hearings on the bill indicate that it would add about $25 to the cost of each TV set. This would saddle the consumers with an extra burden amounting to $150 million a year, at the current level of sales. All-channel TV service would not come cheap to the American public.

Second, the bill would not correct the fundamental disadvantages of UHF television. Signals broadcast on its channels, numbered from 14 through 83, can be received only at substantially shorter distances than the VHF signals broadcast on chanels 2 through 13; and this disadvantage gets progressively worse as the channel numbers get higher. Furthermore, UHF broadcasts are subject to considerably more difficulty from shadowing and from other forms of troublesome interference than are VHF broadcasts.

The bill would inevitably lend new impetus to the drive to move all television services to the UHF channels, and thus free the present VHF channels for other use. Such a move could far more easily be accomplished after all the Nation's TV receivers were equipped to receive the UHF channels. Regardless of the overall merits of this long-discussed solution to the TV problems, the fact remains that it would result in a loss of TV service in many rural and suburban areas of the Nation.

The bill admittedly proposes a slow-acting, long-range step toward a resolution of the problem of using the 72 UHF channels. It would require at least 6 to 8 years, according to Commerce Department estimates, to substantially replace the sets now in use; and by then this proposed legislation may not be needed at all. All-channel set production so far this year is 100 percent greater than for the same period last year, increasing in apparent response to the rising public interest in UHF broadcasting, especially in educational TV, which is getting an extra and highly beneficial shot in the arm from the new Federal-aid program enacted into law earlier this year. The bill would thus impose on the American people a wholly unprecedented regulatory scheme, in order to accomplish a goal 6 to 8 years into the future, when no one can foresee what might then be the circumstances, the needs, the technology, or the public interest.

In weighing the advantages and disadvantages of the proposed legislation, we ought also to consider its chances of achieving the TV breakthrough which is its main objective. Would the presence of all-channel sets "light up" the 1,400 unused channels in the UHF band? That would undoubtedly help, but it must be borne in mind that such receivers in the hands of the public would not necessarily enable a local UHF station in a small town to compete successfully for the advertiser's dollar, against the efforts of the strongly based VHF station in a big city. Many of the UHF channels allocated by the Federal Communications Commission have been placed in smaller communities which already receive TV service from longer range VHF stations in the same or nearby cities. There can be no doubt that new stations using these UHF channels would have a real economic battle on their hands, no matter how many sets were capable of receiving their signals. And in assessing the chances of success of this proposed legislation, it may be appropriate, also, to note that 25 percent of the existing VHF channels are still unused, despite the fact that 100 percent of the Nation's TV sets can receive signals from these channels.

Passage of the legislation certainly would guarantee a profuse flowering of what has been called the vast wasteland of television.

At best, the bill would be a dubious experiment, and be it a success or a failure, it would set a precedent which will plague us from now on.

I cannot support legislation which asserts the Federal regulatory power for purely social ends, however desirable they may appear. In this I will take my stand by the side of Abraham Lincoln who said, "You will never get me to support a measure which I believe to be wrong, although by doing so I may accomplish that which I believe to be right."

Mr. President, I should like to add a word to my statement. In the first place, the Washington News of May 29, 1962, contained an editorial in which this legislation was discussed. A single sentence in the editorial sums up the legislation in striking fashion. The sentence reads: "In other words, if the law of supply and demand does not work as fast as Washington thinks it should, pass a law and hurry it up."

I ask unanimous consent that the entire editorial be inserted in the RECORD.

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

MANDATE FOR TV-SET MAKERS

Congress apparently is about to pass a bill to compel TV manufacturers to produce television receivers good for all channels—UHF as well as VHF. Most sets now will take only the VHF channels, of which there are 12.

UHF, or ultra-high-frequency, channels are more numerous—70 now are available.

The Federal Communications Commission is pushing this bill on several grounds: To give viewers a choice of more programs, to provide TV service for communities which lack it because of the shortage of VHF channels, to stimulate more educational stations.

"What this country needs," says FCC Chairman Minow, "is more television, not less."

There are relatively few UHF stations now because so few homes are equipped to receive them, he reasons. The manufacturers won't make all-channel sets because, since there are so few stations, there is small demand—and the cost is $20 to $30 higher.

So the answer, the FCC thinks (and the House already has passed the bill), is to compel the manufacturers, by law, to make all-channel receivers.

In other words, if the law of supply and demand doesn't work as fast as Washington thinks it should, pass a law and hurry it up.

The same argument could be applied to color TV. Set sales have been relatively slow because the cost of the sets was high, and color programing has developed gradually. Programing came along slowly because of cost and the lack of demand resulting from the scarcity of receivers.

If Congress can force the manufacturers to make all-channel sets, cannot it also force them to produce color sets? And then, by law, tell the stations what programs to present? Or decree that all radio sets must be both AM and FM? By this law, if the Senate approves, Congress also in effect is compelling the TV viewer to buy an all-channel set whether he wants it or not.

The processes of a free market may be too slow for the impatients here in Washington—but in our judgment a lot less dangerous.

Mr. COTTON. Mr. President, I commend the distinguished Senator from Rhode Island [Mr. PASTORE], and the staff, for the frankness, clarity, and completeness of the report presented by the committee. We find this statement in the report:

It must be remembered that this involves a unique situation which would not in any way constitute a general precedent for such congressional regulation of manufactured products.

That statement in the report was referred to in the remarks of the able Senator from Rhode Island, and was brought up by the Senator on the floor with complete sincerity.

I am sure it is the fixed belief, almost the unanimous belief, of the Committee on Commerce. But, Mr. President, the mere fact that the Committee on Commerce, or its majority members, make the statement does not make it so.

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

Mr. COTTON. In just a moment.

In the history of the enlargement of powers of the Federal Government, I doubt if there have been many chapters that have not had as their preface that very remark, "This is a unique instance. There are peculiar reasons."

This instance is unique in that, so far as I can determine, it is the first time it has been suggested that the Congress of the United States reach out its arms and, by law, deprive the consumers of their right to purchase manufactured commodities, unless there is some element of safety or help involved.

I yield to the Senator from Nebraska.

Mr. HRUSKA. First of all, I would like to compliment the distinguished senior Senator from New Hampshire for the splendid statement he has made, pointing out the inherent dangers in, and dubious precedents for, this legislation. It seems to me that the case of the Senator from New Hampshire is quite sound and well reasoned. I join him in his commendation of the writers of the report by the majority, not only for the clarity in stating the problem, which is notable, but also in the frankness with which they say, "There is no market for UHF stations; we want to legislate one."

That is just about the size of it and frankly and undeniably it is the objective of the bill.

On the point, however, which the Senator from New Hampshire has just raised, namely, that there may have been other instances where, by Federal legislation or by State legislation, there had been prescriptions for or prohibitions against the manufacture for transportation across State lines of various products, my attention was called to the legal opinion rendered by the general counsel of the Federal Communications Commission, Mr. FitzGerald. In writing on that particular point, he drew attention to statutes in that category. Among them is a statute relating to gambling devices which shall not be transported in interstate commerce.

There is a statute relating to the prohibition of the manufacture or sale of highly flammable articles of wearing apparel, and there is a statute relating to the prohibition of the transportation of household refrigerators between States unless they are equipped with adequate door-opening devices. We also have examples such as the statute relating to the prohibition of manufacture of cars unless there is a particular type of safety glass used for the windshield, doors, or other panels through which the occupants of the cars may see.

These statutes have been cited as a precedent for this type of legislation. The Senator from New Hampshire has indicated the distinction between these situations and the provision of this bill.

My question to the Senator is, Would he care to elaborate on that point?

Mr. COTTON. I think in the examples the Senator from Nebraska has brought out, and which indicate his study of this whole matter, in every single instance, so far as I know, they are cases in which we have restricted the sale to the consumer of articles in which the public health, safety, or morals were in some way involved.

I believe there is pending in the Committee on Commerce at the present moment, if I am not mistaken, a measure which has to do with placing a Federal restriction on the kind of brake fluid that shall be provided in automobiles. I do not know whether the bill will receive the approval of the committee or not, but that proposal is different from the one now before the Senate, because it has to do with the public safety.

If there were a Federal law providing that every automobile shipped in interstate commerce be equipped with a nonshatterable windshield—I believe there are State laws on that subject but no Federal law—it would be in a different category than the pending bill.

So far as I have been able to determine from such examinations as I have been able to make, the pending bill is the opening of a new chapter and an entering wedge along a new line. It is a Federal regulation and a Federal restriction on the right of American consumers to purchase articles, and the restriction is for a purely social purpose, no matter how worthy that purpose is, and I admit that the purpose is praiseworthy and the intentions are the very best.

When we take the step across that line and enact that restriction, we are just turning another page, and I think Senators will find it will rise to plague us because we have taken a step that provides Congress can, if it thinks a certain article is good for the buying public and another article is not good, prevent the consumer from exercising his free judgment.

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

Mr. COTTON. I certainly yield to the distinguished chairman of the subcommittee.

Mr. PASTORE. I assure my colleague from New Hampshire, in all honesty and frankness, that the matter he has raised was of very serious and grave concern to the members of the committee, so much so that I called upon the General Counsel's Office of the FCC to render an opinion as to the constitutionality of the proposed law. That opinion is included in the report. Not being satisfied with that, I thought we should request an opinion from the Attorney General's De-

partment. We made that request of the Department of Justice. An opinion was rendered by Mr. White, who is presently a member of the Supreme Court, who decided it was constitutional.

I realize we have an unusual situation here, and I can well appreciate the apprehension of my colleague. The line of demarcation is not so wide that it is black or white. There is a rather gray area. All of us must be rather jealous of safeguarding and making sure that we do not establish a precedent that will disturb our whole system of free enterprise. No one was more disturbed or conscious of the fact than myself. But there is this to be said: There is a distinction to be mentioned here. We are not dealing with an item such as automobile brake fluid, which the Senator mentioned earlier. We are dealing here with a natural resource and a limited resource not available to everyone.

The radio spectrum belongs to all the people of the United States. It is in a public domain area. A serious question arises because there is a vast section of the spectrum, which includes 70 UHF channels, which is not being used for the public benefit.

The argument is made that the basis for this proposal is only social. It is a little more than that. A short while ago we recognized that we must do something about grants-in-aid to communities in order to permit the fuller use of television for educational purposes. It had been testified before our committee that the one chance television had to promote the educational capabilities and facilities of the Nation was to activate the UHF channels reserved for educational purposes.

I realize that a good argument can be made on the other side. I do not pretend to stand here and say that the arguments advanced on the other side are unreasonable or injudicious, or that they do not make sense. Of course they do. I am very happy that they are being made, because it should be clear from this RECORD, that we are not opening the door wide, willy-nilly, to disturb our whole system and concept of free enterprise.

However, we do have a special case, and we must weigh the factors very carefully. The members of the committee did so. There are 17 members of the committee, and the vote stood 14 to 2. That does not mean that 14 are right and 2 are wrong. There was a considered judgment of sensible men who weighed every feature and element of the bill before us. They decided that in the public interest this was the only solution. It is in that spirit that we come here.

I do not in any way criticize my good friend from New Hampshire, because the very things he is saying are the things which were the basis of interrogation conducted by the senior Senator from Rhode Island at the hearings, as the Senator well knows.

I congratulate the Senator for the fine, clear presentation he has made today. My only regret is that I cannot agree with him. I do not like to think what the consequences would be if he should win and we should lose.

Mr. COTTON. Mr. President, I thank my distinguished friend from Rhode Island for his very kindly statement and consideration, and the way in which he has reiterated the position of the vast majority of the committee, and the almost unanimous belief of members of the Commerce Committee.

I would hesitate even to take the time of the Senate to state my position, in the face of a vote of 15 to 2, were it not for the fact that I feel this conviction very deeply. I want it clearly understood that the Senator from New Hampshire is not suggesting that there is anything in the bill which is unconstitutional. I have read the statement of the now Justice White, of the Supreme Court. I do not question it in the least.

In the opinion of the Senator from New Hampshire, who is only a country lawyer, the interstate commerce clause of the Federal Constitution has been stretched so far that there is not much that the Federal Government cannot do, if the Congress chooses to do it, in dealing with all kinds of commerce. That adds to my apprehension every time the Congress takes another step in this direction.

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

Mr. COTTON. I yield.

Mr. PASTORE. Even though an operation might be in interstate commerce, and even though the subject matter might come within the jurisdiction of the Federal Government, if the personal rights of individuals were violated or if there were a substantial denial of property rights of individuals, certainly the proposed measure would be unconstitutional; and if it were unconstitutional, the activity could not be regulated under the interstate commerce clause.

Of course, the decision rests upon whether or not the proposed law is constitutional.

The argument made by my friend from New Hampshire rests upon the determination as to whether or not property rights are being denied. If they were, the bill would be unconstitutional. If they were not, it would be constitutional; and if it were constitutional, the particular activity could be regulated.

Mr. COTTON. Mr. President, in view of the remarks of the distinguished Senator from Rhode Island, I prefer to state my own grounds for my opinion. I have just stated that it was not based upon the ground of constitutionality.

Let me be more specific. When the Supreme Court of the United States lays down such a far-reaching decision as that because a man is employed as a janitor washing the windows of a building in which there is an office rented to a concern in interstate commerce, he is engaged in interstate commerce; and when the court decides that if a lighthouse throws its rays across the boundary of a State, the company furnishing power to that lighthouse is engaged in interstate commerce, I say, without fear of too much contradiction, that the court has already stretched the interstate commerce clause of the Constitution so far that it admits all kinds of latitude. The only remaining place where restraint can be exercised is here in the Congress. It may be said that the rights of an individual may not be impinged, but I do not quite swallow that argument, even though I know it is the earnest and sincere belief of the most able Senator from Rhode Island.

I repeat that I do not question the constitutionality of the bill. But because it may be constitutional does not make it right. I do not question the argument that it might bring some good. It might mean the further installation and advancement of educational television. No Member of the Senate has been more enthusiastic and loyal in the matter of advancing educational television than has the Senator from New Hampshire. But this is not my reason for opposing the bill. I do not know that I have received a single letter from a constituent on this subject.

I happen to live in an area where television reception is practically nil. When I sit down in my living room at home and turn on my television, if I were not a subscriber to a community antenna system, I could not get a thing but a snowstorm. That would be doubly true if we should ever have a UHF station in my locality. There are not enough people in the locality to justify a UHF station, even if all of them were compelled to buy the kind of receiver which could receive it.

The bill probably does not impinge upon human rights; but what are we doing in the interest of what we think may bring about some good? We are saying to thousands—perhaps to millions of people throughout the country in various areas where the people may never even be able to afford a UHF station, and where they may not even eventually have UHF stations, that they must purchase receivers which they do not need, which they do not want, and which they cannot use.

That is exactly what we are up against. The present proposal would establish a new process in dealing with the consuming public. One may lead a horse to water, but he cannot make him drink. The mere fact that there might be built into my receiving set the capacity to receive all these stations would not cause me to use such facilities, even if I could do so, so long as a city station a few miles away had the resources and the ability to put on a fine program, and the local station put on a mediocre program. To that extent the bill would not effectuate any good.

Lastly, the testimony before the committee indicates that this system may not be necessary at all. We are progessing in the good American way. The sale of television sets which have the capacity to receive all these channels has increased in the past year by 100 percent. People are being encouraged to buy them. People are buying them in increasing numbers. If that is the case, why is that not the way to do the job, rather than to start down this road?

I have stated the sum and substance of my position. I had not intended to take as long as I have taken. So far as I am concerned, I shall not ask for a yea and nay vote. I merely wish to record

my opposition to the bill for the reasons stated.

I thank the distinguished Senator from Rhode Island [Mr. PASTORE] for his very fine consideration throughout the hearings in the committee and on the floor of the Senate. It is characteristic of his unvarying courtesy and fairness. I greatly admire the work he has done on the bill. I hope that if the bill must pass, it will work out well.

LOSS OF LIBERTY SCOREBOARD

Mr. CURTIS. Mr. President, it seems appropriate that a score should be kept of the attempts that would lead to the loss of liberties of our people. Two of the dominant trends in this regard consist of the concentration of power in the Central Government and in the office of the President and increased spending which leads to inflation, chaos, and a threat of bankruptcy. These are the things that cause free people to lose their liberties.

On May 9, I expressed my grave concern over President Kennedy's demands for more Presidential powers and more moneys to be spent. I placed in the RECORD a tabulation supporting my concern which indicated that as of the end of April, the President had, in 1962, made 62 requests for more spending and 25 requests for more Presidential powers. I regret to report that this reactionary and destructive trend in Government is continuing at a steady pace. The tabulation as of May 31, 1962, shows 68 requests for money and 27 requests for Presidential powers. As previously indicated, I intend from time to time to bring these figures up to date for the information of the Congress and the country.

I ask unanimous consent that there be printed in the RECORD at this point this additional tabulation for consideration in connection with my chart placed in the RECORD May 9, 1962.

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

87TH CONG., 2D SESS.

Loss of liberty scoreboard—Kennedy demands more power and more money

HIS REQUESTS

1962	More spending	Number requests	Total	1962	More power	Number requests	Total
Apr. 19	(Date of last request)		62	Apr. 19	(Date of last request)		25
	Grand total as of last Apr. 30.		62		Grand total as of last Apr. 30.		25
May 10	(21 days later)	1		May 7	(18 days later)	1	
15	(5 days later)	1		16	(9 days later)	1	
21	(6 days later)	1					
23	(2 days later)	1					
24	(1 day later)	2					
	Grand total as of last May 31.		68		Grand total as of last May 31.		27

SHAMEFUL

Mr. YOUNG of Ohio. Mr. President, a few moments ago I was shocked to read a news bulletin on the teletype outside the Chamber. The bulletin states:

HYANNIS, MASS.—Four more reverse freedom riders took up life on Cape Cod today and it appeared that the industrial city of Lowell was due for a busload of Negroes.

Richard Cornett, 31, of Little Rock, Ark., an unemployed construction worker, his wife, and their two young boys arrived here yesterday with $20. Mrs. Cornett and the boys were housed at nearby Camp Edwards. Cornett stayed here to look for work.

Meanwhile, the office of Lowell Mayor Joseph M. Downes said last night it had received a telegram from a New Orleans, La., group stating it was prepared to send a busload of Negroes to that northeastern Massachusetts city.

The telegram, sent by a group calling itself citizens group, said:

"Commemorating 100th anniversary of your famous Gen. Benjamin Butler, we are preparing to send first busload of those he liberated. Please advise when accommodations available."

Mr. President, as a student of history, I hold Gen. Ben Butler in very low esteem. He was a mere bush-league political general in the Civil War—and a very mediocre one at that. He owed his appointment as a Union general not to any military skill, experience, or knowledge, but simply because he was an effective—and at times unscrupulous—politician in Massachusetts. For political reasons Butler was given various commands by President Abraham Lincoln, until unfortunate events which afflicted the Union Army brought the facts of life home to those in authority in Washington, and generals were made generals and given commands on their merit and not because of political considerations. For a period of time in 1862 he commanded the Union force which occupied New Orleans. Many of his acts as military governor were so offensive, arbitrary, and notorious that he was removed from this command by President Lincoln in December of that year.

I preface the few remarks I have to make because I want it understood that I do not consider Gen. Benjamin Butler's memory to be greatly revered for his part in the War Between the States more than 100 years ago.

Mr. President, when a citizens group in Little Rock, Ark., or in New Orleans, La., takes action of the sort described in the news bulletin in virtually forcing or persuading destitute Negroes to leave their native States and native cities to be shipped to various cities in the North, whether the city be Hyannis or Lowell, Mass., or Cleveland, Ohio, or any city whatever, it is a shocking and shameful performance.

Negro families are supplied with one-way tickets and $5 for each person. They are, of course, told not to come back. The destitute unemployed person is a destitute and unfortunate individual whether he lives in New Orleans or Cleveland, and whether he is black or white.

In this country unemployment is a great moral wrong. It is unfortunate that in New Orleans and in Little Rock, Ark., and perhaps other places—I hope there are no other places—members of white citizens' councils evidence that they are devoid of character and of any feeling for human suffering. Their action may call attention rather forcibly to the misfortune and the ugly facts that Negroes in some areas of the Deep South are being deprived of their rights as American citizens and as human beings. This is really a sickening spectacle, and public officials of New Orleans demonstrate a shameful lack of judgment, good taste, humanity, and decency in permitting Negroes born and reared in that area to be exploited and mistreated in such a shameful manner.

AMENDMENT OF THE FEDERAL COMMUNICATIONS ACT OF 1934

The Senate resumed the consideration of the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

Mr. WILLIAMS of New Jersey. Mr. President, many arguments have been given on the national need for the bill now under discussion. We have been told by Mr. Newton Minow, Chairman of the Federal Communications Commission, that the bill would open up great new opportunities for local television—particularly local educational television. He has explained that we now have 1 544 ultra-high-frequency stations in the United States, and that only 103 UHF stations are now on the air. In other words, we are using only 7 percent of the potential UHF assignments we have in this Nation.

Why such hesitant use of a great resource? One of the major reasons is simply that our present television receivers are not, for the most part, equipped to receive UHF stations. As a matter of fact only 6 percent of the sets made in 1961 could receive UHF. And yet, as we are assured by Mr. Minow, all sets could receive all channels by the addition of a $25 tuner in each set. Surely this is a modest cost for an improvement that would help us develop local television offerings for local television receiving areas. At last we would no longer depend so largely on the networks for entertainment and service programs; we could hope for truly local service.

As I have said, there is a great national need for a bill that would require all new television receivers in interstate commerce to receive the full spectrum of 82 channels. You have already heard the national arguments. My purpose today is to describe the potential impact of this bill in my own home State. New

Jersey is worthy of such note, I believe, because it stands uniquely in need of such a bill. Its present situation is practically a case study of the need for this bill.

At the moment, New Jersey has not one single channel it can call its own. Fortunately, channel 13 will return to the air this fall under the sponsorship of the Educational Television for the Metropolitan Area, Inc. According to terms of the agreement, New Jersey issues will receive an appropriate share of air time. But important as this single project is, it can serve only some of the needs of a great State.

At present, New Jersey is served only by channels of Philadelphia and New York City. Programers for these channels often have presented public service programs of great interest to New Jersey listeners. But, in serving the needs of two great metropolitan areas, often they must overlook or give limited time to local issues and local educational needs.

This fact has already been clearly realized in the Garden State. The New Jersey Educational Television Corp. has already prepared plans for the establishment of an interconnected network of four high-power UHF educational television stations, plus four translator or satellite stations. Educational television coverage would thus be assured for New Jersey. In addition, the New Jersey Television Broadcasting Corp. has filed an application with the FCC for an UHF station to broadcast from Newark.

Still greater impetus to these and possibly to other such efforts will be given by final State action on legislation to permit the State to take advantage of the $32 million Federal aid bill passed by Congress this year. The State senate is expected to act on the bill in the fall.

With so many plans of action afoot, it is significant that the FCC table of assignments lists 14 UHF sites in New Jersey. I will list them: Andover; Asbury Park; Atlantic City, two; Bridgeton; Camden; Freehold; Hammonton; Montclair; New Brunswick, two; Paterson; Trenton; and Wildwood. Here is a great potential for service of many kinds, but what good will these channels be without television sets that can receive them?

This is not a rhetorical question. It must be answered if States are to make the most of our new Federal aid program and if individual States like New Jersey are to make good use of proposed educational efforts. It is clear that the all-channels bill will hasten the evolution of educational television and good local commercial television. For the first time, viewers would have a real choice. They could decide to spend some time with the networks and national public service or entertainment programs. Or they could decide to give some of their attention to the more local channels. The consumer could thus decide, if only he is given the opportunity.

Mr. HRUSKA. Mr. President, it was with great interest that I listened to the discussion of the constitutionality of the measure that is before us, H.R. 8031. I have no illusions about the subject. I am sure that with the very able legal opinions rendered by John L. FitzGerald, as General Counsel of the Federal Communications Commission, and also by Byron R. White, then Deputy Attorney General, the area has been covered quite thoroughly.

I do not know that I quite agree with their conclusions. I do not know that I particularly subscribe to that kind of constitutional interpretation. The fact is, however, that the Supreme Court has spoken many times on this subject. Therefore, I suppose there is ample precedent for what Mr. FitzGerald has stated in his opinion:

> It has been sometimes said that the Congress is free to exclude from interstate commerce articles whose use has been determined to be injurious to the public health, welfare, or morals, but it seems clear that in context these terms encompass injury or hindrance to the effectation of any public policy adopted by the Congress.

When that is said, and when it is buttressed by legal precedent and opinions, I must subscribe to the view suggested by the Senator from New Hampshire that there is scarcely anything that is not impressed by commerce so it can be treated legislatively, as is sought to be done in the bill before us.

Without subscribing to the constitutional philosophy which molds these decisions, I should like to say that the constitutionality of a measure is but one thing. Whether it is good policy to broaden that category to include other goods and equipment is quite another matter.

I have concluded, and I am convinced, that it is not desirable that it be done.

The plain fact is that UHF sets are at the stage where there is no substantial market for them. Some UHF stations have tried to succeed, but they are now dark. The explanation for this condition is set forth in the majority report:

> This goal would be achieved by eliminating the basic problem which lies at the heart of the UHF-VHF dilemma—the relative scarcity of television receivers in the United States which are capable of receiving the signals of UHF stations.

So the majority of the Commerce Committee say, in effect, "Have no market. Want a law."

They want a market and they want a law to give them the market. Those are the real implications and obvious designs.

I have before me an editorial to which the Senator from New Hampshire has referred. He read a part of it, and I should like to read another paragraph. The part he read reads:

> In other words, if the law of supply and demand doesn't work as fast as Washington thinks it should, pass a law and hurry it up.

The editorial continues:

> The same argument could be applied to color TV. Set sales have been relatively slow because the cost of the sets was high, and color programing has developed gradually. Programing came along slowly because of cost and the lack of demand resulting from the scarcity of receivers.
>
> If Congress can force the manufacturers to make all-channel sets, cannot it also force them to produce color sets? And then, by law, tell the stations what programs to present? Or decree that all radio sets must be both AM and FM? By this law, if the Senate approves, Congress also, in effect, is compelling the TV viewer to buy an all-channel set whether he wants it or not.

Mr. President, we are dealing with a natural resource in this case. About a week or 10 days ago we dealt with another kind of natural resource, namely, the products of our great wheatfields. In my part of the country we raise a great deal of wheat. Much of that wheat is placed in storage in Texas and elsewhere. It is wheat that we do not use. It is wheat for which we cannot find a market.

Shall we say, "Have no market. Want a law?"

It is probably true that people prefer a loaf of bread that weighs 16 ounces. In some States there is a law which provides that a loaf of bread must weigh at least 1 full pound. We might propose a law which, in the interest of a great natural resource, however, would provide that a loaf of bread shall not weigh less than 2 pounds, and by that means increase the consumption of bread.

I subscribe to the classic idea that one can lead a horse to water, but one cannot make the horse drink. I also subscribe to the idea that we can offer a customer an all-channel TV set, but we cannot make him buy it.

I suppose we could force the baking of a 2-pound loaf of bread, but of course we would not compel its purchase by the public.

Why not? The language of the legal opinion to which I have referred, only states that Congress has a right to "exclude from interstate commerce articles whose use has been determined to be injurious to the public health, welfare, or morals."

Therefore Congress could recite that it is our policy to induce greater consumption of wheat products; hence bread will hereafter be made in 2-pound loaves. But this still would not necessarily sell more bread.

Perhaps someone will suggest that this is a farfetched or facetious argument.

The fact is that we have a situation which some people think requires expedient treatment. They cannot wait for the Nation to go forward in an orderly fashion. Expediency must be resorted to. Hence the proposal of the kind that is before us now, reflecting as it does the grievous doctrine that governments know better than the consumer does what is good for him and what he ought to have. The dictates of the market are discarded and the traditional methods for fashioning consumer goods are rashly abandoned.

Out in our areas of the Middle West, I know it to be true that, regardless of the number of UHF and VHF stations, there will be literally millions of users who will not be able to enjoy a UHF set. That is the plain fact. It cannot be denied. For those who can use such a set, there will be a choice. For many others there will be no choice. Their decision will be made for them. And they will have to help finance the economic success of the UHF sets. They will have to pay anywhere from $12.95 up to $50 or $60, depending upon the elaborateness of the original set to which the converter

is added, or depending upon the set that they bought with the UHF and VHF reception facilities.

That is at the bottom of the proposition. Many thousands of people in Nebraska, which I have the privilege to represent, will find themselves in this situation if and when the bill becomes law.

Inasmuch as a yea-and-nay vote has not been asked for, I should like to say for the record—not only for this time and for the people whom I represent, but also as a future reference—that a danger flag ought to be attached to this legislation as there is a definite possibility that we shall be confronted with another bill, of which it will be said, "Yes, but this relates to a natural resource. This is different. It will confer great benefits; therefore it should be passed."

So we will continue to invade further the realm to which the Senator from New Hampshire has so eloquently referred, and which I have tried to describe in my own remarks.

Mr. COTTON. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I yield.

Mr. COTTON. I compliment the Senator upon his statement. I should like to ask him a question. I have great respect for the Senator's legal ability and experience.

Is it not true that the decisions of the Supreme Court have now gone so far as to hold, with respect to the interstate commerce clause, that Congress can enact almost anything it desires to enact, as a matter of public policy; and that the only place now where the rights of an individual can be protected is in this Chamber and in the Chamber of the other body? It is no longer true that rights can be protected in the courts, as against congressional action.

Mr. HRUSKA. There is no question that that is so. The only protection a citizen has against ill-considered action of this kind lies in the exercise of self-restraint on the part of Congress.

The Senator may remember, in the consideration of amendments to the Minimum Wage Act, a discussion about a bootblack in a hotel located in my home city, who was held to be engaged, by definition, in interstate commerce. Why? Because the shoe polish which he used was manufactured in Indiana or Ohio. Because the bootblack used that shoe polish, he was engaged in interstate commerce, although the person who wore the shoes might not cross the State line, by any stretch of the imagination, until long after the shoe polish had worn off.

Even if the shoe polish happened to have been made in Nebraska, the bootblack would still have been engaged in interstate commerce because the cloth with which he polished the shoes might have been made in Alabama or South Carolina, or perhaps in the State of my very gracious and congenial friend from Rhode Island [Mr. PASTORE].

So the Senator from New Hampshire is correct. This is the one forum in which such protection can be afforded to citizens who find themselves in such a position.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, apropos of what the distinguished Senator from Nebraska has said, there is on record an interesting case under the Fair Labor Standards Act with respect to a building in Philadelphia in which were employed quite a number of garment workers and garment makers whose products entered interstate commerce. The question was whether the charwomen who worked in that building would also be considered, by virtue of the operations in progress there under the Fair Labor Standards Act, as being a part of the stream of commerce. In my judgment, the reasoning in that case, both in the Federal district court and in the Circuit Court of Appeals, was one of the most tortuous and amazing pieces of circumlocution I have ever read.

I think of one other case. The Wrightwood Dairy, a small dairy in northern Illinois, never bought or sold a pint of milk in interstate commerce and resisted the agricultural marketing order, but the court held that the milk which that dairy bought and sold might possibly enter the stream of commerce and therefore become competitive with other milk which might have, conceivably, come from Indiana or Wisconsin. Therefore, because that milk might enter into the stream of commerce, it was held to be in interstate commerce. Talk about twisted reasoning: that case is in a class by itself.

But I did not rise to make those comments; I rose to offer the amendment which I now submit.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill add the following new section:

SEC. 3. Paragraph (c) of section 303 of the Communications Act of 1934 is amended by inserting immediately before the semicolon at the end thereof the following: ", but nothing in this Act shall authorize the Commission to substitute an assignment outside the frequency band between 54 megacycles and 216 megacycles for one within such band in any community or otherwise to delete an assignment made within such band on or prior to September 1, 1961 to any community if the purpose of such change is to limit such community to assignments of television frequencies outside such band".

Amend the title so as to read: "An Act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus, to place certain limitations on the authority of the Commission to delete previously assigned VHF television channels, and for other purposes."

Mr. DIRKSEN. Mr. President, I should say, in all frankness, that I am never happy about the thesis of the approach in a bill of this kind, but I am familiar with all the circumstances which gave rise finally to the bill. In pursuance of what basis I had, I went before the committee and testified.

As everyone knows, there was a problem in the field of deintermixture. Frankly, it involved two major television stations in Illinois and one immediately across the line in Wisconsin. Obviously, I had an interest in the situation.

In the case of the station at Champaign, Ill., it would appear that if it were deintermixed, probably an estimated 600,000 persons would have been left in a very cloudy area and would not have received the kind of television signal to which they were entitled. So out of those many circumstances finally came a bill which passed the House by a substantial majority.

The amendment I offer would prohibit the Federal Communications Commission from putting into effect any program for the deintermixture of television stations without the express and affirmative consent of Congress. This would be done by prohibiting deintermixture and requiring a future amendment to the law if any deintermixture were to be put into effect. This involves the question of policy. Obviously, Congress has an interest in the situation. If it were not so, then perhaps the creature, namely, the FCC, would become the creature in power, and therefore its creator.

There would be a situation not unlike that which was set up by George Bernard Shaw in his celebrated play "Pygmalion," in which the creature transcended its power and influence, and therefore becomes the creative hand itself.

The basic issue is this: Whether all-channel television legislation would advance the public interest or not depends upon the purpose of the legislation and the use to which it is put.

The bill will be beneficial to the public if its purpose and use is to expand the television service available to the American public by increasing the use of the UHF band without in any way impairing the service rendered by stations using the VHF band.

I should say, in that connection, since we are dealing with the band and the spectrum through which this medium will probably be used, that a Federal interest attaches to the bill and might influence its future.

There is another side to the coin: The proposed legislation would be contrary to the public interest if its purpose or use were to shift VHF television stations to the UHF band.

This puts the question of deintermixture squarely before us, and we cannot properly act on the legislation without considering it. Mr. President, as everyone knows, "deintermixture" is a polysyllabic term referring to the substitution of ultrahigh frequency or UHF channels for very high frequency or VHF channels in selected communities, for the purpose of creating islands of UHF amid the nationwide VHF television service.

If the American people are to get the greatest possible service out of the Nation's television system, they must have both VHF and UHF, side-by-side throughout the country—not deintermixture.

Yet the Federal Communications Commission itself initially injected the deintermixture idea into the all-channel set legislation last summer when, in docket No. 14229, it referred to this leg-

islation as a means of "mitigating" the effect of a shift to all-UHF operations in part or all of the Nation.

Deintermixture is objectionable because it results in a reduction of TV service. For instance, as I indicated before the committee, proposals to delete a VHF channel from Champaign, Ill., and substitute a UHF channel would deprive an estimated 600,000 persons of the television service which they now enjoy.

For these reasons, there is no need to beat around the bush, or to try to evade the issue. My amendment will make the purpose and the intent of the legislation crystal clear. It would prohibit deintermixture and insure the VHF-UHF, side-by-side approach which will assure the greatest amount of television service to the Nation.

Let me clarify what the amendment would not do. It would not stop the FCC from taking a VHF channel away from one licensee and giving it to another in the same community if such a move would be in the public interest. It would not stop the Commission from moving a station from one community to another. It would not stop the Commission from adding a new VHF channel to a community.

So, Mr. President, while the amendment would restrict the power of the FCC, the restriction would be extremely narrow in application. It would neither make the FCC powerless in allocating frequencies nor put the Congress in the business of assigning frequencies.

There is nothing unusual or inappropriate about the amendment. The FCC is the delegate of the Congress in broadcasting matters, and the Congress is free to direct the FCC to do this, or not to do that. And Congress has already done this in a number of instances. It has told the Commission not to license aliens; and by resolution, not by law, it even has told the Commission not to permit radio stations to use more than 50,000 watts of power. Complete instructions from the Congress are especially appropriate in the case of this legislation, because it cannot be adequately considered without facing up to the question of deintermixture.

Therefore, the amendment simply seeks to protect the public against the loss of television service which deintermixture would inevitably bring. I hope the amendment will be adopted.

Mr. President, that is the whole story. This is a case of making the legislative record and setting down in the law itself a restriction, so that this very difficult and baffling problem will not be recurring from time to time; but if it does, then nothing will be done about it until the Congress has affirmatively expressed its views on the subject.

Mr. PASTORE. Mr. President, the problem which has been raised by the distinguished minority leader is one which caused the committee considerable difficulty at the time when it was considering this measure. As a matter of fact, three or four Members of the House of Representatives, as well as the distinguished minority leader of the Senate, appeared before our committee; and, as I recall, at one time I said to the members of the committee that this was one phase of the bill which might imperil the passage of the bill, if we did not do something about it. It gave us a great amount of concern; and we did not want this to be a "foot in the door" to promote a policy of intermixture or deintermixture, whatever the case might be. As a matter of fact, the same problem was raised before the House of Representatives.

Finally, by the action of the Commission, with the exception of one member, I believe, Mr. Lee, the Commission assured us; and this is the Commission's policy in regard to deintermixture. It is set forth in its letter dated March 16, 1962. I shall not read the entire letter, because it is quite long; but it is on the point I am making, and I ask unanimous consent that the entire letter be printed at this point in the RECORD.

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 16, 1962.

Hon. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During the hearings before your committee, you raised the question of the relationship between this legislation and the Commission proceedings proposing to deintermix areas to all UHF. Following our hearings before your committee we testified before the House Commerce Committee. During the House hearings Chairman HARRIS asked us for written responses to four specific questions. It was agreed that the Commission would supply its answers within a week after the House hearings closed. This time ends today and we have sent to Chairman HARRIS our response.

The Commission's judgment (Commissioner Lee dissenting) is that if the all-channel receiver TV legislation is enacted by this Congress, it would be inappropriate, in the light of this important new development, to proceed with the eight deintermixture proceedings initiated on July 27, 1961, and that, on the contrary, a sufficient period of time should be allowed to indicate whether the all-channel receiver authority would in fact achieve the Commission's overall allocations goals. We have reached this judgment on the basis of a number of considerations.

As we made clear in our testimony, we do not conceive of selective deintermixture as a general or long-range solution for the television allocations problem. Rather, we believe that we will need a system using both UHF and VHF channels, and that all-channel receiver legislation is the basic and essential key to that long-range goal. For with this legislation, time would begin to run in favor of UHF development. The UHF operator (both commercial and educational) could look forward to UHF receiver saturation not only in his home city but in the surrounding rural area as well, and could expect improvement in the quality of the UHF portion of the receivers in the hands of the public. With increased use of UHF, and increased incentive for both equipment manufacturers and station operators to exploit its maximum potential, there is reason to believe that several of the problems which presently restrict the coverage of UHF stations would be overcome. In short, as we stated in our notice of proposed rulemaking in docket No. 14229, the all-channel receiver is "critically important" because it is directed squarely to "the root problem of receiver incompatibility." It is our hope and belief that the achievement of set compatibility will make possible a satisfactory system of intermixed assignments, and immeasurably promote educational TV. It will enhance the development of three fully competitive network services and perhaps eventually of still further network service. These, then, are the reasons for our judgment on this important matter.

The Commission has made the further judgment that any agency moratorium on deintermixture to all UHF would not be applicable to the deintermixture proceedings in (1) Springfield, Ill. (docket No. 14267), (2) Peoria, Ill. (docket No. 11749), (3) Bakersfield, Calif. (docket No. 13608), and (4) Evansville, Ind. (docket No. 11757). The reasons for this judgment are set out in the attached appendix.

Finally, the Commission considered the proposal of a statutory prohibition against any Commission deintermixture action (to all UHF) which would continue until ended by action of both Houses of Congress. The Commission does not favor this approach. For, it means, in effect, that if the all-channel legislation proves inadequate, and the Commission feels that some form of deintermixture is desirable in order to achieve the purposes of the Communications Act (e.g., sec. 1, 303(g)), it would have to seek the equivalent of an amendment to the act. In our opinion, such a statutory scheme would render administrative policy inflexible and ineffective. We strongly urge that the Commission not be deprived, in this area, of the broad discretion which Congress gave it to meet changing problems and circumstances. We believe that there is no reason for not following the established policy of over a quarter of a century of permitting Commission action under the public interest standard, subject to congressional and judicial review.

By direction of the Commission.[1]

NEWTON N. MINOW, *Chairman.*

APPLICABILITY OF ANY DEINTERMIXTURE MORATORIUM TO THE SPRINGFIELD, ILL., PEORIA, BAKERSFIELD, AND EVANSVILLE DEINTERMIXTURE PROCEEDINGS

This appendix deals with the applicability of any moratorium on Commission deintermixture action (to all-UHF operation) to the deintermixture proceedings in (1) Springfield, Ill. (docket No. 14267), (2) Peoria, Ill. (docket No. 11749), (3) Bakersfield, Calif. (docket No. 13608), and (4) Evansville, Ind. (docket No. 11757). For reasons developed within, the Commission believes that any such moratorium should be inapplicable to these proceedings.

1. Springfield, Ill., deintermixture proceeding (docket No. 14267): On March 1, 1957, the Commission issued an order in the rulemaking proceeding in docket No. 11747, which removed channel 2 from Springfield, Ill., and added it at St. Louis, Mo., and Terre Haute, Ind., and further assigned UHF channels 26 and 36 to Springfield (22 F.C.C. 318). The Commission's order also modified the existing authority of Signal Hill Telecasting Corp., the then licensee of channel 36 in St. Louis, to provide for temporary operation on channel 2. This order was affirmed by the court of appeals (*Sangamon Valley Television Corp.* v. *U.S.*, 255 F. 2d 191 (C.A.D.C.)), but the Supreme Court remanded the case to the court of appeals for consideration of certain ex parte activities which had occurred during the rulemaking proceeding before the

[1] Because of his former connection (prior to nomination as Commissioner) as engineering consultant in regard to the deintermixture of Springfield and Peoria, Ill., Commissioner T. A. M. Craven did not participate in the consideration of the Commission's comments in this letter with respect to those areas. Otherwise, Commissioner Craven concurs with the views of the Commission majority.

Commission (356 U.S. 49). The court of appeals remanded the case to the Commission for a determination of the nature and source of all ex parte pleas (269 F. 2d 221). The Commission, after ascertaining such pleas, proposed to give interested parties an opportunity to respond to them but not to comment on matters occurring subsequent to March 1, 1957.

On appeal, the Department of Justice took issue with this latter ruling, urging that the Commission must consider post-1957 facts "if it is to reach a proper rulemaking decision as to where the VHF channel 2 should be allocated for the future" (brief, p. 8). The Commission, in its brief, pointed out that "consideration of subsequent events might well have to include existing service to the public in St. Louis * * *" (p. 18). The court agreed with the Department and ordered the Commission "to conduct an entirely new proceeding," based on the facts as they now exist; it further stated that the existing service on channel 2 in St. Louis may be continued by the Commission during this new proceeding (294 F. 2d 742). On September 7, 1961, the Commission instituted the new proceeding (docket 14267).

We have set out this lengthy history to show that the Springfield, Ill., deintermixture proceeding does not stand on the same footing as the eight deintermixture proceedings initiated last July. If a general moratorium prevents deintermixture in these proceedings, it rightly or wrongly maintains the status quo in these areas. But a moratorium precluding deintermixture in Springfield would, as a practical matter, upset the status quo. For, as the court recognized, the facts are that since 1957 Springfield has been all UHF and channel 2 has been serving the St. Louis area. Without any consideration of the merits of the matter, the moratorium thus would automatically withdraw channel 2 from service in St. Louis (and from assignment to Terre Haute where, however, it has been the subject of a comparative hearing) and call for VHF operation in Springfield. We think that such an automatic application of a general moratorium is unsound and that the matter rather should be left to the Commission's judgment. And see section 402(h), Communications Act. It may be that in spite of the dislocation we have described, the Commission might conclude in docket 14267 that the public interest would not be served by ordering deintermixture of Springfield. But certainly that decision is one calling for a judgment on the basis of all the public interest factors—and not for automatic application of any general deintermixture moratorium. This conclusion is buttressed by the domino effect of a moratorium precluding deintermixture of Springfield on the Peoria, Ill., deintermixture case, to which we now turn.

2. Peoria, Ill., deintermixture case (docket No. 11749). The Commission in a report and order issued March 1, 1957, deintermixed the Peoria area, substituting a UHF channel for channel 8 which was reassigned to the Davenport-Rock Island-Moline metropolitan area in order to afford "a third VHF outlet in this major market" (docket 11749, 22 F.C.C. 342).[1] On appeal, the court of appeals affirmed the Commission's order (*WIRL Television Co.* v. *U.S.*, 253 F. 2d 863 (C.A.D.C.)); the case was, however, subsequently remanded to the Commission, not because of any error or because of ex parte factors, but because the Commission's decision was geared, to some extent, to the Springfield deintermixture proceeding[2] and accordingly might be affected by a different decision in that proceeding. Since the Commission is to reconsider the Springfield matter, the rulemaking with respect to Peoria also was remanded to the Commission, so that it could be reconsidered, if necessary, in the light of the new Springfield decision. (See *WIRL Television Co.* v. *U.S.*, 274 F. 2d 83 (C.A.D.C.).)

This means that if a general moratorium causes the Commission to reject deintermixture of Springfield, the Peoria deintermixture action would have to be reconsidered in the light of this new factor. But the same moratorium would prevent the Commission from reevaluating and making a new judgment as to whether Peoria should be deintermixed. The actual status quo in Peoria would thus be disturbed without any consideration of the merits of the case. It may be that it should be so disturbed. But it may also be that the Commission would not regard a reversal of the Springfield picture—referred to only in a footnote in the Commission's Peoria decision (see footnote 2, supra)—as requiring a different result. Here again, the matter is obviously one for judgment—not rigidity.

3. Bakersfield, Calif. (docket No. 13608): On March 27, 1961, the Commission issued an order deintermixing Bakersfield by substituting UHF 23 channel for channel 10, effective December 1, 1962, or such earlier date as station KERO-TV may cease operation on channel 10 at Bakersfield (21 Pike & Fischer, R.R. 1549). This is final Commission action, with only "formal codification to be accomplished by subsequent order" (21 Pike & Fischer, R.R. 1573). As such, it is appealable and now pending before the court of appeals (*Transcontinent Television Corp.* v. *U.S.*, Case No. 16,541, C.A.D.C.). Obviously, any moratorium on deintermixture would and should be inapplicable to this final Commission action.

If, however, the case were remanded to the Commission for any reason, the question would arise whether Commission reconsideration should be precluded by a general moratorium. We believe that it should not. For, reconsideration in such circumstances stands on a different ground than a new proposal for deintermixture in some area. (Cf. Sec. 402(h) of the act.) Even more important, a moratorium affecting Bakersfield would leave Commission action in this general area (the San Joaquin Valley) in the state of being half complete, half incomplete, and would have seriously adverse consequences on the development of television in the San Joaquin Valley and particularly in the Fresno area. In Fresno, deintermixture action by the Commission is complete, and Fresno station KFRE-TV has shifted from operation on VHF channel 12 to UHF operation. (See FCC 60-814, 60-279.) One of the important aims in the Bakersfield case was to complement the Fresno action. As the Commission stated (21 Pike & Fischer, R.R. at pp. 1554-1556):

"7. The potential for the growth and development of multiple-effective local outlets and services in the San Joaquin Valley would be much greater if all television assignments at Bakersfield were in the UHF band. With Bakersfield and Fresno, the two largest expanding population centers of the valley located about 105 miles from each other, and with their trading and market areas extending into the valley between them, where also are located a number of smaller cities where the chances for the establishment of local television outlets are promising, it is inevitable, under the favorable terrain and propagation conditions in the valley, that there is and will be an overlapping of services and a sharing of a common audience by all stations operating at Fresno and Bakersfield or in cities between them. It has been demonstrated that the relatively flat valley floor presents unusually favorable conditions for propagation of television signals. Marietta itself pointed out in comments filed in docket No. 11759 that the 'unique character of the extremely flat and quite treeless San Joaquin Valley, which permits signals to be rolled down the corridor from Bakersfield toward Fresno and from Fresno toward Bakersfield in the manner of a bowling ball, exceeding substantially the normal propagation distances in other areas, is a phenomenon which cannot be ignored.' By virtue of these circumstances, it is essential, we believe, that we make conditions conducive throughout the valley for the growth and successful operation of local outlets by providing an equal opportunity for all valley stations to compete effectively with compatible facilities.

* * * * *

"10. With our action removing VHF channel 12 from Fresno and shifting station KFRE-TV on that channel to UHF operation, all television assignments and stations in the valley are now in the UHF band with the exception of station KERO-TV on channel 10 at Bakersfield. At the present time only three stations are operating at Fresno and three at Bakersfield, but there is demand and promise that additional outlets will soon be established at Fresno, and at Tulare, Visalia, and Hanford, which are located in the valley between Fresno and Bakersfield. [Footnote omitted.] The predicted grade B signal of the VHF channel 10 station at Bakersfield (KERO-TV) extends well beyond Tulare, Visalia, and Hanford where local UHF stations are now contemplated, penetrates the service areas of the Fresno UHF stations, and reaches to within 23 miles of Fresno. There can be no doubt, however, that under the excellent propagation conditions in the valley, its signal penetrates even farther north in the valley. The Nielsen coverage survey for the spring of 1958 indicates that station KERO-TV at Bakersfield reaches and is listened to in homes in Madera County, which is north of Fresno County and principally served by Fresno stations. The 1960 American Research Bureau, Inc., television coverage study of California counties and stations indicates that about 96 percent of the television homes in both Tulare and Kings Counties (Tulare and Visalia are in Tulare County and Hanford in Kings County) and about 58 percent of the TV homes in Fresno County are able to receive station KERO-TV and that station KERO-TV's net weekly circulation (number of TV homes viewing station KERO-TV at least once a week) in Tulare County is about 93 percent, in Kings County about 83 percent, and in Fresno County about 30 percent.

"11. Although our removal of the single VHF outlet at Fresno puts all Fresno stations on a comparable competitive footing which we believe will increase the potential for the growth of healthy competitive services in the Fresno area, we cannot agree with Marietta that deintermixture of the Fresno market can be fully effective notwithstanding its VHF station at Bakersfield. With a VHF outlet

[1] This channel assignment to Davenport-Rock Island-Moline has been the subject of a comparative hearing, which is not yet completed; instructions as to the final decision were announced on June 29, 1961, Community Telecasting Corp., docket No. 12501.

[2] In a footnote in the Peoria report, the Commission stated (22 F.C.C. at 352, n. 15): "Our action herein, moreover, comports with our decision in the Springfield deintermixture proceeding (docket No. 11747). In that case we have concluded that the public interest would be served by deleting channel 2 from Springfield. A station on this frequency in Springfield would have provided VHF service to parts of the service areas of the UHF stations in Peoria; and conversely, a station on channel 8 in Peoria would provide VHF service to portions of the area that will be served by UHF stations in the Springfield-Decatur area, which the Commission believes should be all UHF."

at Fresno no longer dominating the Fresno market, there is considerable merit, we believe, to the claim of proponents for UHF deintermixture of Bakersfield that station KERO-TV, as the only VHF station in the valley, would be in a position of conspicuous and unjustifiable dominance over all the competing UHF stations in the valley. This factor and the extent to which station KERO-TV's signal now penetrates beyond cities between Bakersfield and Fresno where the establishment of additional local UHF outlets is the most promising and into the service areas of the Fresno stations convincingly indicate that the presence of this VHF station in the adjacent Bakersfield market constitutes a significant deterrent to effective and comparable UHF competition in the Fresno market area and to the establishment of effective and beneficial new services, particularly in the smaller cities of the valley. The deterrent would be compounded if Bakersfield were made principally all VHF by the addition of two more VHF outlets, as Marietta suggests, and three Bakersfield VHF stations were to provide service in this now all-UHF area. Complete deintermixture of the entire San Joaquin Valley to UHF is, in our judgment, required for full development and expansion of effective competitive television service throughout the valley."

On this ground also, therefore, Bakersfield should not come within any general deintermixture moratorium but rather should be left to Commission judgment, in the event that reconsideration is called for at some future date.

4. The Evansville deintermixture proceeding (docket No. 11757): On March 1, 1957, the Commission issued a report stating its "judgment that amendment of the table of assignments for television broadcast stations (sec. 3.606(b) of the Commission's rules) by shifting channel 7 from Evansville, Ind., to Louisville, Ky.; assigning channel 31 to Evansville; substituting channel 78 for channel 31 in Tell City, Ind.; shifting channel 9 from Hatfield, Ind., to Evansville where the channel is to be reserved for noncommercial educational use; and by unreserving channel 56 and shifting it from Evansville to Owensboro, Ky., would promote the public interest, convenience, and necessity." The Commission effected the changes as to channel 9 but not those involving channel 7. Because there was an outstanding authorization for operation of station WTVW on channel 7 in Evansville, the Commission instituted show-cause proceedings to modify station WTVW's permit to specify operation on channel 31.

The Commission's action shifting channel 9 from Hatfield to Evansville (for noncommercial educational use) was sustained upon review in court (*Owensboro-on-the-Air, Inc.* v. *U.S.*, 262 F. 2d 702 (C.A.D.C.)). As to the show-cause proceeding, the examiner on July 20, 1961, issued an initial decision recommending that channel 7 be deleted from Evansville and reassigned to Louisville and that WVTW's permit be modified to specify operation on UHF channel 31 (FCC 61D-113). Oral argument on the exceptions to the initial decision will be heard by the Commission on March 29.

Again, we think it apparent that no general moratorium should be applicable to the Evansville area situation. Half the Commission's action in this area is final (i.e., shifting channel 9 to noncommercial operation); the other half—whether channel 7 should be shifted to Louisville to complete the deintermixture of the area and provide Louisville with a third VHF facility—is nearing final decision after a lengthy adjudicatory proceeding. Clearly the judgment as to whether the public interest would be served by such action should be made by the Commission upon the basis of the voluminous adjudicatory record compiled—and not by automatic application of a general moratorium.

Significantly, Senator CAPEHART, who opposed deintermixture of Evansville in testimony given before the examiner (par. 95, initial decision, FCC 61D-113), concurs in this conclusion. For, while supporting the provision of H.R. 9267 (the Roberts bill) precluding Commission deintermixture, he further stated:

"So that there can be no misunderstanding. I do not take this position in connection with any case that is under adjudication before the FCC. Specifically, my views do not apply to the situation in Evansville where channel 7 has been earmarked for a move for a very long time. The legislative decision in this case was made some years ago. What concerns me is future legislation, or rulemaking, decisions. I think it is proper for me to express my views on such matters, while I should be reluctant to do so as to cases under adjudication" (statement before Subcommittee on Communications, Senate Commerce Committee).

Mr. PASTORE. Mr. President, the letter was written to me, and it was concurred in by Commissioners Minow, Hyde, Bartley, Craven, Ford, and Cross.

I read now from the committee's report:

In that letter the Commission represented its judgment that a combined VHF-UHF system is needed; that if all-channel receiver legislation is enacted by this Congress the Commission would not proceed with the eight deintermixture proceedings initiated by it on July 27, 1961; and that a sufficient period of time should be allowed to indicate whether the all-channel television receiver legislation would, in fact, achieve the Commission's overall allocations goal of a satisfactory system of intermixed UHF-VHF assignments.

The following is the important point, and I should like to call it particularly to the attention of all Members of the Senate:

The FCC also represented that it would make periodic reports to Congress and that before it undertook any further action with respect to deintermixture, it would advise the Congress of its plan and give the committees of Congress an appropriate period of time to consider such plans.

In view of that assurance, the committee wrote this right into the report:

Your committee considers these representations by the Commission to be of paramount importance and has taken action on this legislation in specific reliance on them.

Mr. President, knowing the Senator from Illinois, the distinguished minority leader, as well as I do, I know that he would ask the question, "If it is all right to put that into the report, why not put it into the law?" That is a logical question, and I put that question up to the Commission. Its answer was that that might be a little too restrictive, that it is difficult to state what isolated situation might arise in the future, and that the Commission should not be too much shackled.

In view of the report, which was made not only to the Senate, but also to the House of Representatives, I believe we have here sufficient assurances upon which we can rely.

I understand the problem confronting the Senator from Illinois. I hope the Commission would never attempt to violate this assurance which it gave us; and I respectfully ask the Senator from Illinois not to press for the adoption of his amendment at this time.

Mr. DIRKSEN. Mr. President, if it were given to me, I certainly would fashion some language, directed to the Commission, couched in terms different from that which came to the Commission from the House of Representatives, because I would not permit the creature to tell the creator of the Commission what it could do, and make it a contingency, so to speak; for, when all is said and done, the affirmative action should be taken on this side—in the National Legislature.

But I say to the distinguished Senator from Rhode Island that, on the basis of these assurances, I shall withdraw the amendment—much as I would prefer to see this nailed down in the law. But I shall do so on a sort of probationary basis: I shall see what will happen, and then shall go back to this day, in the RECORD—which will be easy to remember, because this is June 14, Flag Day; and 185 years ago today the Congress passed a resolution prescribing the general character of the flag which is our national symbol.

So I can easily pick out the CONGRESSIONAL RECORD for June 14, 1962, and can say, "Let us go back and see what the CONGRESSIONAL RECORD says," if the Commission is going to bring up, willy-nilly, this business of deintermixture and make it applicable.

The Senator from Rhode Island knows that when I appeared at the committee hearing, I said that any such legislation should contain a grandfather clause. If a television station invests $1 million or $2 million in providing the best programs, and if then by arbitrary action a commission created by the Congress were permitted to reach into the entire spectrum and to pick out nine channels, and to say, "We are going to convert you from these to those," and thus suddenly wipe out that great investment, surely that would be about as great an amount of confiscation as one could ever see.

So on this assurance I shall withdraw the amendment now but I am going to watch this performance under the rulemaking power. This will not be the last chapter that will be written in the field, unless I miss my guess, and we should get from the Commission some better estimate and better idea of how to handle this problem.

Mr. PASTORE. Mr. President, I assure the Senator from Illinois that he will find the Senator from Rhode Island by his side in watching this development with much jealousness. I shall not only remember this day as Flag Day, but as the Thursday before Father's Day in the year 1962. [Laughter.]

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

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

The bill (H.R. 8031) was read the third time and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. WILEY] be excused from attendance on the Senate on Friday of this week and Monday of next week. He will be unavoidably detained.

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

AMENDMENT OF THE BRETTON WOODS AGREEMENTS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1438, H.R. 10162.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10162) to amend the Bretton Woods Agreements Act to authorize the United States to participate in loans to the International Monetary Fund to strengthen the international monetary system.

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. FULBRIGHT. Mr. President, I rise to explain briefly and to support the provisions of H.R. 10162, an amendment to the Bretton Woods Agreements Act. The bill before us authorizes United States participation in a special 10-nation plan to lend additional resources totaling $6 billion to the International Monetary Fund in the event they are needed. Such need would arise only if the Fund could not otherwise meet an approved withdrawal by one of the following 10 participating members of the Fund: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, the United Kingdom, and the United States.

Now, I shall not give a long and wearisome description of the complicated international monetary trends and factors which form the background of this legislative proposal.

I personally find it easier to gain such information from the available printed material on the subject than from listening to a speech—and I assume most of my colleagues feel the same way. Members of the Senate will find the committee report a succinct and complete summary. Should they wish highly detailed information, the Committee hearing record before them contains an exhaustive special report by the National Advisory Council on International Monetary and Financial Problems. Therefore, I shall use this occasion to emphasize certain highlights in the pending legislation.

The outstanding fact is that the United States would be the primary—though not the only—beneficiary of the 10-nation proposal which is at stake in acceptance of H.R. 10162. This point is related to the ability of member countries in balance-of-payments difficulties to exert their rights to make withdrawals from the International Monetary Fund; a member does not, of course, draw its own currency, but the convertible currencies of other nations, for the purpose of bolstering reserves and increasing confidence in its monetary position. The Fund at the beginning of this year held roughly $5 billion in U.S. dollars and in pounds sterling, which is certainly adequate to take care of any conceivable drawings by European countries. On the other hand, the Fund then had only about $1.6 billion in the convertible European currencies which this country would need should it wish to draw on the Fund. Against that figure of $1.6 billion, plus a considerably smaller amount of unencumbered Fund gold, must be set almost certain access by the United States to about $2.7 billion in drawing rights, as well as the admittedly distant possibility of a U.S. request for its full quota of $4,125 million.

Acceptance of the 10-nation plan would make available to the Fund, through special borrowing arrangements, an additional $3 billion of the kinds of currencies which the United States would require if it sought to implement its drawing rights. It should be emphasized that this country does not anticipate that it will call on the Fund. However, even if the United States did not seek to exercise those rights, the very availability of such resources would discourage speculation against the dollar of the kind that took place in the winter of 1960–61.

A second and related point that should be stressed is that the European nations in the special scheme, who are also Common Market members, together will be making a larger contribution than either the United States or the United Kingdom. The greatly increased financial strength of the continental European countries has not as yet been adequately reflected in Fund operations. Thus, they will be making available sums almost equal to their current Fund quotas, while the United States and the United Kingdom shares would be about half the size of their quotas.

The next point is that it is highly unlikely that the United States will be called upon to contribute its $2 billion share in the foreseeable future. The Fund now holds about $2.5 billion of the existing U.S. quota, so that there will be adequate amounts of dollars for Fund operations short of a dramatic overall reversal in the current free-world monetary situation. In any case, no participant in the 10-nation scheme would be expected to make resources available under the plan so long as it is experiencing balance-of-payments difficulties. These safeguards against any actual involvement of U.S. funds are likely to prove controlling for at least the initial 4-year life of the agreement.

This issue has been somewhat obscured by the method of financing U.S. participation set forth in H.R. 10162. The bill authorizes an appropriation of $2 billion to remain available until expended. Now the puzzling fact is that the Treasury, when authorized to do so, will seek, not an actual appropriation, but another authorization—to use the public debt transaction route. In other words, this body will be asked to take essentially the same action twice.

Apparently the Appropriations Committee of the House has at last succeeded in making the Treasury Department groggy with its cries of back-door, side-door, financing. For here we have back-door financing through the front door; not of the Treasury, by the way, but of the House—which has always been the real possessor of the entrances it invented for the supposed raiding parties.

Perhaps it will help clarify any confusion to reiterate the following points: First, no gold whatsoever is involved in U.S. adherence to the 10-nation plan; second, the no-year appropriation to be sought will actually be a request for borrowing authority which will not affect the current Federal budget; third, there is no likelihood that the resulting contingent obligation will become a real one so long as the United States is in balance-of-payments difficulties.

Why, then, must the United States take up a $2 billion share in the 10-nation plan if the commitment is so unlikely to involve actual expenditures? The first and most important reason is that the benefits of the plan will be confined to those nations which accept responsibility in terms of the loan schedule. Second, the other nine members would only participate on the basis of strict reciprocity; for we should remember that we are not the only country with a representative body which must justify its actions to the people. Finally, we had to make evident our readiness to assist the other participants should there be a substantial reversal in the international balance-of-payments situation at some time in the future.

The last point I want to raise is the relationship between this proposal and the Kennedy administration's overall campaign to remedy the U.S. payments deficit. The 10-nation plan neither intensifies that problem, on the one hand, nor by itself resolves it, on the other. It is only one ingredient—although an extremely significant one—in the many-faceted general effort to overcome the basic payments deficit. Whether or not that general effort is, or will be, sufficient is not the matter at issue here. The question we must answer is whether we will give the U.S. Government one clear-cut means of implementing its program to defend the dollar. It would not make sense to criticize the administration for having too few arrows in its quiver, and then to deny it the use of one of them.

In this connection, I believe that the issue is seen in proper perspective in the following excerpt from a resolution

adopted by the American Bankers Association last October:

The Treasury and the officials of the IMF are to be commended on their efforts to find more acceptable ways to minimize pressures that result from large movements of short-term funds among world financial markets.

Action along this line would be a very useful precautionary measure. A major contribution of the proposed IMF arrangement is that it would give to a country whose currency is under pressure additional time in which to make necessary adjustments in its balance-of-payments position. However, the proposal would not relieve any country, including the United States, of the need to avoid chronic deficits in its balance of payments.

Perhaps the best quick explanation of the U.S. interest and stake in the 10-nation plan was offered during the hearings by my committee colleague, the distinguished senior Senator from Indiana, in these words:

The Treasury * * * is doing what I think I learned to do as a businessman.

When I did not need the money, then is when I arranged to borrow it, and arranged for my credit, because I discovered a couple of times that I had waited too late because I really needed it and it was then awfully hard to get.

Mr. President, I will sum up by stating my conviction that this legislative proposal is one from which the United States has a great deal to gain, and one from which it is very difficult to see how this country has anything to lose. I strongly recommend that the Senate approve H.R. 10162.

Mr. President, if there are any questions about the measure which are not covered in the statement, I shall be glad to attempt to answer them.

Mr. DIRKSEN. Mr. President, at the outset there was some reservation, I think, on the part of the Senator from Delaware [Mr. WILLIAMS], which I discover, after further consultation with him, has been withdrawn. I have talked to other members of the Committee on Foreign Relations, and the bill does have their concurrence.

Mr. FULBRIGHT. The Senator is quite correct. The Senator from Delaware did have some reservations. It is my understanding he has withdrawn those reservations.

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

The bill (H.R. 10162) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FULBRIGHT. 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.

HARVESTING OF HAY ON CONSERVATION RESERVE ACREAGE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1526, S. 3062.

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

The LEGISLATIVE CLERK. A bill (S. 3062) to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions.

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

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

Mr. YOUNG of North Dakota. Mr. President, when the Soil Bank Act was passed, grazing on soil bank land in case of drought or other natural disaster was permitted upon request by a Governor of any State and approval by the Secretary of Agriculture. The pending bill merely would give the same privilege with respect to cutting hay on soil bank land. It would make permanent the program passed by Congress last year, but limited to 1 year.

The bill which was passed last year, sponsored by my colleague [Mr. BURDICK] and I, was very helpful to the State of North Dakota, as well as to other States. It helped keep cattle on the land and provided vitally needed hay for livestock, and, in addition, it resulted in considerable money for the Federal Government. The payments to the Federal Government from hay, from my State alone, amounted to about $2 million.

The bill has the unanimous approval of the Senate Committee on Agriculture and Forestry and of the Secretary of Agriculture.

Mr. BURDICK. Mr. President, I rise to urge my colleagues to approve this much needed legislation. As my colleague from North Dakota has said, it would make permanent the legislation which was passed last year, which was so helpful to the drought areas of the Northwest. This year we still are experiencing some of the results and effects of the devastating drought of last year, in that pastures have been killed.

At the present time the Secretary has already designated 13 counties in our State for eligibility under the temporary legislation. I understand 17 more counties are sought to be so designated.

The proposed legislation would be beneficial. We hope it will receive the approval of this body.

Mr. YOUNG of North Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD a statement explaining S. 3062 and also an excerpt from the report of the Committee on Agriculture and Forestry.

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

STATEMENT BY SENATOR YOUNG OF NORTH DAKOTA

Last year the Senate passed and the President signed a bill authorizing the Secretary of Agriculture to permit hay to be harvested from conservation reserve acreage where necessary to alleviate hardship caused by drought or other natural disaster. Permission could be granted only after certification of the Governor of the State of the need therefor and upon the independent determination by the Secretary of such need. This authorization was for 1 year only.

This bill, S. 3062, would make permanent the existing provision authorizing the harvesting of hay on conservation reserve acreage.

The Department of Agriculture reports that they favor the passage of this legislation because the program has been highly successful in the past year in alleviating a critical feed situation and in preventing irreparable damage to many farmers whose normal supplies of hay were severely reduced by the drought.

Grazing of conservation reserve lands is now permitted under sections 103(a)(3) and 107(a)(4) of the Soil Bank Act under conditions such as those under which hay harvesting would be permitted by the bill. The Department of Agriculture has advised the committee that downward adjustment in the conservation reserve payments have been made as a condition of granting permission for such grazing or haying in most cases. However, the Department has granted grazing privileges in flood areas for very short periods of time where such deductions are not warranted or made. The committee was advised that the Department would continue this practice under the permanent provisions of law.

This bill would make permanent the existing provision authorizing the Secretary of Agriculture to permit hay harvesting on conservation reserve acreage in certain disaster conditions. The Governor of the State in which the acreage is situated must certify the need for such harvesting, and the Secretary must determine that such harvesting is necessary to alleviate suffering caused by natural disaster, before such harvesting can be permitted.

The bill makes no other change in the existing provision, which is scheduled to expire on June 29, and which the Secretary of Agriculture has described as highly successful.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 18, 1962.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in reply to your request of March 24, 1962, for a report on S. 3062, introduced jointly by Senators YOUNG and BURDICK of North Dakota, to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions. In a report on an identical bill S. 2662 submitted to you on February 21, 1962, we recommended the enactment of the proposed bill in order to make the program permanent.

We would like to reiterate our favorable position on the legislation, and point out that this has been a highly successful program in the past year in alleviating a critical feed situation and in preventing irreparable damage to many farmers whose normal supplies of hay were severely reduced by the drought.

Since the existing authority expires June 29, 1962, the bill should be passed immediately in order that farmers may have the opportunity to harvest hay in the event of a severe drought, while the quality is good.

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

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as

reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

"SOIL BANK ACT

SEC. 107. (a) To effectuate the purposes of this title the Secretary is hereby authorized to enter into contracts for periods of not less than 3 years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage).

(2) To devote to conserving crops or uses, or allow to remain idle, throughout the contract period an acreage of the remaining land on the farm which is not less than the acreage normally devoted only to conserving crops or uses or normally allowed to remain idle on such remaining acreage.

(3) Not to harvest any crop from the acreage established in protective vegetative cover, excepting timber (in accordance with sound forestry management) and wildlife or other natural products of such acreage which do not increase supplies of feed for domestic animals, *and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster* *and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster.*

(4) Not to graze any acreage established in protective vegetative cover prior to January 1, 1959, or such later date as may be provided in the contract, except pursuant to the provisions of section 103(a)(3) hereof; and if such acreage is grazed at the end of such period, to graze such acreage during the remainder of the period covered by the contract in accordance with sound pasture management.

[NOTE.—Matter between asterisks is effective through June 29, 1962.]

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

The bill (S. 3062) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107(a)(3) of the Soil Bank Act is amended by changing the period at the end thereof to a comma and adding the following: "and except that the Secretary may, with the approval of the contract signers, permit hay to be removed from such acreage if the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for removal of hay from such acreage, determines that it is necessary to permit removal of hay from such acreage in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster."

Mr. YOUNG of North Dakota. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. BURDICK. 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.

ADDITIONAL FUNDS FOR THE COMMITTEE ON ARMED SERVICES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1545, Senate Resolution 345.

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

The LEGISLATIVE CLERK. A resolution (S. Res. 345) to provide additional funds for the Committee on Armed Services.

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

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

The PRESIDING OFFICER. The resolution is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution.

The resolution (S. Res. 345) was agreed to, as follows:

Resolved, That S. Res. 295, agreed to February 22, 1962, authorizing a study by the Committee on Armed Services on strategic and critical stockpiling, is amended on page 2, line 14, by striking "$30,000," and inserting in lieu thereof "$80,000."

AMENDMENT OF THE SMALL BUSINESS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1501, S. 2970.

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

The LEGISLATIVE CLERK. A bill (S. 2970) to amend the Small Business Act.

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

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause and insert:

That subsection (c) of section 4 of the Small Business Act is amended to read as follows:

"(c) There is hereby established in the Treasury a revolving fund, referred to in this section as 'the fund', for the Administration's use in financing the functions performed under sections 7(a), 7(b), and 8(a) and under the Small Business Investment Act of 1958, as amended, including the payment of administrative expenses in connection with such functions. All repayments of loans and debentures, payments of interest, and other receipts arising out of transactions financed from the fund shall be paid into the fund. As capital thereof, appropriations not to exceed $1,450,000,000 are hereby authorized to be made to the fund, which appropriations shall remain available until expended. Not to exceed an aggregate of $1,109,000,000 shall be outstanding at any one time for the purposes enumerated in the following sections of this Act: 7(a) (relating to regular business loans), 7(b) (relating to disaster loans), and 8(a) (relating to prime contract authority). Not to exceed an aggregate of $341,000,000 shall be outstanding at any one time for the exercise of the functions of the Administration under the Small Business Investment Act of 1958, as amended. The Administration shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the outstanding cash disbursements from the fund, at rates determined by the Secretary of the Treasury, taking into consideration the current average yields on oustanding interest-bearing marketable public debt obligations of the United States of comparable maturities as calculated for the month of June preceding such fiscal year."

Mr. PROXMIRE. Mr. President, it is my understanding that the pending bill is S. 2970; is that correct?

The PRESIDING OFFICER. The Senator from Wisconsin is correct.

Mr. PROXMIRE. Mr. President, the bill would increase by $250 million the authorization for the Small Business Administration's revolving fund, making a total authorization to the fund of $1.450 billion. The bill would increase by $16 million the funds that SBA can commit for its programs under the Small Business Investment Act of 1958. The bill also would combine the ceilings which SBA can commit under its regular business loan program and its disaster loan program. This proposed increase amounts to $234 million. The combination of these two authorizations should permit more flexibility by SBA in the operations of these two programs.

However, the regular business loan program of SBA should not be permitted to impair the authorization available for its disaster loan program. The committee was assured by Administrator John E. Horne, as set out in the committee's report:

Because of the impossibility of forecasting the incidence or the financial impact of disasters, a token amount of $14 million customarily has been included in the budget estimate. In accordance with prudent financial management procedures, precautions are taken to assure that at least this amount is retained in the financial plan for disaster loans as long as required.

The committee believes from the Administrator's assurances that there will be adequate funds kept available for the disaster loan program.

The bill also would change the method of computing interest on the funds that SBA receives from Treasury for SBA's various lending programs. The bill would provide that the Secretary of the Treasury, in June of each year, should set the rate, or rates, to be charged the Small Business Administration for all disbursements made by the Small Business Administration during the suc-

ceeding fiscal year. These rates would remain applicable to such disbursements, regardless of any subsequent fluctuations in the borrowing costs of the Government, until the money is returned to the Treasury.

The present law provides that the Secretary of the Treasury compute each year a rate applicable to all outstanding cash disbursements made by the Small Business Administration regardless of the year in which the disbursements were made. Since fiscal year 1961, a weighted average interest rate taking into consideration prior yearly rates has been in effect.

I ask unanimous consent to have inserted in the RECORD at this time a computation, requested by the committee from the SBA, which shows the difference in amount of interest payments to the Treasury Department by the Small Business Administration under present law compared with the payments which would have been made if the interest payments had been computed under the provisions of this bill.

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

Statement of interest payments to the Treasury Department, compared with interest computed per S. 2970, fiscal years 1958–61

[In thousands]

Fiscal year	Actual interest cost	Interest computed per S. 2970
1958	[1] $6,649	$2,606
1959	[1] 6,294	7,246
1960	[1] 14,875	10,606
1961	[2] 14,248	14,093
Total	42,066	34,551

[1] Through the fiscal year 1960, interest was computed each year at the current fiscal year rate on all outstanding disbursements regardless of the year in which such disbursements were made.

[2] Fiscal year 1961 was the 1st year in which the weighted average rate was developed by the Treasury Department.

Mr. PROXMIRE. Mr. President, it should be noted that in fiscal year 1961, the year in which the weighted average rate figure was used, the percentage of difference between the two figures is very small. This change has the support of the Treasury Department. It is a matter of more efficient administration and should benefit both SBA and Treasury.

There are other technical amendments in the bill which would clarify section 4(c) of the Small Business Act.

Mr. President, I happen to be the chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. In that capacity I reported the bill.

I was overruled by a majority of the members of the Committee on Banking and Currency as to the size of the authorization. I feel very strongly about the size of the authorized program. I think the authorization is too large. It exceeds the recommendation of the Bureau of the Budget. Therefore, I shall offer an amendment to the committee substitute, to reduce the authorization to the level recommended by the Bureau of the Budget. At this time I offer the amendment.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Illinois.

Mr. DIRKSEN. Is it the purpose of the amendment to the committee substitute to reduce the authorization from $1,450 million to $1,109 million, with respect to the amount outstanding at any one time?

The PRESIDING OFFICER. The proposed amendment to the committee substitute amendment will be stated for the information of the Senate.

Mr. PROXMIRE. Before the clerk states the amendment, I wish to say that what I would do is merely to reduce the authorization by $24 million. Only $24 million is involved. This would reduce the authorization to the level requested by the Bureau of the Budget for 1 year.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin to the committee substitute amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 1, it is proposed to strike out "$1,450,000,000" and to insert in lieu thereof "$1,426,000,000".

On page 3, line 4, it is proposed to strike out "$1,109,000,000" and to insert in lieu thereof "$1,085,000,000".

Mr. PROXMIRE. Mr. President, I feel strongly that the $24 million increase over the budget request for fiscal year 1963 is not justified.

I should explain that initially the Small Business Administration requested the elimination of the authorization ceiling altogether. This request was supported by the Bureau of the Budget. The committee did not think that action was justified.

The SBA then suggested that the committee might see fit to provide an authorization not for 1 year but for 4 years, to go as high as $2.6 billion. The committee thought this amount was excessive, and that it would prevent the committee from exercising a legislative oversight which, in the judgment of the majority of the members of the committee, should be exercised through a review of the authorizations for the Small Business Administration each year.

The general feeling of the committee was that the authorization should be limited to 1 year, and that the $226 million requested for 1 year should be rounded off, through an increase, to $250 million.

Mr. President, I oppose that action because I think the increase that was requested by the Budget Bureau and by the SBA is very large. It is more than adequate to meet the projected increase in loans for next year. It is even more adequate in view of the fact that what we have done is to pool the regular business loan and disaster funds together. That was not anticipated when SBA's budget was drawn up. This substantially increases the funds available to the SBA for its regular business loan program since the disaster fund has never been fully used, and there is every expectation that a substantial amount of money in the disaster fund will be available for use for regular business loans.

I also point out that the extra $16 million authorization to the SBIC program was a subject of contention in the committee, and a substantial minority felt that that was not justified. It seemed unnecessary in view of the fact that since 1959, when the small business investment company program began, only $142 million has been used. There is still $183 million left in the fund for this program unutilized and is at the disposal of the SBA under previous authorization. I wish to make clear that my amendment would not touch that fund.

I think it is time for the Senate to take a look at the way the SBA is operating and the way it has expanded. The SBA regular loan program has expanded from $290 million at the beginning of 1959 to $735 million at the end of the present month. The full SBA authorization will be $1.450 billion. On the basis of projections, if this bill becomes law, approximately $2.5 billion will be required by the end of 1967 for SBA's regular business loan program and programs under the Small Business Investment Act of 1958. I emphasize that figure.

In view of the rapid expansion of the loan and other programs, it seems to me that we should take a careful look at it and see what it accomplishes. The facts brought out in the committee hearings show that only approximately 25,000 of the 4½ million small businesses in America have ever received a small business loan. That means that only about one small business out of 200 has ever received an SBA loan. In any one year, of course, the percentage of small business taking part in this program is even smaller. I estimate that next year about one small business in 1,000 will receive an SBA loan during this year or next year.

With that point in mind, congressional oversight requires careful review of SBA's lending policies. This oversight is badly needed in view of the great expansion of the agency and in view of the ocean of small businesses in which we are trying to operate.

Which are the one in a thousand firms who will get a small business loan next year? In the first place, many of the loans are going into areas and States in which every analysis indicates that ample banking facilities are available. I have discussed this subject with leading officials in the SBA. They have told me that they can see little justification for providing funds to firms that are located in States like Massachusetts, for example, where ample banking facilities exist and where any legitimate loan will be made by the regular banking system.

In the second place, I invite the attention of Senators to the fact that more than 50 percent of the dollar volume of the loans has gone to only 10 percent of the borrower. Ninety percent of those that borrow from SBA receive only half the money. The remaining 10 percent that get the big loans receive half of the money, or 50 percent.

I think we ought also to recognize that more than 40 percent of the loans that are made are made not for expanding small businesses and to encourage small

business to grow. Those receiving 40 percent of the loans do not use the funds to purchase facilities or new working capital they cannot obtain elsewhere.

For what reason are 40 percent of the loans made? For refinancing existing debts.

Next, I wish to call attention to the fact that a very large number of loans are made to motels and bowling alleys, and for the construction of doctors' and lawyers' offices, which may be attractive enterprises but, in my judgment, those enterprises should not be federally subsidized. They contribute little to employment, very little to growth, and in virtually all cases it would be possible to obtain the loans from banks.

I come to the next point I wish to make. Before the SBA loans can be made, it is necessary, of course, for the borrower to be turned down by a bank. I have talked with many bankers, not only in Wisconsin, but in other places around the country. I am told that the turndown procedure is a joke. Turndowns are always given as a matter of courtesy to a customer. A turndown is rarely refused. It is a simple procedure for a man who wishes to obtain money at easier terms. The terms are substantially easier from the Small Business Administration at present interest rates. To obtain a bank turndown, the bank often participates under advantageous terms, and, in effect, has a loan that is substantially guaranteed by the Government.

The principal objection that many people in the country have to the present operations of the SBA is the feeling that in order to obtain an SBA loan, in order to be one of the 1 in 200 firms which have received such loans, the applicant should know a Representative in Congress or a Senator. I think perhaps that is one of the reasons why the SBA program has been so much more popular in the Senate and in the House of Representatives than in the country as a whole. On the basis of the opportunity I have had to talk with people in the SBA, I feel that there has not been substantial interference by Members of Congress in most cases. There are, perhaps, a few cases in which Members of Congress have tried to pressure the SBA, but I think the SBA has been extremely well administered by John E. Horne and his predecessors. There has not been a tendency to yield to congressional pressure. But there is the belief around the country that if one wishes to get an SBA loan, he should see his Senator or Representative. The result is that many people around the country feel that the program is a matter of political influence and not one of merit.

Mr. President, what I have said may be considered a very severe indictment. I do not mean it in that way at all. The SBA has done a good job. John Horne is an outstanding Administrator. But I think it is time, in view of the rapid expansion—the threefold expansion—of the loan program in the past 3 years, and the expansion to $2,600 million in the next 3 or 4 years, it seems to me that it is time to take a look at the program and find out exactly the areas in which the Congress feels that the SBA could operate most effectively, instead of shooting at the enormous ocean of 4½ million firms everywhere, including many areas that are fully banked.

We recognize that in some areas of heavy unemployment, banking facilities are not adequate. In some areas it might be sensible to provide an opportunity for SBA loans; and in other areas the opportunity to get, in effect, a Government-subsidized loan should be eliminated.

I think the basic way to meet the problem of inadequate facilities for small business is to make private banking facilities more readily available.

For example, in the city of Washington some 40 years ago, when the population was far less, and when income and assets were less, there were 50 banks. Today there are 11. The number has dwindled sharply. What is true of Washington is true of Wyoming, Alabama, Wisconsin, Massachusetts, and States all over the country.

I feel that the adoption of a policy on the part of the Comptroller of the Currency, the Committee on Banking and Currency, and other authorities to do all we can to encourage the franchising of additional banks, and to do all we can to encourage additional banking competition, is the way to meet the problem in an effective and efficient way, without providing any kind of taxpayers' subsidy. I believe this type of subsidy is a serious mistake.

Until these fundamental questions are answered, it seems to me that it would be a mistake for Congress to rush along at a more rapid pace than the SBA feels we should, or has requested that we should. I recognize that the SBA asked us to eliminate the authorization altogether, but it is very clear that if we are to have a 1-year authorization, it should be a $226 million additional authorization and not a $250 million authorization.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I have discussed this matter with the Senator from Wisconsin and the Senator from Alabama. I have an amendment at the desk, which I should like to offer.

Mr. PROXMIRE. I understand the parliamentary situation to be that my amendment is now pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. I ask unanimous consent that it may be laid aside so that the Senator from Massachusetts, who has a very important committee meeting to attend, may offer his amendment, in order that it may take precedence and be disposed of first. Then my amendment can be called up again.

The PRESIDING OFFICER. Without objection, the Proxmire perfecting amendment will be temporarily laid aside. The Senate will now proceed to the consideration of the amendment offered by the Senator from Massachusetts, which will be stated.

Mr. SALTONSTALL. I thank the Senator for his courtesy.

The legislative clerk read as follows:

On page 3, line 8, before the period insert the following: ": *Provided*, That the Administration shall report promptly to the Committees on Appropriations and the Committees on Banking and Currency of the Senate and House of Representatives whenever (1) the aggregate amount outstanding for the purposes enumerated in sections 7(a) and 8(a) exceeds $1,012,200,000, or (2) the aggregate amount outstanding for the purpose enumerated in section 7(b) exceeds $96,800,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that there be printed in the RECORD a brief statement explaining the purpose of the amendment.

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

STATEMENT OF SENATOR SALTONSTALL

This amendment to S. 2970, a bill to amend the Small Business Act, is being introduced to provide for a report to be rendered by the Small Business Administration to the appropriate committees of the Congress of expenditures in excess of specific amounts from the revolving fund to be established by S. 2970. The figures cited in this amendment are based upon amounts which the Small Business Administration has estimated will be spent in support of the programs under sections 7 (a) and (b) and 8(a) during fiscal year 1963. When the sum of $1,012,200,000 is exceeded in support of programs under sections 7(a) and 8(a), or when the sum of $96,800,000 is exceeded in support of the program under section 7(b), this amendment will require that a report of this fact be filed with the appropriate committees of the Senate and House of Representatives.

While I am in substantial agreement with the concept of a revolving fund to finance those programs provided for in sections 7 (a) and (b) and 8(a) of the Small Business Act, it is my view that provision should be made in S. 2970 for appropriate congressional review of expenditures out of the fund when the possibility may arise that sums expended in support of one program may deplete sums available to support another program. This concern is addressed particularly to a possible depletion of amounts available for disaster loans under section 7(b) of the Small Business Act. It is for such a reason that I have introduced this amendment. It should be observed that this amendment does not have the effect of limiting the Small Business Administration in the proper expenditure of amounts out of the revolving fund established by S. 2970.

Mr. SALTONSTALL. I thank the Senator from Wisconsin for his courtesy.

Mr. PROXMIRE. I thank the Senator from Massachusetts. His amendment is a very excellent contribution. It enables Congress to exercise the oversight which it should exercise over the disaster funds, in view of the fact that they have been pooled in this bill.

The PRESIDING OFFICER. The question now recurs on the Proxmire amendment.

Mr. PROXMIRE. Is the Proxmire amendment now the pending amendment?

The PRESIDING OFFICER. The Senator is correct. The question is on

agreeing to the amendment offered by the Senator from Wisconsin.

Mr. SPARKMAN. Mr. President, I address myself to the Proxmire amendment, because that is the only issue before us with reference to the pending bill.

The question at issue here is whether the Senate will take a realistic and long-range view of the needs of the Small Business Administration. There is no question here of how much will be appropriated for the lending programs of SBA. This is only an authorization bill. There is no question here of promoting or encouraging expansion of SBA's activities. The expansion and growth of these vital programs has already occurred. The figures available to me show that, whereas the lending activity of SBA increased some 37 percent from fiscal 1961 to fiscal 1962, it is expected that there will be an increase of only about 9 percent in fiscal 1963. What we are attempting to do is bring the revolving fund authorization in line with the realistic needs of small business and provide some cushion against unforeseeable circumstances.

Due to the increase which occurred this year, the agency was, in one vital area, forced to make a drastic curtailment of its activities. Earlier this year, the Administrator found it necessary to cut back loans to small businesses because the revolving fund was depleted to the point where the agency could not fully meet the requests of small firms for financial assistance.

This cutback took two forms. First, last November, to conserve the agency's dwindling loan funds, the Administrator announced that as of December 1, loan applications in excess of $200,000 would not be accepted unless the applicant was in a defense-oriented industry. Of course, the Small Business Act of 1958, as amended, specifies that the agency may lend up to a maximum of $350,000 to any one small business concern. That was the amount that Congress decided the agency should be able to lend to a single company where the facts indicated a small firm required that amount to expand and remain competitive.

Secondly, in March of this year the Administrator virtually discontinued approving business loans except for a small number of cases where it was evident that an applicant's business would be gravely jeopardized by a delay in making the loan.

It is my view, Mr. President, that this forced retrenchment of SBA's business lending program is most unfortunate. It takes money to run a successful business in these times. A small business which lacks access to growth funds is in trouble. A study of a group of manufacturing firms that failed showed that although these firms failed for a variety of reasons, they had one factor in common—lack of growth.

Sometimes we may tend to lose sight of the fact that our small business enterprises provide about 30 million jobs or nearly 50 percent of our national employment. As large corporations speed up their automation programs, I hope that a growing national small business community will be able to absorb many thousands of workers released as a result of automation. This is another reason, it seems to me, why small companies should have access to growth capital. It costs more in terms of capital assets to create one job today than ever before. In 1947, manufacturing corporations had total assets which averaged $7,505 per employee. In 1959, the average amount of total assets per employee had increased to $15,733 or slightly more than double that 1947 amount.

I should like to cite just one case in point. I have seen several letters from small businessmen who have obtained SBA loans at or near the statutory limit. I recall that the president of a small boatbuilding company in Lewisville, Tex., obtained a loan of $350,000 of which SBA's share was 90 percent with a local bank taking 10 percent. This small business owner wrote as follows:

> I would like for you to know that in obtaining this loan we shall be able to put 60 or 75 additional people to work in the very near future and another 25 or 30 within the next 4 or 5 months when we again get underway.

In other words, Mr. President, this 1 loan at the statutory $350,000 limit created about 100 jobs. This is a point I should like to see pondered by those who feel that the SBA should confine itself to making only very small loans in the $1,000 to $50,000 bracket.

A few weeks ago I wrote to the Administrator of the SBA to inquire what additional moneys would be needed if he were to return to making loans close to or at the statutory limit of $350,000. He replied:

> If the legal maximum of $350,000 on individual loans were to be restored, our best estimate is that additional $60 million would be required to finance the 1963 estimated volume of applications.

It is interesting though unfortunate, I believe, that the bill reported by the committee, which includes the $24 million now at issue, will not be sufficient to permit a return to the loan limit set by Congress.

Mr. President, I have the greatest respect for my colleague, the Senator from Wisconsin, and I respect his judgment. However, I am convinced that the amendment he offers constitutes a shortsighted approach to the problem which has plagued the Small Business Administration in recent years.

The SBA has no authority to borrow funds directly from the Treasury. In order to obtain additional funds to finance its small business lending programs, SBA must first get approval of the Banking and Currency Committees for an increase in the dollar limit authorized to be appropriated to the SBA revolving fund. When such an increase is approved by the Banking and Currency Committees, SBA must then justify the need for additional funds before the Appropriations Committees.

As might be expected, this has resulted in an awkward situation on those occasions when, due to a physical disaster or an unexpected increase in the demand for credit by small firms, it has become necessary to obtain additional funds for SBA on rather short notice. Senators will remember that such a situation arose last year. In order to get additional funds needed at that time by SBA—and the need was rather acute—the agency had to present its case for these emergency funds to four separate committees of the Congress. Unnecessary delay which impeded the efficient operation of these vital programs was the inevitable result.

In order to solve this problem, the President recommended—and this bill originally provided—that the dollar limit on the SBA revolving fund be completely eliminated. This would have allowed SBA to obtain additional appropriations without first having to obtain an increase in the revolving fund authorization.

The Banking and Currency Committee considered this question very carefully. However, we decided against a complete elimination of the revolving fund limit and chose instead to provide a $24 million cushion in the authorization. That is exactly what this proposal is—a cushion against emergency demands upon the SBA. The bill is not an appropriation bill. If passed, the SBA would still be required to justify, before the Appropriations Committees, the need for any funds beyond the budgeted amount.

The bill simply provides a little insurance against the possibility that the recommendation of the Budget Bureau is unrealistic—a possibility not entirely remote in view of my past observation of these matters—and it also represents a recognition of the possibility that a physical disaster or some other unfortunate circumstance may cause an unexpected increase in the demand for funds from SBA. If the bill passes in the form reported by the committee, it will greatly enhance SBA's ability to cope with such emergencies. The amendment proposed by the Senator from Wisconsin would remove the cushion provided by the committee, and I am opposed to the amendment. I feel that it represents an unrealistic and—as I say—a somewhat shortsighted approach to a very real and serious problem.

I must take issue with my friend, the distinguished Senator from Wisconsin, when he attempts to equate this bill with an appropriation measure. I must also take issue with the implication that this authorization bill exceeds the recommendations of the administration. The bill does not appropriate funds either equal to, above, or below the amount included in the budget. As a matter of fact, as I have pointed out, this bill is far more conservative than the bill which was recommended by the administration.

I should like to make two or three points in addition to my principal statement. One is to emphasize again something I stated previously, namely, that the amount suggested for the fiscal year by the Bureau of the Budget is based not upon the tremendous growth which SBA had during the past 2 fiscal years, but upon the expected increase for the next fiscal year, which is only 9 percent as compared with 37 percent.

Second, I invite attention to my previous statement with reference to the difficulty in which SBA sometimes finds itself. The Senator from Wisconsin may recall that SBA needed additional funds for the present fiscal year, and funds are provided in the second supplemental appropriation bill which passed the Senate some time ago, but is still pending in conference. If I am mistaken, the Senator from Wisconsin can correct me.

Mr. PROXMIRE. The Senator is correct.

Mr. SPARKMAN. If some unusual disaster had occurred, or if the pace of making loans had been maintained, SBA simply would have run out of money entirely before the end of the fiscal year.

The problem was discussed in the full committee, and the full committee went along on the question of open-end authorization. I believe the Senator from Wisconsin will agree with me that there was no particular argument in either the subcommittee or the full committee on this point. The Senator may remember that I myself said we had always refused to give that kind of authorization to the Federal Housing Administration. It had been asked for repeatedly, but we declined to give it.

Finally, last year we provided an extension of time, and the Senator may remember my suggestion that the SBA be given 2 years. Then the suggestion was made that instead of giving a 2-year authorization, the time be held to a single year. This was suggested in order to assure having a congressional review take place periodically. The $24 million cushion would be provided, simply to even off the amount.

If I remember correctly, the amount was set at $226 million, and we said we would round it off to $250 million, which would provide a cushion. It is in excess of what the Bureau of Budget estimates will be necessary for fiscal year 1963. We recognized that in the committee, but we said that for fear some emergencies might arise, we would provide a cushion of this kind, and we set the amount at $250 million additional, with a 1-year—a single-year—authorization.

I regret very much that the Small Business Administration found it necessary last year, because of a scarcity of funds, to reduce the maximum level of single loans from $350,000 to $200,000. I do not believe that is good. I agree with the Senator from Wisconsin that the fund is for small business. But there are many small businesses. The money is for small business; so, of course, there ought to be a good many small business loans. Nevertheless, there are many small businesses for which a maximum of $350,000 is not unreasonable, and certainly such businesses should not be excluded.

One thing which I believe many people overlook is that of some 4,400,000 corporations or businesses in this country, 95 percent are small businesses. Those small businesses—and this is the important point—employ 50 percent of the people who are engaged in nonfarm employment, are in forms of employment of this kind. They manufacture approximately 40 percent of the products of the country. This shows how important small business is to the economy of the Nation.

This is small help which we have given small businesses through the Small Business Administration. The Senator from Wisconsin points out that there have been only 25,000 small business loans. Instead of holding that up in derogation of the legislation, I think it ought to be held up to show the need for a stepping up of the program.

Now I wish to say a word about the question of political influence in SBA. I share with the Senator from Wisconsin the feeling that there is no such thing as political influence in the SBA. I have been closely associated with the Small Business Administration since its creation. I introduced the bill which created its predecessor, which was simply taken over by SBA. I have been closely associated with all the administrators of SBA from the very beginning. I have been the chairman of the Small Business Committee ever since it was created in 1950, with the exception of one 2-year term when the Republicans controlled the Senate; and during that time I was the ranking Democrat on the committee.

I cite these facts to indicate my interest in small business and my closeness to the operation of the Small Business Administration. Yet my State of Alabama—and I am not boasting of this; I am stating it as a fact—probably has as low a rate of small business loans as any other State in the Union. I have never tried to use political influence with the SBA. I think that is true of the average Senator and also of the average Member of the House. I do not think there is political influence in any sense of the word.

I do not think it is a political organization in any sense of the word. I know John Horne quite well. He came to Washington on February 1, 1947, as my administrative assistant; and he remained with me, in that position, until he was appointed to the Small Business Administration. Incidentally, let me say that I did not request his appointment as Administrator of the Small Business Administration, and neither did he request it. But when he was asked by the administration if he would accept the appointment, he came to me — and I think I am not disclosing any secret when I state this—and asked me about it; he was in great doubt as to whether he wanted to accept the position. He knew something of the hard work and the obstacles confronting that organization. But I urged him to accept the appointment, because I knew, from his work with me and from the interest he had taken prior to that time in small business legislation, that he could do a good job, and that if anyone could do a good job there, it would be John Horne.

So certainly I am convinced that no political influence has been used there. Instead, its work has been done on the basis of merit; and John Horne has proceeded with that work on the basis of merit and on the basis of his love for the work.

So, Mr. President, I earnestly hope the amendment will be rejected, so that we shall give the Small Business Administration a little elbowroom. Even with the inclusion of this cushion, the restrictions I have mentioned must still be observed. I do not believe we should provide additional restrictions.

Mr. PROXMIRE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. The Senator from Alabama has said we shall not be exceeding the budget request. The Senator also said the committee decided to provide a 1-year authorization. As he knows, the budget request—and the request of the administration for fiscal year 1963—was $226 million. We shall be providing $250 million, or $24 million more than asked and we shall also be providing for a cushion, by means of a pooling of the disaster fund, which never has been fully used, with the regular loan fund.

Furthermore, as the Senator from Alabama knows far better than I do, there never has been an instance in which the SBA has been unable to make loans because of failure by the Banking and Currency Committee to provide it with adequate authorization. We stand ready to authorize more funds whenever necessary. Is not that correct?

Mr. SPARKMAN. Yes, the Senator from Wisconsin is correct as to the last part of his statement.

But a few minutes ago I said the supplemental bill provides funds which it was thought the Small Business Administration would need for the first half of this year, and that our committee voted to authorize those funds.

Mr. PROXMIRE. Yes, the Banking and Currency Committee voted to authorize them.

Mr. SPARKMAN. That is correct. But even though we might authorize additional needed funds in time, in the event of an emergency, for instance, perhaps we would authorize them by April 1—they could still be enmeshed in a supplemental appropriation bill which would be delayed. For instance, the present supplemental bill is still in conference; and it is now June 14, and the fiscal year is almost over, but still the supplemental bill is in process.

As regards the budget estimate, I want the Senator from Wisconsin to realize that I used the term "the administration's request." I then referred to the budget estimate, not the budget request, because the request was that we provide the SBA with an open-end authorization, and the budget estimated that in that event there would be spent in the remainder of this fiscal year and the next fiscal year $226 million.

Mr. PROXMIRE. That is correct. But once the committee made the decision to provide a 1-year authorization, then the additional $24 million was in excess of the administration's request, particularly in view of the pooling with the disaster fund.

Mr. SPARKMAN. But I point out that all that was done as a part of one action. The Senator from Wisconsin will remember that in the committee, I proposed a 2-year extension; and then it was suggested that if we would pool the two funds, and would add this cushion, we could proceed with a 1-year authorization. It was not intended that all

the $250 million would necessarily be spent in the 1 fiscal year; but it was pointed out that there would be a cushion, so that if it became necessary to appropriate additional funds, they would be within the authorization ceiling.

Mr. PROXMIRE. Well, it is either a 1-year authorization or it is not. I feel very strongly that if the committee is going to perform any function in connection with providing an authorization, it should provide it in a limited amount, so that if the SBA decides to go further, it will have to explain to the committee why its policy is so expansive and why it has increased its loans so much and why such a policy is justified. Otherwise the authorization process serves no purpose.

Mr. SPARKMAN. But I think the Senator from Wisconsin will remember that this was a package agreement, which was agreed to almost unanimously in the committee—although it is true that the Senator from Wisconsin said he might offer an amendment on the floor.

Mr. PROXMIRE. In fact, I was rather vigorous in saying that it was a mistake. But no vote was taken on it in the committee. However, perhaps 5 of the 15 members of the committee came to me and told me they would have supported my amendment if I had pressed for a rollcall vote. So there was substantial opposition.

Mr. SPARKMAN. But it was not stated at the time.

Mr. PROXMIRE. That is correct.

Mr. SPARKMAN. And I feel that we worked out a good solution.

So I earnestly hope the Senate will sustain the decision of the committee.

Mr. PROXMIRE. Mr. President, let me also say to the Senator from Alabama that his argument that we should take a long-range view is a good one, and that is exactly what I recommend. The Senator from Alabama has spoken of the need for small business; and, of course, there is a great need, particularly in view of the many fatalities among small businesses because of the very great impact of chainstores, and so forth. All that is well known and is most serious; and we should do what we can about it.

But to follow a policy of making loans to 1 out of 200 businesses, a policy of providing such assistance to 25,000 out of 4½ million of these firms, which at any time over the past 10 years have had a small-business loan, is not a proper way to give such aid.

The Senator from Alabama says, "Yes; but this is a justification for expanding the program."

But in that event we would have to have a $20 billion or $30 billion or $40 billion or $50 billion authorization. No one supports so great an involvement by the Federal Government in the economy.

It seems to me that we must recognize that we can do only limited things in connection with the SBA operation. We should have a rifle shot at these areas, and should provide criteria insofar as we can; and perhaps we should provide for much more substantial help in cases in which employment may be greatly increased by SBA loans.

But to provide that these funds shall be available to any and all of the 4½ million small businesses—for example, to a doctor's office or to a bowling alley or to a motel, even though in some areas of the Nation the motels and bowling alleys have been greatly overbuilt—and to make this money available to them at such low interest rates, would make conditions very bad for the existing small businessmen who are already in these fields. Furthermore, in such event, inefficient businesses could obtain these funds, whereas they could not obtain them from banks.

Mr. SPARKMAN. Mr. President, I am not advocating such a policy. But the restrictions already placed upon the small business program are hurtful to small busineses in the United States; and certainly I do not believe we should restrict them further.

Mr. PROXMIRE. Let me reply, and I shall be as brief as I can be, as I do not want to detain the Senate. I want to ask the Senator from Alabama if he will, in conference with the House, which I understand has reported a measure far more generous than this, providing an authorization of something like $2½ billion, consider the arguments which were made in committee and which are being made on the floor now, in an effort to keep the authorization as reasonably limited as possible. I make that request not because we want to limit the program, but we want to take a look at it in order to provide some criteria or basis other than political understanding or knowledge that a Senator or Representative has encouraged someone to seek a loan.

Mr. SPARKMAN. I would have preferred the 2-year authorization, as the Senator knows I stated in committee, but the committee arrived at this solution and I am perfectly satisfied with the legislation as the committee has reported it, and I intend to support it. The Senator from Wisconsin will be a member of the conference. If I am a member of the conference, naturally I will consider it my duty to uphold the Senate bill.

Mr. PROXMIRE. Just to clear up a few points of disagreement with the Senator from Alabama, he pointed out that this measure was not posited on another 37-percent increase in applications, but on 9 percent. The fact is that the 9-percent increase in applications is on top of applications for 1960 totaling 8,381. The next year the number increased to 10,880. For 1962 it is estimated the number will be 15,000. For 1963 it is estimated the number will be 16,440. So this request for additional funds is posited on a far larger number of applications, by 1,400, than the SBA has ever had.

The Senator from Alabama indicated that he would agree with me that there has been no congressional pressure and no political pressure. While I think the impression of congressional pressure has been greatly exaggerated around the country, and while there is an unfortunate impression around the country that political influence is an important factor in getting an SBA loan, the fact is there has been some congressional and political pressure. Fortunately, it has not been frequent, but it has been in existence. I have had personnel from the SBA who have resigned tell me that it is one of the most serious problems they have there. They have told me that the loans sometimes do not conform to merit, but are based, on occasion, at least, on very tough, strong, and vigorous pressure from Members of Congress.

As I understand, the reason for a retrenchment of the program was a decision by the administration and a decision by the Appropriations Committee—not a decision by the committee of which the Senator from Alabama and the Senator from Wisconsin are members, not by the Banking and Currency Committee. I think the Senator from Alabama has made that clear. But the fact that the administration went down to $200,000 as the maximum size of loans, except those that are defense oriented, I think was a wise decision and is a criterion we might consider for the future. It does not mean a serious curtailment of small business. They can get loans up to $200,000, and those that are related to meeting our defense needs can borrow up to $350,000.

I agree with the Senator from Alabama that small business does provide great employment, that it is immensely important to the welfare of our Nation, that we should be alert to do all we possibly can to assist it; but I feel we can be far more helpful to small business if we design criteria that do not permit this enormous ocean of 4,400,000 small businesses to come in without any discrimination and then permit only a privileged one-half percent to borrow money, or, in any 1 year, one-tenth of 1 percent to borrow the money, with only a fraction of 1 percent of the employment being affected.

I recognize that the Senator from Alabama was absolutely correct when he said there were wonderful instances of small business being aided, where communities have been resurrected and assisted, where workers have been provided with jobs they otherwise would not have had. I think those are fine instances. I think the committee in the future should consider the possibility of tailoring a program to emphasize among other criteria the amount of employment or assistance in areas where capital is not sufficient.

Obviously, if only one business firm in 200 has received any kind of small business loan in 10 years, it follows that small business has to rely 99 percent on the banking systems. Therefore a real solution should rest on improving the thrust and reach and composition of the banking system, and help the SBA in a far more discriminating way than we have in the past.

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

Mr. PROXMIRE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. The Senator from Wisconsin is much more than a student of this subject matter; I think he is an expert in this field. This is said with

the full realization that it is a compliment, which I speak with sincerity.

The Senator from Wisconsin will recall that we had some disagreement in reference to the amount of the Small Business Administration's maximum lending authority during debate in this forum last year. At that time, although we differed in the matter of the authorization ceiling, we both expressed the desire to see reasonable and realistic programs devised to help small businesses. I believe we agreed they should have access to both local lending institutions and the Small Business Administration to negotiate participating loans to stimulate the employment of people and the manufacture of products, and thereby help strengthen the economy.

In Clarksburg, W. Va., especially, in recent months, there has been a stepped-up activity in which organizations at the community level have participated in efforts to assist new industry. The banks have participated insofar as possible.

We have in West Virginia a statutory ceiling which circumscribes our banking institutions in the matter of participation in loans.

At the present time there is pending before the Small Business Administration an application from Clarksburg, in which it appears, because of the very considerable participation by the banks in recent loans for industrial development, that the local lending institutions will be hard pressed to participate even on a 25-percent basis.

I say also to my colleague that if this loan is granted to Joyce Teletronics Co., 42 persons will be placed in gainful employment in new job opportunities. The product to be manufactured does not want for customers, but the business must wait for the necessary SBA loan.

In West Virginia we fully appreciate the Small Business Administration. The loans that have been consummated through the Small Business Administration, with the assistance of the financial institutions of our State, have been most helpful.

Mr. PROXMIRE. I say to the Senator from West Virginia that I think he has given an excellent example. The Senator has provided a real service by calling attention to the kinds of things the Small Business Administration can do toward providing employment.

The fact is, as I point out in my individual views, that less than 50 percent of the loans are made to manufacturing firms. Loans are made to motels, to bowling alleys, for doctors' offices and for lawyers' offices, and so forth. While some of these less essential areas provide some employment, they provide almost no employment, or very little.

I have seen loans made for projects costing $350,000, involving employees numbering 1, 2, or 3. The amount of employment involved, except with respect to the construction of the project, which is itself limited, is very small.

The example which the Senator from West Virginia has given so well is one of a firm which would provide substantial employment, permanent employment, and increasing employment. This is employment which directly could be multiplied several times. I think this kind of a loan request should be given a real priority. We should do all we possibly can to provide all of the funds that are necessary which cannot be provided by the banks.

Mr. RANDOLPH. I commend my colleague for his affirmative statement in reference to the desirability of making such a loan. And I recall another SBA loan which was delayed because the Small Business Administration had no moneys on hand, although the loan had received SBA approval. The loan, from the standpoint of the bank participation, had been entered into, yet in this instance the Pocahontas Furniture Co., at Marlinton, W. Va., was faced with failure to bring the loan to fruition. It was a small loan.

The prior loan mentioned was only in the amount of $30,000. This loan had a figure, for the purposes of this discussion, of somewhat less than $50,000.

On this instance, also, productive employment was to be provided people who are now out of work. The product—upholstered medium-priced furniture—had already found a market. The orders could not be filled. This problem exists because the company needs the loan in order to proceed with the manufacture of the product.

Mr. PROXMIRE. The Senator is correct.

I wish to make it very clear to the Senator from West Virginia that in no sense, at no time, under any circumstances, was the authorization for the SBA responsible for this situation. That was a matter of appropriations. We have authorized sufficient funds. The funds are available. Congress has always stood ready to provide additional funds if they were necessary.

Secondly, I would say that even within the limitation set by the Appropriations Committee, if there had been some basis for a criterion—which there was not, since the SBA does not have authority, by Act of Congress, to deny some loans because they are not in essential areas and do not provide significant employment, and to make other loans which do—very little could be done. I think the Small Business Administration should have that kind of authority. I think the Small Business Administration should have those kinds of guidelines.

If those guidelines had been provided, the Senator from West Virginia would not have given such an example of difficulty of a firm wanting to provide employment, a firm which had the product sold, a firm which had an opportunity available but which could not get the money because the money was gone.

The money was gone because it had been given to somebody who was involved in building an amusement park, dance hall, motel, or some other fine establishment which probably we do not need more of at the present time, or very few more of. There are plenty of those now, usually, and they do not provide much employment.

Mr. RANDOLPH. Perhaps the RECORD should not reflect at greater length my discussion of this problem, except for me to say that we owe a very considerable debt in this country to small business, to the approximately 5 million small businesses which, more or less at the local level, employ people who oftentimes cannot find employment in the larger automated plants. I know this is true in the hills of West Virginia. The small business units perform a real service.

In all this bigness which we find surrounding us today, I trust we shall not forget that we do a disservice to the Republic and to our people if we allow small business to be lost in the shuffle of the gigantic economy of which we are a part. I say this especially at this time as we consider the pending measure.

I realize that the Senator from Wisconsin speaks, as he has spoken often, about the need to lay down certain guide lines. I would not wish, however, to see a further reduction of the SBA program ensue because of certain tightenings which the Senator believes should be placed into effect.

I close by indicating that in the State of West Virginia, at least—and I shall not make comparisons with other States—loans are being processed. Loans are being participated in. Loans have been brought to fruition, but there is an unfortunate hiatus at this time.

There is an impact of men and women out of work, men and women who wish gainful employment, men and women who will have employment at least in part when a manufacturing industry or other small business receives a needed loan. Even though it may be small, employing 30 or 40 workers, an industry or business kept in being or brought into being with SBA loan assistance or other SBA service is helpful to the economy.

For that reason I have taken these minutes not so much to oppose the Senator in what he has said, but to bring us back into consonance. We must think in terms of an approach to the problem which is realistic, even though we may differ as to the amendment which has been offered.

I gave very careful attention to a reading of the individual views of the Senator from Wisconsin. I am not a member of the committee which reported the bill to the Senate, but I am a member of the Select Committee on Small Business of the Senate. I attempt, insofar as possible, to be knowledgeable on this subject matter.

Again I commend both the Senator from Alabama and the Senator from Wisconsin for having clarified, even though from differing points of view, the necessity for a program to stimulate and sustain the smaller businesses. We must keep authorizations adequate, but we must also do our best to match authorizations with appropriations for the Small Business Administration. I have spelled that out in an address I delivered earlier this afternoon. I invite my colleagues' attention to that address.

Mr. PROXMIRE. I thank the Senator from West Virginia. He is a firm and effective friend of small business, not only in West Virginia but also throughout the country. He has fine business experience himself. He is a successful businessman. He brings an excellent understanding of business to the Senate, and has made contributions over and

over again in respect to the small business program.

While I feel that this particular program needs some criteria and needs very careful oversight, I think there are a number of things we can do for small business which we have not done.

There is a bill pending in the Senate Commerce Committee now, the quality stabilization bill, which I enthusiastically support. I am a cosponsor of the bill. I think the Senator from West Virginia is also a cosponsor.

I feel that the really small businessman—the retail merchant who is the backbone of small business in this country—cannot continue to exist if he continues to be up against the kind of cutthroat discount competition we have seen in the past. This quality-stabilization bill will provide the kind of help which will do something for the small businessmen—not only a few hundred or a few thousand, but literally for hundreds of thousands of them. I refer to the druggists, the hardware merchants, the clothiers and jewelers, and other merchants throughout the Nation.

In the second place, lower interest rates are needed. Whether a small businessman borrows from the Small Business Administration or from a bank, interest rates are excessively high. This is a burden which the small businessman has to pay now, which he has had to pay in the past few years, which is more severe than it should be. I think action in this regard can be taken by our Government. We can and should reduce interest rates.

In the third place—and this is a matter that contradicts the committee's free and easy spending tendencies—over and over again, I think, we find that the small businessman is complaining, and rightly so, about his taxes. His taxes are too high. Although the Small Business Administration program has its merits, I think we must recognize that if we are to spend money, if we are to increase spending, we shall have to increase taxes or else have a big deficit, which may eventually have inflationary influences and drive the costs of the small businessmen up one way or another. I think that a program of economy including discriminating economy in the Small Business Administration itself will help the small businessman.

Finally, I wish to reiterate once again that the fundamental answer, in terms of making capital available to the small businessman, can never be substantially accomplished through the SBA—never in a hundred years. I do not think any Senator would say that we should provide funds for the 4½ million small businesses. I say the way we should do it is to stimulate our private banking industry so that it is more competitive than it is now, and so that instead of having a greatly diminishing number of banks—in many communities only one bank is available—that we have more competition in banking with far greater available private funds for small business.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment in the nature of a substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The committee amendment, as amended, which is in the nature of a substitute for the bill, having been agreed to, the bill is not open to further amendment. The question now is on its engrossment and third reading.

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

SENATOR PRESCOTT SHELDON BUSH

Mr. SALTONSTALL. Mr. President, Senator BUSH will not run again for the Senate. He is retiring with distinction and honor as a Member of the Senate. He has also brought great honor to his university, Yale University at New Haven, Conn.

I ask unanimous consent to have printed at this point in the RECORD, the statement by President Griswold of Yale University on granting an honorary degree of doctor of laws to Senator BUSH, and many newspaper editorials on the subject of Senator BUSH's retirement from the Senate.

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

YALE UNIVERSITY COMMENCEMENT, JUNE 11, 1962

Provost BREWSTER. Mr. President, I have the honor to present for the honorary degree of doctor of laws PRESCOTT SHELDON BUSH of the class of 1917 in Yale College; former fellow of the Yale Corp.; U.S. Senator from Connecticut.

President GRISWOLD. PRESCOTT SHELDON BUSH, to your career as banker, member of the Yale Corp., and U.S. Senator, you have brought the high standards of personal integrity which have guided your own life. Loyal to your friends, faithful to your constituents, true to yourself, you have served your country well. You have personified the best in both political parties. As you retire from public life, secure in the esteem of the citizens of your State, your alma mater proudly confers upon you the degree of doctor of laws.

[From the Greenwich Time, May 17, 1962]

BUSH WILL RETIRE

Yesterday's dramatic announcement by U.S. Senator PRESCOTT BUSH that he will not be a candidate for reelection was a stunning blow to Republican State leaders and a source of sorrow for the hundreds of thousands of Connecticut citizens who have come to know him as a warm, dedicated, devoted, and conscientious representative in the hallowed chambers of the U.S. Senate.

Stress has been placed on the political implications—the creation of a vacancy on the ticket to be hammered together by the Republican State convention on June 4 and 5, the problem of the leadership in finding a suitable candidate who can win, and the impact on the 7 Republicans fighting for the gubernatorial nomination. But there is another aspect that is even more important to his family, his friends, and his thousands of admirers and that is the cause for the momentous decision. Surely it did not come without searing soul-searching.

Senator BUSH observed his 67th birthday on Tuesday of this week. The day before, he had consulted his physician and had been told that the years were taking their toll, that the demands of public service were having their effect and that the prospects of several months of intensive campaigning were anything but encouraging. If he valued the state of his health, he should ease up on his activities.

On Tuesday, Senator BUSH again saw his physician and the advice was repeated. He took the long view and contemplated what it would be like, if reelected, to serve 6 more arduous years in the Senate. The state of his health was not the only consideration. Nor, to those who know him well, was it the overriding one.

Senator BUSH felt that under the circumstances, he would not be able to give his best to the tough campaign ahead and, if elected would not be in condition to perform his duties and carry out his responsibilities in accordance with the high standards he had set for himself. Making such a decision takes character and the highest order of integrity and it can be said to Senator BUSH's credit that he has both.

[From the Greenwich Time, May 17, 1962]

EIGHT-WORD BOMBSHELL

"I shall not be a candidate for reelection," Senator BUSH told the news conference yesterday morning. A simple sentence of eight fateful words, words which rocked the State GOP leadership because they had no inkling that such a development was in the works.

Occupied with the battle for the gubernatorial nomination, they had taken for granted that Senator BUSH would run for a third term and there was not the slightest sign of any opposition.

The secret, although of only 2 days' duration, was well kept. Only a few individuals close to Senator BUSH knew the day before what he planned to announce.

Within seconds of the 10:30 a.m. disclosure of his plans, the news was greeted with astonishment and disbelief, but, when his reasons were considered, also with understanding and genuine regret.

From the political viewpoint, his withdrawal is a blow to the Republican Party. Although there are several likely prospects, Senator BUSH already has the stature, the respect, and the admiration of hundreds of thousands of the State's citizens who admired him for his devoted service and outstanding representation.

Now completing his second term, he would have been a strong candidate in running for a third term. He has developed into an excellent campaigner and his talents along this line, plus his knowledge and familiarity with the important issues would have made him a formidable opponent for the Democratic candidate.

What could have been or should have been is of no importance now. Senator BUSH, out of consideration for the people of his State, the party he represents, his family and his own health, decided to bring his public career to an end when he completes his term.

The people of the Nation and the State will miss this man. His colleagues in the U.S. Senate will miss him. And we, his friends and neighbors in Greenwich, can only accept his decision with deep regret, and, at the same time, wish him many happy and healthy years ahead.

[From the New Haven Register, May 17, 1962]

CONNECTICUT WILL LOSE A FINE SENATOR

To say that U.S. Senator PRESCOTT BUSH's decision not to be a candidate for reelection came as a shock yesterday is to understate the case.

His verdict is one which can only be met with universal expressions of regret.

These obviously will come first of all from his own party.

But it is certain that they will come, too, from his constituents, from his Senate colleagues and from his political opposition on both the Connecticut and national levels.

For these opponents, we are sure, would be among the first to recognize and respect the qualities which made PRESCOTT BUSH an outstanding Senator and an eloquent spokesman for those things which could best contribute to the advancement of Connecticut and of the Nation.

His decision will present serious problems for the Republican Party.

Senator BUSH, prior to his announcement, gave the GOP a strong candidate, one who would head the State ticket with distinction, giving his running-mates an established votegetter upon whom they could lean.

This prop has now been withdrawn and the obvious rush of potential senatorial candidates to fill the vacancy his decision creates is already underway.

For a party wrestling with the complexities caused by a six-man field of gubernatorial hopefuls, with other potentials hovering even now in the wings, this naturally piles problems atop problems.

From the partisan standpoint Republicans must hope that a bitter and damaging dogfight between contenders can be avoided and a way found to strengthen rather than weaken GOP prospects at the polls next November.

At the moment speculation along these lines appears idle.

But, even at this early date, Senator BUSH doubtless will be flooded with expressions of esteem from the citizens he has served so long and so well. One may be sure, too, these will be coupled with the sincere wish that health and happiness may follow him into political retirement.

[From the Hartford Courant, May 17, 1962]

SENATOR BUSH WITHDRAWS

As if there were not enough doubt about this year's Republican slate, now comes the explosion of Senator BUSH's withdrawal as a candidate for reelection. So today every spot on a ticket that has to be put together in 3 weeks is a question mark. And, while there is sure to be a lot of immediate scrambling the pieces probably won't all come down until the convention itself. With the political future thus obscure, one fact stands out: Connecticut has lost a strong representative on the national stage.

Senator BUSH's decision not to try again rests on a plea of age and health that his looks and his actions alike belie. Yet surely one cannot blame him if, just after his 67th birthday, he concludes that he has had enough.

In announcing his decision the man the State knows affectionately as "PRES" BUSH says the party has "able younger men available" who will do justice to the duties and opportunities of the now empty Senate seat. One is tempted to ask, "Who are they, and where?" So far there has been no rush to fill the large shoes left empty for a race presumably against Secretary Ribicoff, over whom Senator BUSH triumphed the last time they met at the polls in 1952. Yet even though there is no heir apparent to the Senate race—surely no one thought one was needed—in a sense what the Senator says about young replacements is true. An ever fresh renewal is inherent in life, in politics as in all else.

In fact Senator BUSH himself, when he first came upon the scene, was a political nobody. He had behind him a distinguished career in finance and in what might be called private public service. But in the world of politics he was an amateur, a sheep for the slaughter. And so it was in his first try in 1950. But 2 years later came another chance, and then this amateur turned into the professional he has been over the 10 years since.

The amateur turned a professional, moreover, before long grew into the high tradition of his party and his country. He was not content to go along with the slogans of the hustings, or to strike poses popular with the political and financial regulars of his party. He became a strong Senator because he faced issues on their merits, with a tough independence of mind and integrity of spirit. It was this approach that gave him, and the State, fresh strength.

So now it must be again. But who is to seek the empty seat is a question for the future. Today men and women of all parties in the State can say to their tall, friendly spokesman in Washington, "Thank you, and well done." Connecticut says farewell to a Senator, but hail to a citizen it will welcome back home. It has been an honor to have him represent us. Both State and party could use more like him.

[From the Waterbury Republican, May 17, 1962]

BUSH WITHDRAWAL

Could any development in the Connecticut political field be more stunning than the news which PRESCOTT BUSH reluctantly gave to reporters yesterday?

The lively race for the GOP gubernatorial candidacy has eloquently bespoken how many party hopefuls have their sights set on political ladder climbing. Now it is not one glittering prize that is up for convention grabs but two. There will be fresh sighttakings, fresh realinements and a radical upturn on the political fever chart.

We shall probably not lack claims on the Democratic side that though poor health is Senator BUSH's explanation for his withdrawal, a discouraged assessment of his party's chances influenced his decision. John Bailey won't miss such a cue. But how reconcile that with the sense of political opportunity that has brought so many claimants into the race for Governor? And, more tellingly, how reconcile it with the known character of the statesman who is taking his leave of public life? PRESCOTT BUSH has given us many proofs that he is not a man to run away from a formidable test. His years, his physical condition—these are the things that have dictated his decision. However popular it may be to look back of what a public man says for some hidden kernel of what he may mean when he says it, the least that the fairminded can do is to take the Senator at his word concerning the reasons for what must have been a difficult step.

There will be assessments and reassessments of where this leaves Senator BUSH's party and his State, there will be a returning to what party and State owe to his distinguished services. Suffice it for this time to say that in this land of steady habits, which is Connecticut, a stabilizing force of conservatism in the best sense of that often misused word was admirably exemplified by PRESCOTT BUSH. He was the kind of man that any sensible person would like to have representing him in great affairs. Not only was he keenly attuned to such tremendous issues as war and peace, with a brooding sense of what this troubled Nation has at stake in the world, but he represented Connecticut with a fine devotion to our State's industrial health and what it has to lose from unwise taxing policies, from bureaucratic proliferation and the grosser abuses of the welfare system. How responsive he was to area needs within the State was illustrated in a way which the Naugatuck Valley should never forget when the terrible 1955 flood hit us and when he was day after day here with us and effective in seeking avenues of aid in which Federal authority could help.

His was a sound, constructive voice in dedication to the National, the State and the local interest.

[From the Waterbury American, May 17, 1962]

SAD NEWS

To some people of Connecticut, we suppose, the announcement by U.S. Senator PRESCOTT BUSH of Greenwich that he will not be a candidate for reelection is not particularly earth shaking.

But to a great many others, especially those who keep a watchful eye on doings political in this State, it must have come as a distinct shock.

Senator BUSH has established an enviable reputation while serving the people of Connecticut in the U.S. Senate. He has been conscientious and thorough in matters of national legislation. He has been on the job faithfully. He has forcefully defended those principles for which he stood, and he has honestly and intelligently opposed those principles with which he could not in conscience agree.

Even though he proudly bears the Republican label, he numbers hundreds of friends among those who are nominally of the opposition; people who respect courage, honesty, and integrity in a man even though they may not share all his views.

We think it not biased to say that the hopes of the Republican Party in Connecticut for a victory in the forthcoming State and congressional elections were largely based on the assumption that Senator BUSH would be running for reelection.

While there exists much doubt today as to the man who will head the ticket in Connecticut this fall, there had been no doubt—until yesterday—as to the caliber of the man who would be running for the U.S. Senate. Here was a man upon whom all Republicans in Connecticut could depend for leadership, never mind their leanings toward individual candidates for the Governorship of the State.

Now the picture has suddenly and drastically changed. It will take a little time before Connecticut's Republican leaders can adjust themselves to the fact that they have lost Senator BUSH.

The big question must be, in the minds of the GOP leaders:

"Who will we find to take his place? Who could possibly have so broad an appeal to the electorate?"

Not that Senator BUSH is an indispensable man—not at all. He would, we are sure, be the first to deny that.

But his obviously considered decision not to run again is nevertheless a blow to Republican hopes at this point. It will not be easy to find a replacement for him.

We do not believe for a moment that the Senator arrived at his decision lightly, or that he did not have good reasons for reaching that decision. But we do have a distinct sense of loss of sound and forthright political leadership of the kind which this State—and this Nation—sadly need.

[From the Bridgeport Post, May 17, 1962]

SENATOR BUSH WITHDRAWS

PRESCOTT BUSH's decision to retire from the U.S. Senate at the end of his present term was as much a surprise to the general public as to the Republican Party leaders.

Mr. BUSH fitted singularly well into the image of a U.S. Senator, and so far as anyone knew, had planned to seek a new 6-year term in Washington where he has served 10 years.

Until his sudden announcement of his retirement, Senator BUSH had given every indication that he was preparing for a hard campaign and continued service in Washington.

It seems clear that medical advice, the burdens of advancing years as he looks for-

ward to the seventies, and the "rigorous duties" of being a Senator in fact as well as in name, led Senator BUSH to his decision.

It was in accord with his nature that, having reached a decision, he took pains to make a clean break without attempting to influence the choice of a successor on the ticket or to intervene with his considerable influence in the sharp gubernatorial battle now raging within the Republican Party.

Of the many tributes paid Senator BUSH, that of his Democratic colleague, Senator THOMAS J. DODD, that "he has worked devotedly and effectively for Connecticut and the Nation and his loss will be sorely felt by his party and by the country," well expresses the general public feeling.

Senator BUSH served the people of Connecticut industriously, with high integrity and devotion, over a difficult decade. His fellow citizens of all parties will join in wishing him a satisfying retirement.

[From the Stamford Advocate, May 17, 1962]

SENATOR BUSH RETIRES

It was both a shock and a disappointment to his constituents to learn that Senator BUSH will not run for office again. His decision emphasizes the heavy demands that public service places on elected officials. It is characteristic of our senior Senator that when he believed he could no longer serve the people of the State as vigorously as they should be served, he removed himself from the political field.

At the same time, his decision means a loss both to the State and to the Nation. Senator BUSH was an Eisenhower Republican. He was elected in the Eisenhower years of 1952 and 1956. More than that, his philosophy of social progress and fiscal conservatism was that of the President.

His interest in social progress won him some brickbats from the more conservative in the campaign of 1956. But it was difficult to condemn a Senator for voting for the platform put forward by a President of the same party. Senator BUSH was reelected.

In the present Congress, Senator BUSH is outstanding because of the careful work he has done on the Kennedy tariff proposals and on our interrelated balance of trade problem. He has made an exhaustive and exhausting study of the situation and its relationship to deficit spending. This study, if taken to heart by the Senate, will radically change the presidential plan. Under any circumstances, it will modify it. We know of no Republican in the Senate with the qualifications to make such a study in the future, nor do any of the prospective candidates for Senator BUSH's seat in either party have these particular qualifications.

Since Senator BUSH expressed his willingness to run for reelection only a year ago, it is reasonable to assume that his work this past year proved unexpectedly exhausting. Those following his work, while disappointed at his decision, can only be grateful for the work he has done.

The political leaders of both parties expressed sorrow that Senator BUSH is leaving active politics. It is hoped that his health will be such that he can serve his State and Nation in some less exhausting position for many years to come.

[From the New Britain Herald, May 17, 1962]

THE GOP IN FERMENT

Senator PRESCOTT BUSH's announcement that he will retire at the end of this term came as a surprise and shock to the whole State.

On the one hand, there was clear disbelief and certainly, among the Republicans, disappointment. Senator BUSH attributed his desire for retirement to reasons of age and health. Yet, this tall, vigorous, aristocratic appearing man, now 67, has always appeared to us to be as alert and vigorous as a man half his age.

On the other hand, his decision has political ramifications of the highest complexity. His absence from the ballot will possibly create more problems than it has solved. Indeed, in the wake of the retirement announcement, the Republican Party finds itself in total ferment. Within minutes after his press conference, at least two new candidates came into the State picture, along with the seven already in the run for the gubernatorial nomination.

The upshot of it all is to suggest that the Republican State convention in 3 weeks is likely to be one of the wildest, most confused such affairs in a long time. State party chairman A. Searle Pinney, who has been at the helm during these months of confusion, should find himself in a more commanding position than he has been.

Meanwhile, a few words seem in order about the man whose decision caused this most open of open races.

We are convinced that Senator BUSH must have weighed the factors long and hard before he came to that sober press conference on Wednesday. His renomination had been a foregone conclusion. He had opened a campaign headquarters, and had purchased a vast quantity of campaign buttons, literature and other paraphernalia. He had been making numerous talks and visits around the State, strengthening his position, readying himself for the long fight ahead.

His decision could not have come easily. Back of him was a decade of strong, capable service to the State and Nation. He held a record of dignified, solid achievement, based on independent judgments. He was a party man, but never to the exclusion of independent thought and decision. He made hard decisions, and he made them well. A most recent example of that was his announced support of the medical aid bill, in the fact of considerable GOP opposition.

Senator BUSH's absence from the ballot is a loss to Connecticut. His position of eminence in the Senate is widely recognized. Most of all, his genuine warmth and friendship will be sorely missed, both in the Senate and around the State. We wish him well, and extend thanks for the work he has done.

[From the Torrington Register, May 17, 1962]

SENATOR BUSH RETIRING

Connecticut is losing an able, conscientious, enthusiastic and hard-working legislator as a result of the decision of Senator PRESCOTT BUSH not to seek reelection this year.

The Senator has been an extremely capable representative of this State in the Senate, where his actions have won him the respect of his colleagues, regardless of their political affiliation.

Always faithful to the trust placed in him by those who elected him to office, Senator BUSH performed his senatorial duties in a manner that will make filling his shoes exceedingly difficult.

Torrington and the Naugatuck Valley were beneficiaries of his abilities on numerous occasions, especially after the 1955 flood, when he spent long hours in this area and when he sponsored and supported legislation that has resulted in protection programs designed to prevent another disaster of that type.

Politicians were shocked by the Senator's announcement that he will withdraw from the senatorial race. His many friends throughout the State and Nation were saddened by the realization that an exceptionally high type of legislator planned to retire.

Senator BUSH has earned the respect of all who benefited from his good work. His splendid record is one of which he and Connecticut can be proud, and all wish him well in his post-senatorial days.

[From the Danbury News-Times, May 18, 1962]

SENATOR BUSH WITHDRAWS

The withdrawal of U.S. Senator PRESCOTT BUSH from renomination by the Republican Party is the biggest political surprise in a year already marked by many unusual political developments in Connecticut.

When Senator BUSH decided that his health made it inadvisable for him to seek reelection, he called a conference of party leaders and then a press conference to disclose his unexpected decision.

The confusing situation in the Republican Party, with its seven candidates for the Governor's nomination, became a bit more confusing. However, there is the possibility that before the week is out, a couple of the candidates may get together with mutual promises of support and seek to split the two top offices between themselves. Whether this would clarify the present confusion remains to be seen.

The political developments in the wake of Senator BUSH's announcement are intriguing, of course. But they should not obscure one fact which stands out.

That is the candid manner in which Senator BUSH acted once he came to the conclusion the nomination ought to go to a younger man. His renomination was a sure thing, as far as politics go. Others might have been tempted to delay until the eve of the convention, or even to accept renomination and then withdraw, handpicking a successor.

But Senator BUSH spoke out frankly. In so doing he added to the considerable stature he had already gained through his 10 years' service in the Senate. Democrats and Independents, as well as Republicans, join in good wishes to him as he enters his final months in public office and prepares to return to private life.

[From the Bristol Press, May 19, 1962]

A FINE SENATOR

The decision of the senior Senator from Connecticut, PRESCOTT S. BUSH, of Greenwich, to withdraw from the race for reelection this fall causes mixed emotions among friends and acquaintances of the Senator. The first of course is that his health improves to the extent that he will have many more years of useful life. The second reaction is that the absence of Senator BUSH will be felt by his party, his State and his Nation.

PRESCOTT BUSH, in the 10 eventful years he has served in the U.S. Senate has earned the respect and esteem of his colleagues on both sides of the aisle. Back home in Connecticut the Senator is recognized as a dedicated and conscientious public servant who has worked hard for his State and his Nation since taking office in 1952.

It is mere speculation as to what effect the Senator's decision may have on the fortunes of the Connecticut Republican Party this fall. But there is no question that a man of his stature makes himself felt strongly as a candidate for public office. It would be folly to believe that any party can lose a candidate like PRESCOTT BUSH and not suffer for it.

At the moment it seems probable that the Republicans will select former Governor John Lodge to fill the void caused by Senator BUSH's decision. However, if Lodge could have secured the gubernatorial nomination and have run with Senator BUSH, that would have been the most formidable combination that the State GOP could have presented.

Senator BUSH took a keen interest in any number of varied problems which were put before him. He was just as interested in

using his good offices to help solve a local problem as he was devoted to the national interest. We can well remember his tireless energy at the time many parts of our State were stricken by the floods of 1955.

Here in Bristol we know of how hard Senator BUSH has worked to bring industry to our community to relieve the employment situation and to press for Government contracts for some of our key industries.

Over the years, Connecticut has had some fine representatives in the U.S. Senate. We believe that it can be said without fear of successful contradiction that PRESCOTT S. BUSH rates with the very best of them.

We regretfully accept his decision to retire from the Senate and wish him the very best of happiness as he prepares to return to private life. He has richly earned the good wishes of the people of his State and Nation as the highest possible type of public servant.

[From the Meriden Journal, May 18, 1962]

A GOOD SENATOR BOWS OUT

Senator PRESCOTT BUSH's announcement that he will retire at the end of his present term was apparently a complete surprise to Republican leaders as well as to the rank and file of the party. His renomination at the party's State convention, to open June 4, had been taken for granted.

By next January, when his term expires, Senator BUSH will have served in the Senate for 10 years. He has been a faithful, hard-working Senator who has compiled an excellent record of accomplishment. He has never failed to go to bat for legislation which he considered to be in the best interests of the State and the Nation, and he has always opposed measures which he believed inimical to those interests.

It must be gratifying to the Senator that all the regrets expressed because of his approaching retirement did not come from his own side of the aisle, or from Republicans outside Congress. Democratic colleagues praised him warmly. Democratic National and State Chairman Bailey spoke in high terms of his integrity and character. Senator DODD and Congressman-at-Large FRANK KOWALSKI had good words to say about him. Secretary of Health, Education, and Welfare Ribicoff commented similarly. Republican State Chairman Pinney said that his retirement was "sad news for all the people of Connecticut and the Nation," and Republican leaders in Congress and elsewhere registered sorrow at Senator BUSH's approaching departure from the Senate.

The Senator's announcement had additional impact because of the many declared candidates for the Republican nomination for Governor and because of the Senate opening to be created through the BUSH retirement. Almost immediately several aspirants to the Senate seat declared their intentions, but it took more than a day for John D. Lodge, former Governor and former Ambassador, to make up his mind that he would rather be a Senator than return to the position of Connecticut's chief executive. He is assuming, of course, that the majority of delegates to the State convention and the majority of voters would like to see him there.

Senator BUSH quite wisely refrained from endorsement of any of the Republican aspirants for the Governorship, but promised to campaign vigorously for the party's choice. His reasons for removing himself from the Senate were understandable, and seem entirely valid. He does not believe he is capable physically of standing the strains which he has withstood in the past, both because of his age and the present condition of his health. Moreover, his doctor has advised him against running again. He has earned the opportunity for rest and relaxation, and we hope that his years will be lengthened by his decision. Connecticut owes a great deal to Senator BUSH, and wishes him the greatest possible enjoyment of his leisure after his term expires.

[From the Meriden Record, May 19, 1962]

WE WILL MISS HIM

It is still with a sense of deep shock that we realize Senator PRESCOTT S. BUSH is retiring from active political life in service of the people of the State of Connecticut. It has been 2 days since he dropped the bombshell in our midst. But we haven't accustomed ourselves to the idea even yet. It is not that we believe any one person is indispensable in a given job. The Senator, when he made his startling announcement, most generously pointed out the presence in Republican ranks of much good talent and many younger men, capable of carrying on the senatorial responsibility. But it takes us time to face the facts of a change so important as this one.

Senator BUSH has given 10 years of excellent service to Connecticut. He has done a good—a better than good—job straight through. It has been such a thoroughly conspicuous feat of accepting heavy responsibility and executing the work it entails, that all of Connecticut had learned to depend on him implicitly, even if they were not always in agreement with him on certain specific issues. Members of both political camps are joined in a feeling of deep regret for his firm decision to retire. Connecticut's junior Senator DODD, and Congressman at Large KOWALSKI, both of the opposition party, were immediately and publicly articulate in expressing their admiration for Senator BUSH's devotion to and aptitude for the Senate post.

Had he been able to continue through this campaign ahead of us with the vigor he has shown in the past, no doubt neither of these prominent Democrats would have been able to say so forthrightly that they had found him good to work with, and all the rest implied in their words of praise. The political facts of life are such that once the battle for election is joined, brickbats fly and compliments, even where richly deserved, avoided as the plague.

Stress of a political combat determined Senator BUSH to withdraw. The fight will not be an easy one this year. Maybe such a campaign is never too good for the health and peace of mind of any contestants. Good or bad, it is our system and it has worked pretty well on the whole. We can't think of a better substitute to evoke a determination of the public will.

Since Senator BUSH, on the best of medical advice, decided he is not well enough to go through the campaign and 6 more years in the Senate if he were elected, without putting a dangerous strain upon his health, we think he shows excellent good sense by his decision. If we can't have him as Senator, we can still call upon him for guidance and leadership and advice. Surely his experienced knowledge will be utilized in many ways in further service to Connecticut and to the Nation.

Political circles are all a-twitter with the reshuffling of candidates for the two top honors, Senator and Governor. But we should all be pausing long enough to properly honor Senator BUSH for all he has done for us. Not only in the Senate has he given us reason to be proud of him. His manner of withdrawal from the political field is to be highly commended. His announcement was quick, unequivocal and a masterpiece of proper timing. We wish him happiness, full contentment in realization of a job well done, and long years ahead to enjoy good health. We will miss him in the Senate but expect him to continue as a factor in our State and national affairs. His heart is in Connecticut and Connecticut holds him in the warmest esteem.

[From the Hartford Courant, May 19, 1962]

HOW WE DESTROY OUR PUBLIC SERVANTS

The one aspect of the proposed retirement from the Senate of PRESCOTT BUSH that should not be overlooked is the manner in which the voting public wears out a public servant by inordinate demands. Senator BUSH is a man of more than ordinary stamina and physical condition. Despite his years he could still be described as a trim, well-conditioned man who shows now the effects of years of fine physical conditioning through sports. But Mr. BUSH confessed that he no longer felt able to meet the demands, not only of the actual Senate duties but by what might be called the extramural activities that any Senator omits at his peril.

What does that mean? It means in substance that nearly every week he must take to the road and cover as many fish fries, barbecues, bean suppers, strawberry festivals as possible. And in between the actual events, as he explained wryly the other day, he is expected to take one or two little side trips of a hundred miles or so, just to drop in on a small group and say hello.

Then at the end of this wracking weekend, he is supposed to fly back to Washington. There he will be met by a mountain of mail, some of it important, much of it trivia, but all asking for information, guidance, help, and all of it having to be attended to swiftly and efficiently. Of course, there are the regular Senate duties, too. And for a man as conscientious as Mr. BUSH, this implies a great deal of homework. For Mr. BUSH is the unusual Senator who always likes to know what he is talking about.

When you add all these things together you get the picture of a conscientious man who is being worked to death by well-meaning but importunate constituents. There is, of course, a well-recognized difference between good candidates for office and good officeholders. But under our system we insist that the officeholder continue to be a candidate through his whole term, in preparation for the next election. Mr. BUSH is a realist. He knew that while no single individual or group had any intention of destroying him by their invitations, collectively they were nibbling him to pieces. He is a wise man to call it quits. It would be nice if this example of the forced retirement of an eminent public figure through overwork would cause the electorate to be more thoughtful in the future. But it won't.

[From the New Haven Journal Courier, May 21, 1962]

BUSH OUT OF RACE

The confusion reigning in State GOP circles was turned into consternation by the unexpected withdrawal of PRESCOTT BUSH from the U.S. Senate race in this fall's elections.

Connecticut citizens generally were surprised by the sudden development. Rank and file Republicans obviously were stunned at the news. Party leaders, one may assume were temporarily at least in a state of political shock.

Regrets, nevertheless, were expressed and sincerely so on the decision of Senator BUSH not to seek reelection; likewise, understanding has been shown of his reasons for doing so. After a distinguished record in Washington the senior Senator from Connecticut feels it necessary at 67 and on the advice of his doctor to retire at the end of his term. Recognition of the fine job he has done in the service of his State and party, and in the national interest where it had devolved upon him is not limited to Republicans alone. Press and popular acclaim of a job well done is being accorded PRESCOTT BUSH.

Withdrawal of the candidate counted upon to be a GOP hope and strong contender on the fall ticket at the moment

would seem to tilt the board to the advantage of the Democrats. BUSH has been judged a hard man to beat; enough so that the party organization has looked to HEW Secretary Ribicoff to quit President Kennedy's Cabinet, return to Connecticut and seek the Democratic nomination for the Senate seat. That, in itself, has been a measure of BUSH's challenge.

But the daze in which the Republicans found themselves in the first hours of the withdrawal has been short-lived. It has been fast dissipating in GOP moves which give promise of pulling the Republicans together—and out of their muddled disunity over the gubernatorial spot.

Paradoxically, Senator BUSH's action may have been just the shock treatment the GOP needed. With the Republican State convention a little more than 2 weeks away there are signs that intraparty conflicts are about resolved.

[From the Windsor Locks Journal, May 17, 1962]

A STATE LOSS

The announcement made by Connecticut's senior U.S. Senator, PRESCOTT BUSH, of his retirement from that office with the completion of his present term next January, was a decided shock to his legion of friends not only in this State, but throughout the Nation.

In an unexpected announcement yesterday of the contemplated retirement from political life, of a highly thought of Senator, this State stands to lose a public servant that took his duties of office seriously. He was one of the hardest working Members of this and past sessions of Congress ever since being elected to the high office.

In his statement of retirement, Senator BUSH said that the duties of office were too strenuous for him to further face, and on advice of his doctor, he made the decision to retire from the Senate.

The State of Connecticut has been fortunate in having as one of its congressional Members, a man of the high caliber of Senator PRESCOTT BUSH. He advised his Republican Party that it had many men younger and well qualified to fill the duties which he is relinquishing. It behooves his party therefore to seek out and name a candidate that will measure up to filling the office being relinquished by a beloved Senator.

[From the Westport Town Crier, May 20, 1962]

PRESCOTT BUSH

It must be disturbing to Senator PRESCOTT BUSH that so many of the comments being made about his retirement sound frighteningly like obituaries. The words of tribute and regret that we say here will be said in the full expectation that the Senator's public service is far from ended, and that he will not only be called upon, but will respond, to further challenges.

It is, indeed, regrettable that he found it necessary to retire at this time. We know that he enjoyed his job, and that his charming wife enjoyed the post of aid and confidant that she filled so well. He worked at it, too, and it apparently left him with too small reserves of energy to undertake what will undoubtedly be a grueling campaign.

There was nothing spectacular about PRESCOTT BUSH in the Senate, just as there is nothing very spectacular about our most competent business executives. He tackled his Senate job much as a businessman would tackle a new assignment. He was exceedingly diligent in looking after the interests of his State, without forgetting for a moment that the interests of the whole people sometimes had to take precedence.

Senator BUSH has been a model exponent of the Eisenhower "middle-of-the-road" philosophy in Government. By habit a fiscal conservative, he brought a businessman's thinking into the legislative discussions. However, he never became one of those flamboyant advocates of economy at any price, and never allowed his natural prudence to blind him to costly needs either on the domestic or the foreign scene.

"PRES" was not a natural politician. He didn't find it easy to learn to mingle with the crowds and to behave with the easy informality that American politics demands of its leaders. But he did learn, and became in the end quite an effective campaigner. It is our considered opinion that his scheduled contest with Mr. Ribicoff would have been a tight one, and not necessarily with the odds favoring our flamboyant ex-Governor.

Before entering the Senate, Senator BUSH was an investment banker. His career in Washington proved once again that a business career is a more than adequate preface to public service, and that businessmen no more go to the Halls of Congress as pleaders for a special group than do lawyers.

The Senate of the United States will miss PRESCOTT BUSH. Perhaps, however, when his health has been recouped, Washington's loss can be Connecticut's gain. There's plenty for a man of the Senator's talent to do right here in his own backyard.

[From the Rockville Leader, May 24, 1962]

A CANDIDATE WITHDRAWS

The withdrawal from the coming campaign of Senator PRESCOTT BUSH as candidate for reelection came as a great surprise to everyone and has caused regret not only among Republicans but Democrats as well, all of whom have only the greatest respect for Senator BUSH.

We in this part of the State are not acquainted with Senator BUSH personally, but we all know from the record that he has made this State a fine lawmaker. He has belonged on the liberal side and has had the courage of his convictions.

For Senator BUSH to withdraw at this late date must mean that his health is not all it should be, or at least that he does not feel in all fairness to himself or to the State that he can continue. We suppose that there are Members of Congress who are not hard workers and who are not affected by the strenuous pace which a conscientious Congressman must follow. The great majority, including Senator BUSH and the others whom we have known personally, work hard in serving their State, and this hard work takes its toll.

We feel sure that everyone in Connecticut realizes that Senator BUSH decided to withdraw only after the most thoughtful consideration and that the people of Connecticut will wish him well in his retirement from active politics.

The coming campaign is going to be a strenuous one, and there is no question but what strenuous campaigns are only for the most energetic and physically fit. We sometimes wonder how the candidates survive a campaign when we see the pace they set.

We have often felt that campaigns are altogether too long and that nominations should come closer to election day. Certainly this year, the race for the Republican nomination for the governorship has been a lengthy one, and we think, wearing to both candidates and public alike. Candidating has gone on for not far from a year in some cases.

With only about 2 weeks to the State convention, the campaigning for Senator must be short, which is probably just as well. Once intraparty problems are settled, we can settle down for the contest between the two major parties for the top offices.

[From the Washington Post, May 18, 1962]

STIR IN CONNECTICUT

The chorus of regret elicited by Senator PRESCOTT BUSH's decision to retire from the Senate at the end of his term in January is a tribute to his service and not a challenge to his judgment. A Republican of liberal tendencies, an indefatigable worker and a likable personality, Mr. BUSH has served his country and his State well. But he is not the type of man who must cling to his office until his dying breath. Having felt the strain of his rigorous 7-day workweek in recent months, he wisely concluded that another 6 years in the Senate, which would carry him well into his seventies, would overtax his strength.

"Fortunately," Mr. BUSH commented in announcing that he would not seek reelection, "we have able, younger men available who will do full justice to the duties and opportunities involved." Few men have the capacity for such objective judgment about their own personal careers, and the fact that Senator BUSH is one of them accentuates the sense of loss in his decision to quit public life.

[From the Evening Star, May 22, 1962]

FINE SENATOR RETIRES

The wholly unexpected announcement by Senator PRESCOTT S. BUSH, Connecticut Republican, that he will not run for another term is bad news. And, as was to have been expected, the political rumors have really taken wing.

Senator BUSH, who is 67, did not quite say that he is retiring because of poor health. Instead, he said he is tired, and that he does not have the "strength and vigor" for another campaign or another term. He added that his doctor's advice reinforced his decision to withdraw.

Mr. BUSH's probable opponent would have been HEW Secretary Ribicoff. They opposed each other for the Senate in 1952, Mr. BUSH winning by about 30,000 votes in a total of more than a million. So, had they been pitted against each other again this year, another hard fight would have been certain. In this respect, Mr. Ribicoff is the beneficiary of Senator BUSH's decision. The loser, and we say this with no thought of disparaging Mr. Ribicoff, is the Senate, and, indirectly, the country. Mr. BUSH has been a fine Senator and we are sorry to see him retire.

[From the Hartford Courant, May 22, 1962]

PATRICIAN

(By Thomas E. Murphy)

I wonder how many people in Connecticut realize what a really fine public servant they are losing in the retirement of PRESCOTT BUSH from the Senate campaign. I have seen a lot of political figures go and come; I even date back to one classy Governor who wore patent-leather shoes with buttons. But in the collection of individuals in high office there was a rare collection of stuffed shirts, pinheads, and just plain showoffs. Only two or three times in a lifetime do you come on such an authentic character as Senator BUSH. He was shaped, not by political office, but over a long period of years, and with a tremendously wide frame of reference. When he ran for office, he was not the familiar stereotype who has learned all the spread-eagle phrases, and all the hoary little jokes.

Strangely enough in public life the boy who sprang from the log cabin often turns out to be the most insufferable stuffed shirt when he achieves high office. But Senator BUSH was just the opposite. He came from the rarefied atmosphere of high finance and, despite his Whiffenpoof Wall Street background, he is just about as unpretentious a man as you could ever meet.

He is tall, handsome, clear-eyed and with a stomach that is as flat and hard as a tabletop. He is a meticulous but not a foppish dresser and has just about everything: looks, brains, money, social background. As someone once observed about him, when he enters an office all the other men at that conference

look shorter, fatter, uglier, older, shabbier, and stupider. He is in short a real patrician.

The decision to withdraw from the race was that of a man who is used to weighing facts and to act logically on them. He could have gained no more honors than he now has, and he could have lost health, perhaps even more. Being a good Senator is a tough job because people are pulling away at you all the time.

I must admit that I called on the Senator once myself for help. My oldest boy was caught in the middle of the revolution in Baghdad a few years back, and we could not get any word about him. But Senator BUSH cut through the red tape for me and before I knew it, we had the word and the boy was being flown out by plane. Multiply that incident by a couple of thousand and you have some idea of the stresses and strains that a Senator takes on as his daily task, in addition to the actual lawmaking in the Senate.

I am a hard man to please in politics, and you can take my word for it Senator BUSH stands well in foreground of the many able men we have had representing us in the Senate, men like Maloney, Danaher, and the like. He is making a wise decision but the people of Connecticut are losing an eminently able, distinguished Senator. A nice guy, too.

[From the Willimantic Daily Chronicle, May 17, 1962]

THE STATE LOSES A GOOD MAN

The withdrawal of Republican Senator PRESCOTT BUSH as a candidate for reelection not only came as a surprise, it was somewhat of a shock. It was a well-kept secret. Even the political pundits were taken by surprise.

But politicians and citizens were quick to respond to the BUSH announcement. Democratic Senator THOMAS DODD responded on the floor of the U.S. Senate with words of praise for BUSH. Democratic Congressman FRANK KOWALSKI, who is seeking BUSH's seat in the U.S. Senate, also responded with praises for BUSH.

During schooldays one reads of the great Senators like Daniel Webster. One man from the South who recently saw Senator BUSH speaking said, "Senator BUSH looks like I always imagined the great Senator Daniel Webster would look."

But the senior Senator from Connecticut did more than look the part. BUSH was not one to sidestep a question. He usually attacked it head on. Eventually he always took a stand. Members of the news media could count on the Senator for a forthright statement. Senator BUSH wanted to keep the people of the State and Nation informed.

Citizens can sympathize with a 67-year-old man who says the demands on his time and energies required by the Senate necessitates his retirement. In the case of Senator BUSH he went above and beyond the call of duty. He made it a point to listen to all sides of a question. He was a constant speaker around the State. He was a respected speaker on the floor of the U.S. Senate.

[From the Danbury News-Times, May 18, 1962]

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The political developments in the wake of Senator BUSH'S announcement are intriguing, of course. But they should not obscure one fact which stands out.

That is the candid manner in which Senator BUSH acted once he came to the conclusion the nomination ought to go to a younger man. His renomination was a "sure thing," as far as politics go. Others might have been tempted to delay until the eve of the convention, or even to accept renomination and then withdraw, handpicking a successor.

But Senator BUSH spoke out frankly. In so doing he added to the considerable stature he had already gained through his 10-years' service in the Senate. Democrats and Independents, as well as Republicans, join in good wishes to him as he enters his final months in public office and prepares to return to private life.

[From the Manchester Herald, May 20, 1962]

SENATOR PRESCOTT BUSH

This newspaper found it a rewarding privilege to support PRESCOTT BUSH for public office. He fought cleanly and intelligently for a brand of republicanism, for a standard of public service, for the kind of foreign policy which made sense and honor in a turbulent era and an upsetting world.

Others have found an entry into the political arena some kind of requirement toward cheapness, toward the design of some premeditated image, toward the campaign line that would be sure to follow the public opinion polls. But PRESCOTT BUSH came to politics as PRESCOTT BUSH and he leaves it as PRESCOTT BUSH, and, in the interval of his public service, nobody has ever been able to corral or catalog or collar him. He answered only to what he himself believed. And what he himself believed was usually sound, sensible, middle-road Americanism, given neither to wild crusades nor to standpatism, but always confident that there had to be a way forward which made for sense and decency.

[From the Connecticut State Journal, May 1962]

PRESCOTT BUSH—EVERY OUNCE A MAN

(By Jerry Hallas)

Announcement by Republican U.S. Senator PRESCOTT BUSH on the day after his 67th birthday that he would not seek reelection caught political friends and foes by surprise. Some people "in the know" had been looking for a different kind of an announcement. They had hoped that Senator BUSH would show his preference for one of the several gubernatorial aspirants.

News of a press conference in Hartford, unusual for the Senator, broke on his birthday, but beyond that it was to be an important conference and having something to do with the campaign it was a well-kept secret from news sources even on the day of the press conference.

Senator BUSH came to his decision following a visit to his physician just before his birthday. The decision was, as he said, "a prayerful one."

One of his aids was summoned to Washington, and he learned of the stunning turn of events. The latter's attention had been on a campaign for some time.

Any other interpretation of why Senator BUSH withdrew could be more elaborate with the "I's" or "t's" crossed, but probably will be untrue and in this day of free-swinging politics even a disrespect to a man who devoted almost 10 years of service to his country, State, and world. He was every inch a man as U.S. Senator. He will be when he is not Senator, after he serves out his term.

Like the gracious lady that she is, Mrs. Dorothy Bush is behind her husband 1,000 percent.

PRES BUSH brought to Washington with him many personal attributes, such as integrity, honesty, and qualities which he values above politics. Most of the activities have not made news simply because they were not performed by a publicity conscious individual for notoriety purposes.

When he played first base on the Yale team, people watched a colorful shortstop, but today those same people can't recall that shortstop's name.

PRES BUSH can drive a ball on the golf course that would please some professionals. This prowess as a golfer was more than enough to get him invites to play with Ike when he occupied the White House.

One thing PRES BUSH is not is a faker. He doesn't have the personal ingredients like dishonesty, lack of intestinal fortitude, moral and physical, etc., etc.

PRES BUSH has been, and is, a man of principle. In today's market these are more rare than a nice day in June, and just as refreshing.

In Washington senatorial circles in recent months BUSH'S abilities and activities have tended to receive recognition by the National Republic Party by casting the toga of the late Senator Robert Taft on his shoulders in matters of extreme economic importance. BUSH has greeted this with a knowing smile, but modestly has done little to exploit matters publicitywise. His knowledge of the effects of such complicated things as the peril point and escape clause in the trade bill is shared by few Senators.

In 1956 he was urged to adopt and develop the idea of an incentive income tax plan. He gave it some thought, but after advice from economists he abandoned the idea as being inflationary. Since that time even J.F.K. has proposed in messages to Congress some elements which are not too different from what BUSH had under consideration.

PRES BUSH, as a Senator, has not been an ultraliberal, nor a reactionary. He has often been described as a moderate Eisenhower Republican, which comes somewhere near the political truth.

He has never disguised his interest in Connecticut's economic climate. His efforts following the 1955 flood disasters serve as proof of his philosophy. On the other hand, he has not been beyond opposing sectional interests, when in his judgment the economic welfare of the Nation was involved. Such a reaction often mystified people who claimed they were good Republicans.

Political friend and foe will agree that PRES BUSH has been a devoted and conscientious public servant in his decade in the U.S. Senate.

There are literally thousands of examples where the intervention of Senator BUSH benefited persons regardless of political affiliation.

This happens to be only one of the reasons why this writer firmly believes that Senator BUSH would be reelected, regardless of who his opponent would be. He happens to be better than just a good Senator, and you can check that with high ranking Democrats as well as Republicans, inside Connecticut as well as in Washington.

Only a few voters have a keen concept of the many things a job of Congressman, or one of U.S. Senator involves.

In his announcement Senator BUSH mentioned some of the things such as a 7-day week.

For some strange reason, people, including wardheelers think of any State job as a "soft job," which today is a disservice to Democratic and Republican officeholders on the national level.

A conscientious public servant, be he a Congressman or Senator, cannot cut his workload down to a 40-hour week—even with automation. The problem of being in two

places at one time has been solved, but three and four is not easy.

Just the increase in the number of visitors to Washington is enough to drive a receptionist "nuts" when the purpose is to say "hello." And people from Connecticut do visit Washington at other times than cherry blossom time.

In these swift moving days of major changes in key national and international political and economic problems, Connecticut Republicans and Democrats have many reasons to have a U.S. Senator of the stature of PRES BUSH to represent them.

Some folks appreciate that his wide and intensive knowledge of international banking and trade matters are a service to Connecticut. These same people often completely disregard him as a human being. Now and then some brave and understanding soul, such as State Senator Florence Finney of Greenwich, tries to explain.

PRES BUSH has developed a reputation over the years of being good at anything he sets his mind and heart to.

[From the Farmington Valley Herald, May 24, 1962]

SENATOR BUSH RETIRES

Many words have been said about PRESCOTT BUSH, our senior Connecticut Senator, all highly complimentary as they should be. His integrity has been extolled, his ability, his dedication and his unstinting effort for the common good praised from one end of this State to the other, and from one corner of the country to the next. There are few if any words to add to the accolades already spoken.

We think, though, that to have known one good man—one man who, through the chances and rubs of a long life, has carried his heart in his hand, like a palm branch, waving all discords into peace, helps our faith in God, in ourselves, and in each other more than many sermons. We have known PRES BUSH as many in our Farmington Valley have known him, and all of us who have known him have been helped in our faith in God, in ourselves and in each other by his friendship.

Senator BUSH's bombshell announcement that he would not seek renomination to the U.S. Senate came with the total honesty, integrity and dignity that is so characteristic of him. He indicated that the pressures of his responsibilities have placed a drain on his physical resources to the point where his sacrifice would have to include his health.

[From the Hartford Times, May 17, 1962]

IT NEVER RAINS—IT POURS

Regardless of politics, Connecticut has been proud of PRESCOTT BUSH.

He has set an example of what a U.S. Senator ought to be—a man of public and personal quality. Devoted to the State and National welfare, he has been a straight-shooter, able and sincere in every circumstance and under every demand.

So it is a startling and dismaying thing for the State to learn that he is withdrawing and will not be a candidate for reelection.

We have not always agreed with him and we might not have gone down the line with him had he remained in the running.

That does not in the least alter the esteem in which we, or his fellow citizens generally, hold him.

No less than the State at large, the Republican Party, too, will feel his loss.

[From the Washington Star, May 19, 1962]

BUSH WITHDRAWAL A REAL LOSS

(By Gould Lincoln)

Senator PRESCOTT BUSH's decision not to seek reelection has stirred Connecticut politics with a big spoon. But, more important, it means the retirement of a U.S. Senator worthy of the name. His wide experience in the financial and business worlds was valuable to the Senate Banking and Currency Committee and to the Joint Economic Committee, of which he is a member, and to the Senate Armed Services Committee. A great worker always, Senator BUSH has won both the respect and affection of his colleagues.

[From the Lakeville Journal, May 24, 1962]

SENATOR PRESCOTT BUSH

Senator BUSH, in our book, was the near-perfect representative of the whole people—a characteristic which we have always felt should be inherent in all candidates after election, but which far too often is lacking.

Senator BUSH may not always have voted as we or others would have liked, but we have never read or heard the accusation that he ever voted strictly for personal or party reasons, or that he did not weigh all the evidence and think of all of his constituents, not to mention the broader constituency which national Senators should think of—the whole people and their welfare.

Not as effective on a platform as many, he was far more effective in direct action and in personal contact, where his sincerity and deep feeling for humanity and the problems of all people became very evident. He will be sorely missed.

[From the Ridgefield Press, May 17, 1962]

SENATOR BUSH RETIRES

PRESCOTT BUSH, the friendly and distinguished gentleman from Greenwich who has visited our town many times in the 10 years he has been a U.S. Senator, has regretfully decided not to seek a new 6-year term in the "greatest deliberative body in the world." At 67 he wants to relax a little instead of working 7 days a week. His decision is entitled to the greatest respect. We wish him and Mrs. Bush many happy and pleasant years away from the official and demanding life in Washington.

Senator BUSH has been generally to the left of his fellow Republicans on public issues since he took office, adopting an open mind on questions and ever being prepared to adjust his thinking to changing world and national conditions. His advice and opinion have been highly regarded by his colleagues in both parties, though, of course, he has not always been on the prevailing side.

Mr. BUSH's decision not to run again has brought forth a barrage of statements and comments in praise of him and his service to State and Nation. We are happy to join in this widespread tribute.

[From the Brookfield Journal, May 24, 1962]

BUSH'S BOMB

This new tempest within the Republican Party is, we think, the best tribute which could be said to PRESCOTT BUSH. For 10 years he has had the field to himself because of his stature and performance in Washington.

A singular honor was paid by President Eisenhower when he said that Senator BUSH was one of six men whom he could accept working alongside him as Vice President.

We wish Senator BUSH well as he approaches retirement, hoping that he will find many rewarding years in private life among his grateful fellow citizens.

[From the Bridgeport Herald, May 20, 1962]

SENATOR BUSH'S SENSATIONAL WITHDRAWAL

Politically sensational, with the GOP June nominating convention so close by, was the news PRESCOTT BUSH has decided to retire from the U.S. Senate rather than campaign for a third term.

The health reasons he advanced for his decision serve to dramatize the heavy demands the office places on a national legislator.

Senator BUSH's position in the Eisenhower hierarchy enabled him to bring about legislation that benefited his constituents, regardless of political persuasion, including appropriations for highway funds, housing and slum clearance, small business aid and flood rehabilitation, control and prevention.

In 1956, President Eisenhower, in a "DEAR PRES" letter, said: "For your consistent advocacy of principles of sound government and of measures essential to the public good, you have my warmest thanks."

Along with Ike, to "PRES" BUSH, a man of principle, guided by the highest tradition of the U.S. Senate, Connecticut says: "Warmest thanks."

[From the New Milford Times, May 24, 1962]

BUSH'S BOMB

If last week's bombshell dropped by Senator PRESCOTT BUSH when he announced that he will not seek reelection to the Senate this fall has done nothing else, it effectively reduced the field in the seven-way race for the GOP nomination for Governor when ex-Gov. John Lodge withdrew from his untenable position as unannounced candidate and set his cap for the Senate.

But it did something else. It set up a new contest which will share the headlines with the gubernatorial race during the future weeks before the June convention.

This new tempest within the Republican Party is, we think, the best tribute which could be said to PRESCOTT BUSH. For 10 years he has had the field to himself because of his stature and performance in Washington.

A singular honor was paid by President Eisenhower when he said that Senator BUSH was one of six men whom he could accept working alongside him as vice president.

We wish Senator BUSH well as he approaches retirement, hoping that he will find many rewarding years in private life among his grateful fellow citizens.

[From the Wilton Bulletin, May 23, 1962]

SENATOR BUSH RETIRES

PRESCOTT BUSH, the friendly and distinguished gentleman from Greenwich who has visited our town many times in the 10 years he has been a U.S. Senator, has regretfully decided not to seek a new 6-year term in the "greatest deliberative body in the world." At 67 he wants to relax a little instead of working 7 days a week. His decision is entitled to the greatest respect. We wish him and Mrs. Bush many happy and pleasant years away from the official and demanding life in Washington.

Senator BUSH has been generally to the left of his fellow Republicans on public issues since he took office, adopting an open mind on questions and ever being prepared to adjust his thinking to changing world and national conditions. His advice and opinion have been highly regarded by his colleagues in both parties, though, of course, he has not always been on the prevailing side.

Mr. BUSH's decision not to run again has brought forth a barrage of statements and comments in praise of him and his service to State and Nation. We are happy to join in this widespread tribute.

[From the Middletown Press, May 17, 1962]

BUSH BOWS OUT

Senator BUSH retires now with many fond memories, the knowledge that he bowed out gracefully while still at the height of his powers, with a record of many friends, and with the realization that his action can play

a part in the rejuvenation of the GOP. The Democrats, with their usual skill and farsightedness, have been thinking ahead; it's time for the GOP to do the same.

MASS DEPORTATION OF BALTIC PEOPLE

Mr. SALTONSTALL. Mr. President, this week we commemorate the anniversary of a most tragic period in the history of three Baltic nations—Lithuania, Estonia, and Latvia. It was on June 15, 1940, that the Soviet Army swept across the Lithuanian borders and forced this peace-loving country under the Communist yoke. By June 17, both Estonia and Latvia were occupied. Mass deportations followed in which more than 50,000 people were sent to prison camps in eastern Russia.

Since then, several waves of deportations and arrests occurred in these countries. The most serious took place in 1949 in an effort to break the resistance of Baltic farmers against forceful collectivization of their land. It was at this time than an estimated 10 percent of Lithuania's population was driven to Siberia.

These captive people today constitute a great symbol of mankind's struggle against the ruthless forces of international communism. We, in turn, must provide them with the moral encouragement to continue their gallant struggle in the face of most difficult odds and hope that our words of encouragement will reach them.

On this sad anniversary, we hope and pray that most of these freedom-loving people now imprisoned in Soviet labor camps are still alive. We also hope that someday they will return to their Baltic homelands and join with their fellow countrymen in helping to regain their cherished democratic ideals of international independence, freedom and human dignity.

HANDLING OF THE BILLIE SOL ESTES CASE

Mr. TOWER. Mr. President, I shall ask unanimous consent that two newspaper articles be printed in the RECORD that serve to document and further substantiate my position, earlier expressed, that the Department of Agriculture's cavalier and defensive attitudes toward the Billie Sol Estes case have definitely served to materially lessen public confidence in the entire Federal Department.

The first article, appearing in the Amarillo Sunday News-Globe, on June 10, 1962, relates that Secretary Orville Freeman, resentful of newspaper inquiry and coverage of the Estes matter, is intimating and threatening, through principal assistants within his inner office circle, that he will take legal action against this newspaper, that has been outstanding in its coverage of the Estes case developments since the first days of the public exposures, last March.

Secretary Freeman's particular concern, expressed in a letter from his aid and assistant, Thomas R. Hughes, to Vernon Louviere, distinguished Washington correspondent for the Amarillo News-Globe, is that the article complained of could "subject him to removal from office."

I am sure, Mr. President, that Secretary Freeman's concern about his tenure in office may be well based and well grounded. However, I am likewise sure that the article complained about will have nothing whatever to do with the circumstances of his possible departure.

The article complained about recounts that in the spring of 1961, when Billie Sol Estes was under consideration for appointment to the National Cotton Advisory Committee, that the Department's first investigative report was adverse, and that a second and "clean" report was thereupon ordered as a basis for the appointment.

Whether this report was personally ordered by Secretary Freeman, by Under Secretary Charles Murphy, who has endeavored to assume as much responsibility as possible for Billie Sol Estes matters, or by some still lesser official, is immaterial, as the Cabinet member is the responsible authority, as is well known.

I am likewise convinced that Mr. Louviere's sources are reliable and need to be protected, undoubtedly to insure the tenure of the official who made the disclosure, or permitted it to be made, in the public interest.

Mr. President, the second article I ask unanimous consent to introduce in the RECORD is from the June 8, 1962, edition of the Dallas News, is written by the distinguished Washington correspondent of the News, John Mashek, and is titled "Freeman Seen Trying To Turn Estes Tide."

The article recounts that while Secretary Freeman is threatening, through principal assistants, to bring suit because of unfavorable or unfriendly newspaper accounts, he is hosting favored Washington newsmen at luncheons and social chats in an effort to win their good will. This exercise and technique speaks for itself, and the article tells the story thoroughly and well.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD following my remarks.

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

[From the Dallas Morning News, June 8, 1962]

FREEMAN SEEN TRYING TO TURN ESTES TIDE

(By John Mashek)

WASHINGTON.—Secretary of Agriculture Orville Freeman is apparently on a two-pronged attack to turn the tide of the so-called "bad press" in the Billie Sol Estes case.

In one action Freeman has written a letter, through his executive assistant, to the representative of one newspaper threatening libel action over a news story in connection with the case.

In the letter, Freeman's top assistant specifically said that if the secretary is fired because of the case, this news story would become an open-and-shut case of libel.

(There have been whisperings and rumors in the administration that Freeman is on his way out, but President Kennedy has remained loyal to the former Minnesota Governor.)

While tossing out the libel challenge on the one hand, Freeman Thursday invited six news representatives to lunch for an informal chat about agriculture in general. The Estes case, of course, came up during the conversation over lunch.

The Department said that it had not singled out any special reporters for the meeting and had, in fact, invited representatives of newspapers whose editorial policies could be considered unfriendly. Such was the case.

Rodney Leonard, the Department's press chief, said the meeting was one of many called to allow reporters to talk with Freeman informally. He said many subjects were discussed including the Common Market, administration of the Department and the Estes case.

(Leonard said there was nothing new on the Estes case in Thursday's meeting.)

Leonard said this was not the first informal meeting with the press since Freeman became embroiled in the Estes case.

But it apparently was the first large-scale meeting. Other meetings since any of Freeman's words on Estes would have been important have been restricted to one or two individuals in his office.

The press chief said there would be more informal press meetings with Freeman during the next month. He said they would include bureau chiefs who could sit down and discuss many issues with the Secretary.

He insisted that the meetings would not be confined to whether or not the newspaper representative was considered unfriendly to the Department.

At any rate, Freeman's letter on the possible libel suit—written by executive assistant Tom Hughes, indicates the uneasy situation in the Department over the outcome of the Estes case as it involves the Secretary.

The admission that a possibility of dismissal exists is unique for a Secretary who has been defended by the President.

There also is a question of timing on the informal chats with reporters in the light of the controversy on the Estes case.

At Freeman's first press conference on the Estes matter, he described it as a lawyer's quarrel and one blown out of proportion in the press.

He has not had an open news conference since that time.

[From the Amarillo, Tex., Sunday News-Globe, June 10, 1962]

FREEMAN LEGAL THREAT AGAINST PAPER IS SEEN

Secretary of Agriculture Orville Freeman has intimated that he will take legal action against this newspaper as a result of a story on the Billie Sol Estes case.

The implied threat was contained in a letter written last week by Freeman's executive assistant and directed to a Washington correspondent.

Thomas R. Hughes, author of the letter, stated that counsel for the Secretary had advised Freeman that a statement in the Amarillo Sunday News-Globe of May 6 constitutes libel against him.

Hughes did not say that court action would be taken, but asked Vernon Louviere, reporter of the story in question, for comment in writing "before proceeding any further with this matter."

At issue are three paragraphs included in the story which said Freeman rejected in May 1961 an adverse report on Billie Sol Estes and ordered that a "clean" one be submitted in its stead.

Louviere had attributed the incident to "a highly reliable source." The source has not been divulged.

The three paragraphs at issue are as follows:

"Meanwhile, from a highly reliable source, it was learned that Agriculture Secretary Orville Freeman rejected in May 1961, an adverse report on Estes who was being considered for appointment to the National Cotton Advisory Committee.

"Freeman, according to the source, sent the report back and ordered that a 'clean' one be turned in in its stead. Estes was appointed to the post 2 months later, reappointed last November, and resigned after his arrest by the FBI on multiple fraud charges.

"The adverse report on Estes covered his 1953 activities in connection with farm storage facility loan program as well as other subsequent financial transactions with the Department."

In his letter, Hughes said the information contained in these three paragraphs is "totally and completely false."

Hughes continued: "It would appear from examination of laws of libel in the State of Texas that there are two basic considerations in a libel suit. 1. That a publication about a public officer to be libelous per se must be of such character as, if true, would subject him to removal from office. 2. That a false statement of fact concerning a public officer, even if made in a discussion of matters of public concern, is not privileged as fair comment.

"Both of these points are applicable in this case," he added.

The Globe-News papers initiated their investigation of Estes before the story became of statewide interest. The Amarillo Daily News was the first daily paper to write of Estes and hint that all was not rosy with the Pecos tycoon.

Publisher S. B. Whittenburg said the papers first became interested in Estes when it was rumored that he had an interest in Superior Manufacturing Co. here, and that his anhydrous ammonia tank deals were suspicious.

"From the very start of our investigation it appeared that a lot of people in our circulation territory were going to be hurt," he said. "Since that time we have used all resources at our command to inform our readers."

EXPANSION OF OUR TRADE WITH THE FREE COUNTRIES OF THE WORLD

Mr. SPARKMAN. Mr. President, the interest, not only of the people of Alabama whom it is my privilege to represent, but of all Americans, will be served by expanding our trade with the free countries of the world.

I believe that firmly.

But I also believe we must not lose sight of the fact that trading is an exchange.

If we are going to accept in our markets the goods foreign countries want to export—goods that are competitive with our products—then, in exchange we must insist that they allow our products—on which we can be competitive—to enter their markets.

This is the very essence of trade—a fair exchange, arrived at by bargaining.

I am concerned—and I think we should all be concerned—over what the Common Market countries propose as far as agricultural products are concerned.

What they propose is clearly intended to exclude our poultry, for example, from their markets.

I mention poultry in particular because almost three million farmers produce poultry and eggs. In fact, the largest agricultural source of cash income in my State last year was from the poultry business—broilers, eggs, and chicken products generally. Poultry and eggs are still produced more generally than any other farm product.

Poultry and eggs are the third most important source of cash farm income, exceeded only by red meats and dairy products.

Poultry and eggs provide more farm income than wheat, more than cotton, more than corn, more than tobacco.

Poultry and eggs are being produced with price-supported grain, but without subsidy or support themselves.

And they are being produced so efficiently that our chickens and our turkeys can be processed, packaged, shipped overseas, and sold competitively with poultry produced there.

The Department of Agriculture reports that last year we exported 236 million pounds of poultry. That was 3 percent of our production. I understand we are now exporting at the rate of 5 percent of our production.

This 236 million pounds, which we exported last year, was 5 times as much as we shipped abroad in 1958. That is how fast the demand for our poultry has grown. Three-fourths of this increase went to Western Europe—to the countries that, having gained access to our markets, now propose to close their markets to our poultry.

Are we going to permit our farmers to be denied markets because they have become too efficient to be allowed to compete?

Such a policy contradicts the principle on which the Trade Expansion Act is based. It contradicts the principle on which the Common Market itself is based.

Such a policy would insulate the Common Market countries from competition and put them in a position to develop and expand production that could not otherwise be justified.

This is no way to bring about the best allocation of the free world's resources, to the mutual advantage of all its peoples.

If, by our inaction, we allow such a policy to become effective, we will cause incalculable harm not only to the poultry industry, but to American agriculture and our whole economy.

It is apparent that unless we have a bargaining tool, we have little chance to prevent exclusionary devices, such as variable import levies, being imposed against our products.

The President told us:

> We mean to see to it that all reductions and concessions are reciprocal—and that the access we gain is not limited by the use of quotas or other restrictive devices.

Secretary Freeman said:

> We must make certain that any swap * * * includes assurance that reasonable terms of access will be provided for our agricultural products.

The arrangements so far have not guaranteed that the poultry producers in my State will have reasonable access to the markets they have developed for their products in Western Europe.

However, the way has been kept open for continuing negotiations.

It is imperative that we provide our negotiators with the leverage necessary to bargain effectively on behalf of our farmers and particularly our poultry producers.

In my State of Alabama poultry and eggs account for 25.8 percent of the income from all farm commodities.

I am sure the Senators from my neighboring State of Georgia will be glad to verify that poultry and eggs account for over a third of the farm commodity income in their State.

I may say that Georgia is the largest producer of poultry products in the entire United States. Up in Delaware, the figure is 57 percent.

I would remind the distinguished Senators from New Hampshire that 36 percent of the farm commodity income in their State comes from poultry and eggs, and my fellow Senators from Maine that the figure in their State is 37 percent, and my colleagues from Massachusetts that 25 percent of the income from farm products in their State is from poultry and eggs.

I could go through every State in the Union. Even when the percentage is not so high, the dollar figure is often impressive. In Iowa, for example, where poultry and eggs account for 6.2 percent of the income from farm commodities, that still adds up to $152 million.

Poultry and eggs are one of the major sources of agricultural income in this country.

Despite the importance of the industry, it is not asking favors. And I am not asking favors for it.

But it expects fair treatment.

I think you will agree that poultry and eggs, along with our other agricultural products, are entitled to fair treatment.

It is up to us to make sure they will be allowed to compete on a fair basis without hand'cap in all the markets of the free world.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows the income from poultry and eggs in each State of the Union and their percentage of all commodities for each State.

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

Figures from Farm Income (a supplement to the Farm Income Situation for July 1961) issued by the Economic Research Service, USDA, August 1961

State	Income from poultry and eggs, 1960 (thousands)	Percentage of all commodities
Maine	$77,580	37.1
New Hampshire	20,475	36.5
Vermont	7,502	6.1
Massachusetts	41,851	25.7
Rhode Island	4,848	23.0
Connecticut	47,327	30.0
New York	85,112	9.9
New Jersey	83,807	27.5
Pennsylvania	162,077	20.3
Ohio	93,572	9.3
Indiana	107,383	9.5
Illinois	67,504	3.4
Michigan	50,222	6.9
Wisconsin	80,592	7.3
Minnesota	149,943	10.5
Iowa	151,854	6.2
Missouri	79,515	7.2
North Dakota	12,174	2.4
South Dakota	35,613	5.9
Nebraska	46,322	3.9
Kansas	33,603	2.7
Delaware	66,624	57.5
Maryland	79,256	28.5
Virginia	79,915	17.0
West Virginia	29,446	27.4
North Carolina	160,029	14.8
South Carolina	41,696	11.3

Figures from Farm Income (a supplement to the Farm Income Situation for July 1961) issued by the Economic Research Service, USDA, August 1961—Continued

State	Income from poultry and eggs, 1960 (thousands)	Percentage of all commodities
Georgia	$263,596	34.2
Florida	42,410	5.6
Kentucky	30,940	5.6
Tennessee	44,208	8.7
Alabama	137,577	25.8
Mississippi	96,911	16.1
Arkansas	129,725	19.1
Louisiana	27,636	7.5
Oklahoma	23,535	3.3
Texas	142,742	6.2
Montana	5,706	1.4
Idaho	8,377	2.6
Wyoming	1,539	.9
Colorado	15,480	2.5
New Mexico	5,344	2.3
Arizona	6,927	1.6
Utah	24,488	15.4
Nevada	325	.6
Washington	45,948	8.0
Oregon	36,563	8.8
California	294,576	9.3

CORPORATE FOREIGN INVESTMENT

Mr. GORE. Mr. President, the Wall Street Journal for June 14 carries an excellent "News Roundup" article on corporate foreign investment. This article should be read by all who are interested in tax equity, in the prevention of the wholesale movement of our industries to Europe, and in the short-run correction of our balance of payments.

Several interesting points are brought out—and bear in mind the comments are those of businessmen who are interested in expanding their oversea operations, particularly manufacturing abroad in allegedly low-cost countries.

It is said in this article:

A handful of companies have delayed new plant plans until they can see how Congressional tax debates come out. But the great majority are pushing ahead.

It is also stated:

Almost exactly half the companies surveyed say they probably will cut back, or at least go slow, on foreign capital spending in 1963 and future years if these provisions become law.

This article tells us two things. First, taxation does play a part in foreign investment decisions, and a more equitable method of taxing foreign operations will slow down those who are moving into foreign areas in order to avoid or evade proper U.S. taxation. The bill before the Finance Committee will not materially affect legitimate foreign operations, particularly those which serve our export markets.

It is contended by those quoted in this article that a tightening of our now rather loose taxation of foreign operations will not help our balance of payments problem in the long run. It is contended that "in the long run the dollars their foreign plants return to the United States in dividends far outnumber the dollars sent out of the United States to get them into operation." Now, this may be true. The "long run" period is, according to some Treasury calculations, about 12 to 15 years. This is too long. We need to solve our balance of payments problem in a much shorter period.

The enactment of the foreign tax provisions of the administration will result in greater tax equity as between domestic and foreign operations. This would have a marked effect on certain operations, particularly those which have been drawn overseas by the lure of low taxes in tax haven countries. There will be little effect on those who are operating without resort to tax avoidance schemes.

The wholesale export of jobs overseas will be slowed down. The export of commodities will not.

The short-run balance of payments will be helped by the slowdown in the outflow of capital funds and by the stepped-up inflow of earnings from existing foreign operations. Whether the long-run situation will be materially affected is subject to question.

Mr. President, I hope all my colleagues will read this article and that each one will draw his own conclusions, bearing in mind that any group of taxpayers will generally try to put the best possible face on any situation which will allow them to continue to escape proper taxation.

I ask unanimous consent that the article be printed at this point in my remarks.

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

U.S. COMPANIES BOOST OUTLAYS SHARPLY FOR THEIR FOREIGN PLANTS—BUT MANY PLAN TO CUT BACK LATER IF CONGRESS TAXES MORE OF OVERSEAS PROFITS—DOLLAR OUTFLOW ARGUMENT

Spending by U.S. corporations to build or expand foreign plants will shoot up sharply this year—no matter what happens to the Kennedy administration's proposals to tax more of the future profits these plants may earn.

But if the House-passed limited tax revision bill becomes law in its present form—an increasingly chancy proposition—many companies say they will curtail or slow down their foreign spending in 1963 and later years. The result, many businessmen insist, would in the end be to damage further the Nation's balance-of-payments position. Executives unanimously contend that in the long run the dollars their foreign plants return to the United States in dividends far outnumber the dollars sent out of the United States to get them into operation.

Those are the main points made by executives of more than 50 leading corporations, queried by the Wall Street Journal on their companies' foreign spending plans in light of the pending tax bill. With some important exceptions, the bill would make profits of the foreign subsidiaries of U.S. corporations subject to U.S. tax as soon as they are earned. Under current law these foreign earnings are not taxed until they are brought home as dividends to the parent company.

BILL'S PROSPECTS

The businessmen's assessments of the bill's likely impact on future foreign investment are necessarily tentative, of course. The tax revision bill is caught in a legislative logjam, and some Washington experts think it stands slightly less than an even chance of becoming law this year. Even if it does, the Senate Finance Committee, which is now studying the bill, is likely to soften its rules for taxation of foreign profits, perhaps making them apply almost solely to nonmanufacturing U.S. subsidiaries established in countries with very low tax rates—so-called tax-haven operations. And even if the bill passes in its present form, it would not take effect until 1963.

There's nothing tentative, however, about business plans for foreign capital spending this year. A handful of companies have delayed new-plant plans until they can see how the congressional tax debates come out. But the great majority are pushing ahead with heavy expenditures to cash in on new market opportunities overseas or to supply the increasing wants of their existing foreign customers.

Among 48 companies that gave some comparison of their 1962 foreign-plant budgets with last year's spending, 25 said they will raise outlays. Another 13 said they will spend at least as much as in 1961. Only 10 planned to reduce foreign capital outlays, and most of these specified the tax bill was no part of the reason; generally they said they simply had completed major projects last year and were not yet ready to start new ones as large.

GULF, ALCOA RAISE OUTLAYS

Moreover, 17 companies that gave specific dollar figures plan to spend a total of about $360 million for foreign plants and equipment this year—up more than 43 percent from around $251 million in 1961. Gulf Oil Corp. is raising its foreign plant spending to $91 million this year, against $68 million in 1961, with much of the increase going for new refineries in Denmark and Holland. Aluminum Co. of America will shell out $39 million abroad this year, against only $6 million last year; much of the 1962 money will go to an Australian concern in which Alcoa has a 51 percent interest, to speed construction of an integrated aluminum complex estimated to cost $100 million eventually.

Such rises come on top of a sharp increase in oversea-plant spending last year. While figures are not complete, the U.S. Commerce Department has estimated U.S. companies spent over $4.5 billion for foreign plant and equipment in 1961, up more than 20 percent from 1960. That contrasts with a 3.6 percent decline last year in spending for new plant and equipment in the United States, which totaled $34.4 billion. The Commerce Department originally estimated 1962 foreign-plant spending would hold at the 1961 level, but these estimates were published last September and so do not include the latest plans.

Rising sales of existing foreign plants are powering much of the expansion. Gillette Co. of Boston, for instance, is raising its foreign plant-building budget to $13 million this year from $9 million in 1961, principally for a new plant in Australia and new capacity in Germany. In both areas, a spokesman says, demand has outstripped the capacity of present facilities.

CRACKING THE COMMON MARKET

Entirely new ventures are often motivated either by the desire to get behind the tariff wall of the European Common Market or by the lure of untapped sales prospects in underdeveloped areas. Pittsburgh Plate Glass Co. will build a plant in Holland this year and two in Italy. Both are Common Market countries and, says David G. Hill, president, "we can't get into it (the Common Market) from the United States." The Commerce Department's 1961 survey estimated last year's new-plant spending by U.S. companies in the six Common Market countries rose more than 50 percent over 1960.

In less-developed areas, Firestone Tire & Rubber Co. is negotiating to build Thailand's first tire plant, while new detergent plants scheduled for Malaya and Thailand will help push Colgate-Palmolive Co.'s 1962 foreign capital spending to $17 million, from $12 million last year. Latin America is getting considerable attention, too. General Motors Corp is completing a sheet metal stamping plant needed to launch General Motors Argentina, S.A., into production of a new type of Chevrolet this fall.

These projects also continue an established trend. The Commerce Department estimates 1961 Latin-American plant spending by U.S. companies jumped 40 percent over 1960 while outlays in Asia and other underdeveloped areas also rose.

For several companies, heavy overseas spending this year also is dictated by long-range programs launched some time ago and now in full swing. Ford Motor Co. in 1960 began a $225 million program, scheduled for completion in mid-1963, to raise the car and truck producing capacity of its British subsidiary 50 percent. Last year it also kicked off a $125 million program, to end late this year, for a 50 percent increase in capacity of its German subsidiary.

On all these programs, the Kennedy tax program so far is having only a marginal effect. Reed Roller Bit Co., of Houston, has decided to delay construction of a $1.5 million plant in Holland, which had been scheduled to start later this year, until it can "see how things settle out," says John Maher, president. But nearly all other executives queried say 1962 spending plans are far too advanced to be delayed now, whatever Congress does.

WHAT BILL WOULD DO

In future years, however, the impact of the tax bill could be much greater in the event that it passes Congress with its present foreign-tax provisions intact. Basically, the bill provides that earnings of an oversea manufacturing subsidiary of a U.S. company will be subject to U.S. tax in the year earned, unless reinvested in the business or in an underdeveloped country within 3 months of the close of the taxable year. Earnings of a nonmanufacturing subsidiary could escape taxation only if reinvested in an underdeveloped country; they would be taxed if used to finance a new plant in an industrialized nation, such as one of the Common Market countries. Earnings from rents, royalties, copyrights, or patents abroad would be taxed no matter where or how they were reinvested.

Almost exactly half the companies surveyed say they probably will cut back, or at least go slow, on foreign capital spending in 1963 and future years if these provisions become law. They include such names as Coca-Cola Co. and Eastman Kodak Co., both among the most active firms in foreign plant building.

The principal reason foreign outlays might be curbed, executives say, is that most foreign capital expenditures are financed out of retained tax-free profits of existing foreign plants or sales subsidiaries, usually saved over a period of years. So, says Michel Bergerac, director of oversea operations for Cannon Electric Co., if the tax bill is passed in its present form, "we just wouldn't have as much money to spend" on foreign plants in the future. Cannon, a Los Angeles maker of electrical connectors, is spending $3 million this year for additional manufacturing facilities in Japan and England.

WHERE MONEY COMES FROM

Of $5 billion spent by U.S. concerns in 1960 for foreign plants and equipment and other assets, the Commerce Department estimates, some $2.9 billion came from retained profits and depreciation allowances of the foreign plants themselves. Foreign investors and lenders put up another $1.1 billion, while only $1 billion, or 20 percent of the total, was sent abroad from the United States. For some companies, the proportion of foreign-plant-building funds derived from foreign sources goes even higher; Armco Steel Corp. says 90 percent of the money it spends overseas is raised overseas.

Many executives also charge that the tax bill would make their oversea operations less competitive with foreign-owned plants, thereby lessening their incentive to set up shop abroad. If the tax bill passes "we won't be able to compete as well with manufacturers abroad because they'll have a better tax structure than we have," says John Porter, finance manager of Ampex Corp., Redwood City, Calif., electronics concern. Many foreign countries have lower corporate income taxes than the United States. and also more liberal depreciation allowances.

In addition, several companies say the stiffer taxes provided by the new bill would mean their foreign plants would be no more profitable than their U.S. operations. And if foreign plants "were not more profitable than domestic ventures we might as well stay at home," says an official of a major New York chemical company which plans to spend $10 to $14 million on oversea factories this year, against $7 million in 1961.

BLOW TO THE UNDEVELOPED?

In particular, many executives insist, they need some sort of tax inducement to offset the risks of investing in underdeveloped countries. So, they say, passage of the tax bill in its present form would cause them to cut back especially sharply on new plants in these poor lands—even though some of the bill's provisions seem designed to spur such investment.

"The tax program would probably eliminate even consideration of expanding in areas such as India," asserts Albert A. Kornhauser, treasurer of Controls Co. of America, in Chicago. A Midwestern chemical concern which is reconsidering planned future expansion in southeast Asia and Africa because of the tax bill says: "There must be some incentives to expand in those areas where investments can be snuffed out quickly by such burdens as foreign taxation and political disturbance—all complicated enough already by differences in language, customs, currencies, and exchange rates."

This isn't the only way in which the bill might defeat its own purpose, businessmen warn. In part, the bill is designed to ease the U.S. balance-of-payments problem by discouraging businessmen from sending dollars abroad to build new plants. The balance-of-payments problem refers to the persistent excess of total U.S. spending, lending, and investing abroad over foreign spending, lending, and investing in the United States.

P. & G.'S BALANCE OF PAYMENT

But several companies cite detailed figures to prove that their foreign plants over the years return far more dollars to the United States than they take out. Procter & Gamble Co., the big soapmaker, says it sent only $11 million abroad to build plants during the decade of the 1950's, with the rest of the investment coming from foreign sources. During the same period, says Dean Fite, a P. & G. vice president, these plants sent back $47 million in dividends. Also, he says, they bought $247 million worth of raw materials from the United States.

Du Pont Co. says that in the 10 years ended in 1961 its foreign operations returned $1,280 million more to the United States than they took out. Further, it forecasts a surplus of about $800 million in the next 5 years.

Many companies, of course, including some of the Nation's biggest, say tax considerations are only a minor factor in planning foreign plants, and will have little effect on their future investments. International Business Machines Corp., which operates 16 plants in 14 foreign countries, says the tax bill will "affect us only in a minor way." General Electric Co., which has 30 plants in 11 foreign countries, indicates it would not let higher taxes stand in the way if it decided building a plant was the only way to sell GE products in a country with a high tariff wall or other stiff restrictions on imports.

But even these companies grumble bitterly about the tax bill. They charge that the Government for many years encouraged them to build foreign plants to help the economies of friendly nations. Now, complains F. T. Quirk, assistant secretary of Goodyear Tire & Rubber Co., these investments "are suddenly regarded in important Government circles as being highly undesirable, detrimental to the American economy, and based upon selfish motives."

TENNESSEAN FAVORS KING-ANDERSON BILL

Mr. GORE. Mr. President, I received an interesting letter today, written on tablet paper, and in a form clearly understood. The writer of the letter, a constituent of mine, makes a simple point, but he makes it in a very telling way. I should like to read the letter.

DEAR SENATOR: Long before my recent illness I was for the King-Anderson bill, but since I received a hospital bill for $1,678, I am now strongly for it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 493) that the Clerk of the House be authorized and directed to make a correction in said resolution, in which it requested the concurrence of the Senate.

CORRECTION IN ENROLLMENT OF HOUSE BILL 10788

Mr. JORDAN. Mr. President, I submit a concurrent resolution coming over from the House of Representatives and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated. The legislative clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956, the Clerk of the House is authorized and directed to make the following correction:

In line 12, on page 1, strike out "agreements" and insert "agreement".

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (H. Con. Res. 493) was considered and agreed to.

REGULATION OF IMPORTS OF AGRICULTURAL COMMODITIES AND PRODUCTS — CONFERENCE REPORT

Mr. JORDAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

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

There being no objection, the Senate proceeded to consider the report.

Mr. JORDAN. Mr. President, the Senate made three amendments to the House bill.

The first Senate amendment was merely technical to correct a typographical error and the House receded from its disagreement to that amendment.

The second Senate amendment directed the President to negotiate agreements under section 204 of the 1956 act restricting the importation into the United States of a number of commodities when in his judgment such imports seriously affect domestic producers. This amendment gave the President no additional authority and it did not require any action; but members of the Conference Committee felt that it might interfere with the textile negotiations currently being conducted under section 204. Under the Conference agreement the Senate would recede from this amendment with the recognition, expressed in the statement of managers on the part of the House, that there are other commodities that are being seriously affected through excessive imports and that the President should, in such cases, take action under section 204.

The third Senate amendment provided that action taken under the bill should be consistent with Trade Agreements Acts policy. The conferees on the part of the House felt that this created an indefinite rule, the effects of which could not be foreseen, and under the Conference Report the Senate would recede from this amendment.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF RULE XIX

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1481, Senate Resolution 37.

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

The LEGISLATIVE CLERK. A resolution (S. Res. 37) to amend rule XIX relative to the transgression of the rule in debate.

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

The motion was agreed to; and the resolution was considered and agreed to, as follows:

Resolved, That paragraph 4 of rule XIX of the Standing Rules of the Senate (relating to debate) is amended to read as follows:

"4. If any Senator, in speaking or otherwise, in the opinion of the Presiding Officer transgress the rules of the Senate the Presiding Officer shall, either on his own motion or at the request of any other Senator, call him to order; and when a Senator shall be called to order he shall take his seat, and may not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate. Any Senator directed by the Presiding Officer to take his seat, and any Senator requesting the Presiding Officer to require a Senator to take his seat, may appeal from the ruling of the chair, which appeal shall be open to debate."

ADVERSE REPORTS BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. CLARK. Mr. President, I introduced the resolution, which has just been agreed to by the Senate, along with eight other proposed rules changes early in the present Congress.

My purpose in addressing the Senate this afternoon is, first, to express my keen disappointment that the other proposed changes in the rules were not reported favorably to the Senate by the Committee on Rules and Administration, and to comment on the report of the Subcommittee on Standing Rules of the Senate, subsequently approved by the Committee on Rules and Administration, which was adverse to the other proposals. I intend to return to the subject of the need for modernizing the rules of the Senate from time to time as the occasion presents itself during the remainder of this session. My reason for so doing is my strong conviction that the present rules and procedures of the Senate are unsuited to the needs of the country and of the modern world.

I reiterate, for perhaps the 25th time, Woodrow Wilson's famous statement that the Senate is the only legislative body in the entire world which is unable to act when its majority is ready for action. This may well have been a not too serious defect in the procedures of this body in the old, easygoing days of the 19th century. Today, I consider the Senate's procedures a clear and present danger to the proper carrying out of the constitutional purposes of this body. In my judgment, Congress has clung to outmoded customs and prerogatives which should have disappeared before World War I, and that became not only antiquated but dangerous with the advent of the atomic bomb.

Congress is still functioning today pretty much as it did at the turn of the century. Its machinery is cumbersome and its legislative structure old and creaky. The Senate is still thought to be the greatest deliberative body in the world. Yet we spend very little time deliberating and we refuse, even in the face of crises, to change our leisurely pace or to forego luxury the country can no longer afford: talkathons which bore the voters as much as they bore ourselves.

I suggest that there would be very little talk about Presidential grab for power or Supreme Court usurpation of power if Congress were on its toes and exercising its powers as the Founding Fathers expected the legislative branch of the Government to do.

Madam President, these views are shared by others. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an interesting article entitled "Would Kick in Pants Help? The President and the Supreme Court Aren't Grabbing Power, but Are Filling a Vacuum Left by Congress," written by Inez Robb.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Madam President, with this preliminary statement, I should like to turn to each of the eight proposed changes in the Senate rules which I submitted last year, which were unfavorably reported by the Subcommittee on Standing Rules of the Senate.

The first is Senate Resolution 9, which would amend rule XXIV of the Standing Rules of the Senate by requiring that a majority of the Senate members of a committee of conference should have indicated by their votes their sympathy with the bill as passed, and their concurrence in the prevailing opinion of the Senate on the matters in disagreement with the House of Representatives which occasioned the appointment of the committee.

The majority of the subcommittee reported adversely on this proposed change in the rules. I am happy to note that the able junior Senator from Nevada [Mr. CANNON] dissented from that report and was of the view that the objective of the rule was desirable, although its application should be broadened to cover all conference committee appointments and not limited to cases where rollcall votes had been held.

In the report of the majority of the subcommittee it is stated:

> In the vast majority of instances the appointment of Senate conferees on the basis of their seniority on the committee which reported the bill in conference has proven satisfactory.

Madam President, it is quite true that at any one session there are very few complaints regarding the action of Senate conferees, but this is because a majority of the Senate conferees usually do, in fact, reflect the prevailing view of the Senate. In addition, the majority of the subcommittee is in error when it takes the position that ordinarily the Senate conferees are appointed on the basis of their seniority on the committee. Actually, that is done by very few of the Senate committees. So far as I recall, the Finance Committee is almost the only one from which Members are appointed conferees entirely on the basis of their seniority. In fact, so far as I know, the Finance Committee is the only Senate committee which does not use the device of subcommittees, which is used by all other committees to expedite proposed legislation. On all the committees on which I serve—the Banking and Currency Committee, the Labor and Public Welfare Committee, and the Committee on Post Office and Civil Service—it has been almost the invariable practice to appoint as Senate conferees, not the senior members of the full committee, but the members of the subcommittee which considered the proposed legislation in the first instance and reported the bill to the full committee.

Likewise, in those three committees it has been the custom to have the chair-

man of the committee, assuming that he favored the proposed legislation, or, if not, the chairman of the subcommittee, if he favored the proposed legislation, act as floor manager of the bill; and when the bill goes to conference, it has been customary to appoint as Senate conferees the members of the subcommittee, in whatever proportion the two parties may be represented on the subcommittee itself.

Therefore, Madam President, I question the factual basis of the subcommittee's adverse report on the proposed rule change which would require a majority of Senate conferees to have evidenced by votes concurrence in the action of the Senate which occasioned the conference.

I may note for the record that, in 1960, when the resolution was first submitted to the committee, it was cosponsored by 20 Senators and in this Congress 8 Senators wrote to the committee urging favorable action on the proposal—which in itself indicates the existence in this body of a substantial opinion that such a change in the rule is required.

Actually, the precedents set forth in the volume on Senate procedure make it very clear indeed that if objection is raised by any Senator to the appointment as conferees of Members, a majority of whom showed by votes opposition to a significant portion of the bill the Senate passed, he can bring about a reconstitution of the conference committee.

In my judgment, the failure to report favorably this proposed rule change will make it necessary for a number of us, who are determined, to the extent of our capacity, to see that President Kennedy's program or the version of his program which the Senate will eventually adopt will be effectively represented in conference, to raise on the floor of the Senate this embarrassing question against a proposed slate of conferees when a majority of that slate has indicated it is not in sympathy with the Senate bill and thus cannot be expected to represent with complete strength the position the Senate itself has taken on such measures.

The last time such an occasion arose was several years ago, when the junior Senator from Louisiana [Mr. LONG], who is recognized by all Senators as one who fights for his beliefs, complained about the composition of a conference committee hostile to the Senate views, and he brought about the appointment of a committee, a majority of whom were in sympathy with the bill the Senate had passed.

If this proposed rule change were adopted, it would be anticipated, as a matter of course, that Senators who in their hearts are loyal to the position taken by the Senate would constitute a majority of those chosen to serve as Senate conferees.

Madam President, I know from experience that when I have opposed a position taken by the Senate, it is difficult for me, if appointed to serve in the conference, to stand up effectively for the position of the Senate.

I merely say that a majority of those chosen to serve as advocates should have at heart the interests of the Senate.

I regret that the subcommittee did not act favorably on the resolution.

Madam President, I ask unanimous consent that the brief report of the subcommittee on the resolution—it appears on page 5 of the report, entitled "Proposed Amendments to Standing Rules of the Senate"—be printed at this point in the RECORD in connection with my remarks.

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

Senate Resolution 9 provides that a majority of the Senate members of a committee of conference shall have indicated their concurrence in the prevailing opinion of the Senate on the matters in disagreement with the House of Representatives.

In the vast majority of instances the appointment of Senate conferees on the basis of their seniority on the committee which reported the bill in conference has proven satisfactory. Time has demonstrated the practical value of the general application of this seniority principle by the Vice President or temporary occupant of the chair in making such appointments. Under the present procedure the Presiding Officer holds and may exercise discretion to depart from the seniority rule, or even go outside the committee itself, in those rare instances when in his judgment conferees so selected would more adequately reflect the prevailing views of the Senate on the bill in conference.

Any conference committee appointment by the Presiding Officer, upon whatever basis, is subject to challenge by any Member, in which event it becomes subject to confirmation or rejection by the Senate itself.

It is worthy of mention that there are numerous instances when Senators have declined to serve on conference committees because, in good conscience, they could not support provisions of a bill as enacted by the Senate.

In the judgment of the subcommittee the present procedure is satisfactory to the great majority of Members of the Senate and no pressing need for abandoning it has been established.

Therefore, the subcommittee reports Senate Resolution 9 unfavorably.[1]

Mr. CLARK. Madam President, I suggest that the arguments advanced by the subcommittee will not stand the test of either logic or experience. At a later date I shall continue my remarks, in the hope that a resolution similar to the one endorsed by the Senator from Nevada [Mr. CANNON] or myself will be brought before the Senate with a favorable report.

Madam President, I turn next to proposed Senate Resolution 10, which would amend the Legislative Reorganization Act so as to permit any standing committee of the Senate to meet while the Senate is in session unless the Senate or the committee itself by majority vote should deny that right.

I have not been here very long, but in my 5½ years as a Senator I have personally witnessed occasion after occasion when unanimous consent was denied to committees considering important legislation to meet while the Senate was in session, thus delaying for weeks, and sometimes months, the reporting to the Senate of legislation which was part of the administration's program or part of the program of the majority leader at that particular time.

I suggest that this right of one Senator to keep all Senate committees from attending to duty while the Senate is in session is a very dangerous thing. It was used last year for weeks on end to keep the higher education bill from coming to the floor from the Committee on Labor and Public Welfare. Thirteen times the Senate committee was prevented from considering that bill while the Senate was in session because of objections lodged by a single Senator.

The very able junior Senator from Oklahoma, my dear friend [Mr. MONRONEY], one of the coauthors of the Legislative Reorganization Act, does not agree with me that this is invidious procedure, and his testimony is quoted in the report of the subcommittee to which I have already referred.

He says that to repeal this prohibition against committee meetings except by unanimous request "would create many additional conflicts, since all committees would be permitted to sit at their pleasure while the Senate was in session. The already delayed Senate proceedings would be further delayed by prolonged and numerous quorum calls due to the absences of Members from the floor while attending committee sessions.

He also stated that a change in the rules would "stretch out committee hearings to full days and would discourage attempts to compress testimony into the morning meeting time."

With all humility, Madam President, I suggest that these arguments of my good friend from Oklahoma, which were adopted by the subcommittee and by the full committee, are quite unrealistic and entirely out of context with what every Member of this body knows to be the fact. Committees would still attempt to complete hearings by noon. No more quorum calls would result.

Senators do not usually come to the floor any more to participate in debate until just before a vote. The idea of a deliberative body sitting here and debating from time to time important matters before the country is a myth. Actually, what happens is that Senators who are not permitted to sit in committee while the Senate is in session do not come to the floor. They do not come near the floor. They go back to their offices. They sign their mail. They see constituents. They even leave Washington to attend to matters in their own States.

I suggest that it is absolute folly to say that by permitting one Senator to prevent a committee from meeting we are going to expedite discussion in the Senate. It just is not so.

I suggest again, with all humility and with all courtesy, that Senators miss the whole point in thinking they are going to expedite the Senate's business by continuing to permit one Senator to

[1] Mr. CANNON dissents from the subcommittee report on S. Res. 9. His individual views on this resolution are presented on p. 29. On all other resolutions discussed in this report the views of the subcommittee are unanimous.

prevent all committees from meeting during Senate sessions. Quite the contrary is true. Important legislation becomes bogged down toward the end of the session and never reaches the floor, or reaches the floor so late that it cannot be given adequate consideration before the press for adjournment is on and Senators want to go home to campaign for reelection or mend fences.

Madam President, I suggest that, before this session is much older, occasions will arise, as they did last year, when needed legislation will not be permitted to be considered in committees because some lone Senator who is opposed to the pending legislation will refuse unanimous consent to permit committees to meet while the Senate is in session. I suspect this may take place in the not too distant future. I think this is a great shame, and I regret the action of the full committee in rejecting this proposed procedure reform.

I now turn to Senate Resolution 12, which, if adopted, would have provided that "unless a motion to read the Journal of the previous day is made and passed by a majority vote, the Journal shall be deemed to have been read and approved."

Only twice in my service here has the reading of the Journal been required, once as a part of a civil rights filibuster, when it took 5 hours, and once last year, when, in an attempt to show how a single Senator could hold up action for an unreasonable length of time, I myself objected to the unanimous consent request that reading of the Journal be dispensed with, and after 45 minutes of very lucid and clear reading by my friend the Journal clerk, I relented, and withdrew my objection to the consent request, dispensing with the reading of the Journal.

The requirement of the reading of the Journal is a bit of old fashioned, outmoded nonsense which favors a Member of the Senate who does not want certain business transacted. The rule dates from the days before we had verbatim records of the prior day's proceeding at our disposal. The reading of the Journal has only one purpose today—to prevent the Senate from proceeding with the expedition and consideration of legislation in the public interest.

I am frankly amazed that the subcommittee and the full committee should have reported unfavorably on this proposed rule change.

I am intrigued by the reason given by the subcommittee for refusing approval to this very limited but obviously desirable change, which would remove a minor roadblock to expeditious action in this body. I quote in full the reason given by the subcommittee reporting adversely on the proposed change:

The fact, as noted by the Parliamentarian, that the indexes to the Senate Journal for the past 40 years prior to the introduction of Senate Resolution 12, and Senator CLARK's identical resolution of the previous Congress (S. Res. 377), show no similar resolution to dispense with the reading of the Journal has been introduced in the Senate and no motion made to amend the present rule (sec. 1 of Rule III of the Standing Rules of the Senate), clearly suggests that there is no necessity or substantial sentiment for such a change.

In other words, the only reason they do not wish to agree to dispense with the reading of the Journal at the demand of one Member, is that no Senator proposed it before I did. It seems to me that this is about as silly a reason as could be given.

Again I predict, Madam President, that before this session is very much older there again will be objection to dispensing with the reading of the Journal. I suggest to my good friend, the Journal clerk, that he had better get a supply of cough drops and keep his voice in shape, because I suspect that he will be making some pretty long orations before this session concludes sometime this fall.

I now turn to the proposed Senate Resolution 13, which would have provided:

During the consideration of any measure, motion, or other matter, any Senator may move that all further debate under the order for pending business shall be germane to the subject matter before the Senate. If such motion, which shall be nondebatable, is approved by the Senate, all further debate under the said order shall be germane to the subject matter before the Senate, and all questions of germaneness under this rule, when raised, including appeals, shall be decided by the Senate without debate.

I know that since time immemorial there has been no rule of germaneness in the Senate. I think I am correct in saying that this is the only legislative body of stature, in the free world which has no power to control the diffuse and totally irrelevant oratory of its Members in the interests of expediting consideration of urgent public business.

The rule of germaneness in the House is well known. In all the legislative bodies in Western Europe, and in all the legislative bodies of the 50 States, parliamentary procedures are available by which nongermane discussion can be prevented, and legislators can be required on occasion to stick to the business pending before the body for discussion.

I point out that over a considerable period of time last year, when I kept the records, approximately one-third of the oratory in the Senate as reported in the CONGRESSIONAL RECORD was totally nongermane. My own view is that we could operate a much tighter ship if we were to set aside certain specific hours on certain days of the week for Senators to come to the Senate Chamber and speak for as long as they wished to speak on any subject they wished to discuss, when they would not be interfering with the consideration of important business.

Only 2 or 3 days ago the appropriation bill for the Department of Interior and related agencies was under consideration. The Senate was close to a vote on final passage of the bill. It was late in the afternoon. A large majority of Senators desired to complete action on the bill and to go home for dinner. Yet, for about 45 minutes a totally nongermane discussion occurred relating to the regulation of drugs—a subject in which a handful of Senators were keenly interested, and all other Senators had to sit around until those Senators were ready to stop discussing drugs and to allow the Senate to pass the appropriation bill for the Department of Interior and related agencies.

Obviously Senators who wish to talk about the drug bill should be free to come to the Senate Chamber and talk about the drug bill, whether or not the drug bill is the matter before the Senate, but I suggest that when a nongermane discussion intervenes during the consideration of an important bill when most Senators wish to pursue the pending business without distraction, a majority of the Senate should be able to require that further discussion be germane.

The Senate should have a rule of germaneness which could be invoked by nondebatable voting whenever a majority thinks it is desirable to do so and thereafter all nongermane debate could be objected to for the remainder of the time during which the pending business is under consideration.

If the motion to invoke the rule were turned down, the Senate could continue to discuss miscellaneous subjects for as long as it desired. As I stated, this would be a nondebatable motion, so that there would be no possibility of extended debate as to whether the germaneness rule should be applied.

Again I predict that before this session is very much older we shall see a number of instances in which nongermane and extended remarks will be made by Senators with respect to pending proposed legislation, perhaps not with the purpose but certainly with the result of delaying indefinitely and perhaps permanently the passage of proposed legislation which, under orderly rules of procedure in the Senate, would be voted on.

I suggest that the reasoning of the subcommittee report is, quite frankly, specious. I ask unanimous consent that the reasoning of the subcommittee, as set forth beginning in the middle of page 11 of the report and continuing over to the top of page 12, may be printed in full in the RECORD at this point.

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

Senate Resolution 13 would require Senate debate on any pending business to be germane to the subject matter before the Senate, if a rule of germaneness were raised by any Senator on motion, which shall be nondebatable and approved by majority action.

In the years since 1922, 15 resolutions identical or very similar to Senate Resolution 13 failed to obtain consideration by the Senate, which clearly indicates a predominant preference to retain the familiar practice.

The precise relevancy of an argument is not always perceptible. One need only visit a judicial trial in any law court to perceive that experienced lawyers frequently differ on the issue of what is relevant or material to the case at hand. To muzzle Members by restricting the area from which they may draw their arguments and fortify their contentions is repugnant to the very purpose of the Senate as a forum of unrestricted and free discussion.

Carved in stone on the west facade of the new Senate Office Building are the words "The Senate is the Living Symbol of our

Union of States."[1] These words are highly meaningful, symbolizing as well as unequivocally stating in concise terms the historic role of the Senate. The Senate is more than a National Legislature. Since the foundation of our Government it has been the protector of free speech and human rights. Each Senator is the duly elected representative of his State and his constituency, be they great or small, and stands equal with his colleagues to follow the course he deems best suited to enhance the common welfare. As such, he should be free to speak on any subject.

It is doubtful if a rule of germaneness, however well intended, would work in practice. Concepts of what constitutes germaneness would differ among Members. Senators disposed to voice their views on any topic of public concern will demand the right to be heard.

Therefore, the subcommittee reports Senate Resolution 13 unfavorably.

Mr. CLARK. I shall not comment further on the reasoning of this report. All I can say is that to me it does not make any sense. I hope that when this somewhat unsenatorial comment appears in the CONGRESSIONAL RECORD it will catch the eyes of my colleagues and will cause them to read the insertion I have just caused to be printed in the RECORD. I have a pretty firm belief that a majority of my colleagues may agree with me.

The argument stated against the proposal is the old-fashioned, outmoded, obsolete, ante bellum Civil War idea that we, as Senators, contribute to national policy, to the playing of its part in the legislative process by the Senate of the United States, if we stand in the Senate and "sound off" indefinitely about anything which comes into our heads.

Madam President, I suggest that while this may have made Clay, Calhoun, and Webster great, so that their portraits now hang in the antechamber, this is not the way a modern legislative body should conduct its business in a complex world full of the many intricate and difficult problems which confront us in the Senate today.

Madam President, again I apologize to my colleagues for the fact that I am expressing my views perhaps with more heat than light, but this is a subject on which I feel very strongly, indeed.

I now turn to Senate Resolution 14, which would establish a "bill of rights" for Senate standing committees.

I now read from the statement I made before the subcommittee at the time the subcommittee was courteous enough to call me before it, when my resolutions were under consideration:

The proposal would permit a majority of members of any standing committee of the Senate (1) to convene meetings of the committee; (2) to consider any matter within the jurisdiction of the committee; and (3) to end committee debate on a given measure by moving the previous question.

The 16 Senate standing committees vary enormously in their recognition of democratic procedures. No one could ask for fairer treatment or more expeditious handling of committee business than occurs in some committees. In other committees, however, it is well known that the will of the majority can be and often is thwarted with impunity.

We should have more confidence in democratic procedures than to permit such practices to continue. The enormous backlog of public legislative business should compel us to expedite committee action on important measures when a majority of the members of the committee are ready to act.

My proposal would permit a majority of the members of any standing committee to convene committee meetings, to call up any matter within the jurisdiction of the committee for consideration at any meeting, and to move the previous question when any matter has been under consideration for a total of 5 hours of debate. If the motion were adopted each member of the committee desiring to be heard on any of the issues on which the previous question had been ordered would be allowed to speak for a total of 30 minutes before the amendment or bill was brought to a final vote.

The proposed rule change was supported in statements submitted to the committee by the distinguished present occupant of the chair, the junior Senator from Oregon [Mrs. NEUBERGER], and by Senators DOUGLAS, GRUENING, MOSS, and PELL. It fell on hostile ground. The suggestion was made in the committee report that this is a matter which should be left to each individual committee to decide for itself—in other words, home rule for committees. I was a great advocate of home rule in my days as mayor of Philadelphia. It has much to commend it. However, I think it is no secret that there are several standing committees in the Senate whose chairmen are out of sympathy with the prevailing view of the other members of the committees. Such a chairman is able to exercise his authority, and sometimes does exercise his authority as a committee chairman, operating under rules of his own or rules which may or may not be in print, and of which committee members are not too well aware, to prevent the expeditious consideration or any consideration of legislation believed by a majority of the Members of the Senate to be in the public interest.

I shall shortly move, in all the committees of which I am a member, for a model series of rules for those committees along the lines I have indicated. I am hopeful that in at least one or two of such committees I shall have the support of the present occupant of the chair, and that it may be possible to adopt model rules which can be sent to the other committees in the hope that they may do likewise. I do not have much hope that that will work in the particular committees in which logjams exist and have existed for years. It seems to me this is a matter on which the Senate itself should legislate by means of a change in the Senate rules.

Madam President, I now turn to Senate Resolution 35, which would have permitted a Senator to have his remarks printed in the RECORD in large type, whether or not he droned through a 50-page text, reading every word of it. The subcommittee said, in rejecting the suggestion, with some high ethical sense with which I have sympathy, that this might perpetrate a fraud on the public, because if the address appears in small print the country knows that the Senator did not read it, but merely handed it in, whereas, at present, if the address appears in large print, the country knows that that Senator stood on the floor and delivered the speech. Presumably the impression might get abroad that the speech was made before a packed Senate, with the galleries filled to overflowing.

I suggest that this is a pretty naive approach. I like to think I have as high an ethical sense as have most of my colleagues. Time after time I have come to the floor of the Senate and read the first three lines and the last three lines of a long speech and handed it to the Official Reporters. The next morning it appeared in the CONGRESSIONAL RECORD as though I had delivered the entire speech.

I think this practice is good and sound and salutary. I think it is far more general than many like to admit.

I hold no particular brief for this proposed rules change. I know that the time of the Senate would be almost endlessly wasted if the present rules were relentlessly enforced, and if we did not wink at its violation every day the Senate meets. I, for one, am aware that we wink at its violation, but I would like to make honest men out of myself and my colleagues so that I could get back to my constituents and others what I wanted them to see in the RECORD without having to stand on the floor of the Senate for 2 or 3 hours and read every word of a long speech.

This is not of as great importance as the other rules. The fact is that the way we administer the present rule is a fraud on the public. Either we should stop what we are doing now, or change the rule. I therefore regret that the subcommittee did not see fit to approve Senate Resolution 35.

Madam President, I now turn to Senate Resolution 36, which would have changed rule XIX of the Standing Rules of the Senate so as to provide that when any Senator had held the floor for more than 3 consecutive hours, an objection to his continued recognition would be in order at any time, and that if such objection were made the Senator would yield the floor.

I advance this proposed change with considerable trepidation, in view of present company, who are listening attentively to my address in the Senate. Nevertheless, I have the strong view that this would be a salutary change.

In my experience as a nisi prius lawyer accustomed to trying cases as an appellate lawyer, and who argued in his day—some years ago, to be sure—a good many complicated cases not only before the Supreme Court of the Commonwealth of Pennsylvania, but before other courts of appeal as well as the Supreme Court, I have contended that if one cannot make his argument in 3 hours, he has not an argument worth listening to. The power of analysis and condensation which is a part of the background of every successful and trained lawyer should enable him to say, in far less than 3 hours, everything that needs to be said on a given subject. Anyone who drones on for more than 3 hours has not properly organized his material, or is holding the floor for purposes of delay.

I am reminded of an old apology by Justice Oliver Wendell Holmes, when

[1] Proposed by the then Senator LYNDON B. JOHNSON and adopted by the Senate Office Building Commission on Mar. 20, 1957.

he was serving many years ago on the Massachusetts Supreme Court. He came in one day with a particularly long opinion in a case in which he had been assigned by his colleagues to write the opinion. Senators will recall that ordinarily Justice Holmes' opinions were short and terse and to the point, and often full of pungent wit, coming to the critical issue involved in short order. When he brought forth this long opinion in the Massachusetts Supreme Court he said:

My colleagues, I am sorry for this long opinion, but I did not have time to write a short one.

I suggest that that same rule might well be applied, in terms of our own self-discipline.

I regret that this resolution was not approved by the subcommittee. I invite attention to the reasoning of the subcommittee, which appears on pages 19 and 20 of the report of the subcommittee. I ask unanimous consent that it may appear in the RECORD at this point.

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

Senate Resolution 36 would amend rule XIX to provide that whenever any Senator has held the floor for more than 3 consecutive hours, if objection to his continued recognition is made, the Senator shall yield the floor.

The difficulties attendant upon any attempt to establish germaneness with respect to a Member's remarks on a given subject was pointed out in connection with the subcommittee's report on Senate Resolution 13. A similar difficulty would be encountered in any attempt to establish at what exact point in time freedom of debate would be transformed into filibustering. Senate Resolution 36 would arbitrarily set that point at 3 hours after a Member obtained the floor. While subscribing to the principle that it is the responsibility of Members ultimately to vote on any issue under discussion, the subcommittee also subscribes to the principle that such action should be taken only after full and complete debate. By its cloture provision in rule XXII the Senate has established the procedure under which that determination shall be made.

The terms of the present rule XXII were the same back in 1925 when it was proposed by a Vice President, Charles G. Dawes, to amend the rule to provide for termination of debate by the affirmative vote of the majority of Senators. It was then that Royal S. Copeland, a Senator from New York, made the statement which is still pertinent regardless of the shifts in population that have since occurred:

"I can quite understand why a citizen of Nevada might want to have the rules changed. Nevada has 77,000 population, and yet it sends 2 Members to the U.S. Senate. If New York were represented in the same proportion, it would have 144 Members in the U.S. Senate instead of 2.

"Here is another thing to think about: The States of New York, Pennsylvania, Illinois, and Michigan pay 60 percent of the Federal taxes. The combined representation of these States in the Senate is one-twelfth of the total. Therefore, these States are totally submerged so far as voting power is concerned.

"New York State has as great a population as 18 other States combined. It exceeds the combined population of Arizona, Colorado, Delaware, Florida, Idaho, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Wyoming, Maine, and Nebraska.

"Add to these 18 States 7 other States—Arkansas, Louisiana, West Virginia, Washington, South Carolina, Maryland, and Connecticut—and it will be found that these 25 States, controlling 50 of the 96 votes, have a majority vote in the Senate. These States represent less than 20 percent of the total population of the country and they pay not more than 10 percent of the Federal taxes. Mr. Dawes' cloture rule would give this minority in population and financing standing absolute control of the Senate."

It is not the purpose of this report to reiterate the arguments which have been advanced in favor of extended debate, but rather to recognize the role of the Senate as the protector of the rights of the States and of minorities in our system of government. At no time should a single Senator have the right to compel another Senator to yield the floor.

Therefore, the subcommittee reports Senate Resolution 36 unfavorably.

Mr. CLARK. The reasoning of the subcommittee seems to be that the present rule of unlimited debate is needed to permit delay in order to protect the populous States of the country, such as Pennsylvania, Illinois, New York, and California from the tyranny which would otherwise be imposed upon them by small States such as Montana, Oregon, and perhaps even Minnesota, if the large States did not have such protection.

Actually, the Senators who wish to change the rules are the Senators from the big States, because we want to get things done. Of course, the Presiding Officer, the present majority leader, and majority whip, who are what might be called a captive audience today, also want to get things done. I regret very much that the committee has not seen fit to support what I consider to be a salutary rule change.

The Senate will be happy to know that I am approaching the end of my remarks in turning to Senate Resolution 38, which would have regularized the conduct of morning business. Under present Senate rules, morning business and the morning hour are again conducted by unanimous consent. Every morning the majority leader or the majority whip, as the case may be, after the morning prayer, asks unanimous consent that the reading of the Journal shall be dispensed with. I have already commented on that point. Then he asks unanimous consent that statements during the morning hour shall be limited to 3 minutes. Almost always the Senate agrees. However, every now and then a Senator objects. I suspect that later in the session some Member will object to that unanimous-consent request. Then we make whatever insertion we are prepared to make or wish to call to the attention of our colleagues in the Senate.

It occurred to me that we ought to put in written form as a part of the Senate rules what we do every day by unanimous consent. Of course, this proposal is not too important, but I believe it would expedite the business of the Senate appreciably.

I ask unanimous consent that the report of the subcommittee on this proposed rule change which appears on pages 23 and 24 of the committee report may be printed in the RECORD at this point in my remarks.

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

Senate Resolution 38 would amend rule VII to provide 1 hour, or more if extended upon motion, for morning business, expressly formalizing the customary 3-minute limitation on individual remarks.

Senator CLARK's statement at the hearings in support of Senate Resolution 38 is as follows:

"The rule change I am suggesting—to regulate the transaction of morning business—is intended to speed Senate business. The term "morning hour" is a misnomer under our present practice. It is well known that 2 hours, from noon to 2 p.m., are frequently used for morning business on new legislative days. I suggest that we limit morning business to 1 hour daily, unless a majority of Senators vote to extend the period, and that the 3-minute limit on individual speeches, which is a custom now honored as much in the breach as in the observance, be written into the Senate rules. The morning hour is a valuable and appropriate time for the delivery of remarks by Senators on current events and other miscellaneous business. My proposed rule would make it impossible for one Senator to block the holding of a morning hour daily even if the Senate is meeting in recessed or continuous session, and yet it would curtail the overall time spent on matters nongermane to the pending bill or resolution."

An explanation by the Parliamentarian of the practice of 3-minute speeches during the morning hour is as follows:

"About 1953 the practice of the majority leader of the Senate in asking unanimous consent that during the transaction of routine morning business speeches be limited to a period of minutes, either 2, 3, or 5, began. Daily requests would be made by the majority leader, and no standing order ever was made therefor. Dissatisfaction was expressed by some Senators as to rulings by the Presiding Officer on several occasions, which permitted a Senator who had used his 3 minutes on one subject to proceed for 3 minutes each on different subjects.

"On January 10, 1961, an understanding was arrived at by the majority and minority leaders, which provided that at the end of 3 minutes a Senator who was speaking must relinquish the floor so that other Senators who might desire to offer morning business could be recognized for respective 3-minute periods, and when no other Senator desired to submit morning business, he could again seek recognition. No formal order was ever made by the Senate.

"Under the Senate rules, no debate is permitted during the transaction of morning business, and it has only been by unanimous consent that the 3-minute custom, requested for each particular day, has been permitted.

"During the call of the calendar under rule VIII and also under calls for the consideration of bills to which there is no objection, there is a limitation of 5 minutes on the part of any Senator on any question pending before the Senate. The call of the calendar, however, is not a part of morning business."

Over 2 years ago, the Senator from Utah [Mr. BENNETT], wrote to the chairman of the Subcommittee on the Standing Rules of the Senate and suggested the advisability of reviewing the rules of the Senate wtih respect to the "morning hour." As Senator BENNETT succinctly stated at the time:

"A casual look at rule VII reveals that our current practice is completely out of step with the letter of the rule, and every once in a while we get out of step with our current practice."

Section 3 of rule VII of the Standing Rules of the Senate expressly makes provisions for

a morning hour on each legislative day.[1] The majority leader in recent years usually has made arrangements for a morning hour at each day's meeting of the Senate. Since January 10, 1961, after agreement between the majority and minority leaders, and by unanimous consent, speeches of Senators during the transaction of routine morning business have been limited to 3 minutes' duration. Thus, as a practical matter, the objectives of Senator CLARK's proposed amendment and of Senator BENNETT's earlier comments presently prevail.

The subcommittee is aware, however, that on occasion individual Senators have exceeded the 3-minute limitation on speeches in the "morning hour." Also, during these periods set aside for routine business there has been an increasing tendency among Members to initiate premature debate on controversial subjects. The subcommittee recommends that Senators exhibit their cooperation by adhering to strict observance to the 3-minute unanimous-consent agreement so that it will not be necessary for the occupant of the chair to announce that their time has expired.

Therefore, the subcommittee reports Senate Resolution 38 unfavorably.

Mr. CLARK. In this particular case the subcommittee outlines my own testimony in support of the rule as well as their reasons for objecting to it. I am content to let the jury of my colleagues in the Senate determine which of us had the better argument.

Madam President, these proposed rule changes are not utterly vital to the conduct of the business of the Senate, but, in my opinion, they are important, and in my judgment, they would help substantially in the effort which I am sure the majority leader and the majority whip are committed to, which is to get the President's program before the Senate for final consideration on its merits, and thus let some of us go home, particularly those of us who have business of great importance to our own careers to transact in our home States.

Of course, the major Senate rule change is that of rule XXII, and I would not like to have these remarks this afternoon considered out of perspective because I did not mention the critical need for a new cloture rule, and how important it is that in the first days of January of next year those of us who believe that the Senate should be permitted to act when a majority of its Members are ready for action may prevail, and that the present outmoded, obsolete, unworkable, undemocratic method of interminable and unlimited debate will be done away with.

I do not intend to address myself extensively to that subject today. I know that the majority whip, who is present, is a strong advocate of a change in the cloture rule, so as to permit a majority to terminate debate after full discussion. I know the majority leader, who is also in the Chamber, is an advocate of at least reducing the number of Senators required to impose cloture from the present two-thirds of the Senators present and voting to three-fifths, which would be a help.

[1] The Senate agreed to a resolution that after today (Aug. 10, 1888), unless otherwise ordered, the morning hour shall terminate at the expiration of 2 hours after the meeting of the Senate (Senate Journal 1266, 50-1).

I close my comments this evening with the fervent plea to my colleagues that they get ready for the battle of next January, when I hope a major step forward will be taken in modernizing and updating the present obsolete, archaic, and undemocratic rules of the Senate. When that is done, and while we are at it, I hope we will adopt the other rule changes to which I have addressed myself.

I express my apologies to the occupant of the chair and to the majority leader and the majority whip for detaining them so late in the afternoon.

I yield the floor.

EXHIBIT 1

WOULD KICK IN PANTS HELP?

(By Inez Robb)

The President and Supreme Court aren't grabbing power, but are filling a vacuum left by Congress.

At the moment the air is filled with charges and countercharges of "a Presidential grab for power" and the "Supreme Court's usurpation of power."

But so far I have heard no discusssion of the congressional abdication of power.

The U.S. Government was designed to have three coequal branches: the Executive, Congress and the Supreme Court.

It is one woman's opinion that if the Congress were strong, efficient, dedicated, intelligent and forceful, there would be no power vacuum into which either the Chief Executive or the Supreme Court could move. Not even nature abhors a vacuum so belligerently as does politics.

WASHINGTON A PURGATORY

As the office of the Chief Executive and the functions of the Supreme Court have moved steadily forward in the 20th century to keep attuned to the times in which they function, the Congress has clung to outmoded customs and prerogatives that should have disappeared with World War I and that became not only antiquated but dangerous with the advent of the atomic bomb.

The Congress is functioning today much as it did at the turn on the century. Its machinery is cumbersome and its legislative structure old and creaky.

It seems to me that taxpayers get less and less mileage out of Congress with each passing year. I am weary of the time it wastes by refusing to face up to issues, and more weary still of the last-minute August rush to consider and pass or reject important legislation that was introduced the previous February.

It sometimes appears that no legislation would ever be passed by Congress if (1) it didn't feel impelled to get back home to mend its fences and (2) it weren't fed up with the heat of a Washington summer and eager to get away to the golf courses in a cooler clime.

The selection of Washington, D.C., as the site of the Nation's Capital has often been criticized. But in view of its purgatory-patterned summers and the itch of legislators to be off to less humid pastures, the site was probably a brilliant choice, since it does manage to get a little legislation passed annually.

CONGRESS A CHOWDER SOCIETY

The Senate is still the greatest debating society in the world. It refuses, in the face of threatening world crises, to change by a jot or tittle its leisurely pace. Or to forego a luxury the country can no longer afford, a talkathon that bores the voters as much as it is beginning to bore them.

Its committees can bottle up legislation on which the Nation is paying it to act, either pro or con. In its dilatory fashion, it can delay, from year to year, the consideration of bills on which the country has the right to a "yes" or "no" congressional answer.

It is doubtful if there would be any talk of a Presidential grab for power or a Supreme Court usurpation of power if Congress were on its toes and exercising its powers as the Founding Fathers expected the legislative branch of government to do.

But if the Congress is content to be a chowder and debating society for most of the year, it—and the Nation—can expect a strong President and an energetic Supreme Court to move in to fill the vacuum that it deliberately creates by its outdated mores.

Mr. MANSFIELD. Madam President, I do not believe that the distinguished Senator from Pennsylvania needs to offer any apology. I certainly found his discourse most interesting and worthwhile. I know that I have not heard the last of it. I am looking forward to the coming January, when I assume the diligent Senator from Pennsylvania will once again undertake his crusade to bring about a reformation of the rules of the Senate. I wish him well.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Madam President, I move that when the Senate adjourn tonight, it adjourn to meet at 12 o'clock noon tomorrow.

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

Mr. MANSFIELD. I wish to say to the Senate that there will be no further business considered tonight in the way of legislation.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 1544, H.R. 11040.

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

The LEGISLATIVE CLERK. A bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

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

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, with an amendment, to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, DECLARATION OF POLICY AND DEFINITIONS

Short title

SEC. 101. This Act may be cited as the "Communications Satellite Act of 1962".

Declaration of policy and purpose

SEC. 102 (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical us of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

(c) In order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. It is the intent of Congress that all authorized users shall have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; that the corporation created under this Act be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public; and that the activities of the corporation created under this Act and of the persons or companies participating in the ownership of the corporation shall be consistent with the Federal antitrust laws.

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

Definitions

SEC. 103. As used in this Act, and unless the context otherwise requires—

(1) the term "communications satellite system" refers to a system of communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with such associated equipment and facilities for tracking, guidance, control, and command functions as are not part of the generalized launching, tracking, control, and command facilities for all space purposes;

(2) the term "satellite terminal station" refers to a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communication systems, and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system.

(3) the term "communications satellite" means an earth satellite which is intentionally used to relay telecommunication information;

(4) the term "associated equipment and facilities" refers to facilities other than satellite terminal stations and communications satellites, to be constructed and operated for the primary purpose of a communications satellite system, whether for administration and management, for research and development, or for direct support of space operations;

(5) the term "research and development" refers to the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, as distinguished from the term "production," which relates to the construction of such devices to fixed specifications compatible with repetitive duplication for operational applications; and

(6) the term "telecommunication" means any transmission, emission or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems.

(7) the term "communications common carrier" has the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and in addition includes, but only for purposes of sections 303 and 304, any individual, partnership, association, joint-stock company, trust, corporation, or other entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier; and the term "authorized carrier," except as otherwise provided for purposes of section 304 by section 304(b)(1), means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

(8) the term "corporation" means the corporation authorized by title III of this Act.

(9) the term "Administration" means the National Aeronautics and Space Administration; and

(10) the term "Commission" means the Federal Communications Commission.

TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

Implementation of policy

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

(1) aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system;

(2) provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this Act;

(3) coordinate the activities of governmental agencies with responsibilities in the field of telecommunication, so as to insure that there is full and effective compliance at all times with the policies set forth in this Act;

(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

(5) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system;

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs; and

(7) so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad.

(b) the National Aeronautics and Space Administration shall—

(1) advise the Commission on technical characteristics of the communications satellite system;

(2) cooperate with the corporation in research and development to the extent deemed appropriate by the Administration in the public interest;

(3) assist the corporation in the conduct of its research and development program by furnishing to the corporation, when requested, on a reimbursable basis, such satellite launching and associated services as the Administration deems necessary for the most expeditious and economical development of the communications satellite system;

(4) consult with the corporation with respect to the technical characteristics of the communications satellite system;

(5) furnish to the corporation, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system approved by the Commission; and

(6) to the extent feasible, furnish other services, on a reimbursable basis, to the corporation in connection with the establishment and operation of the system.

(c) the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

(1) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair.

(2) insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof;

(3) in any case where the Secretary of State, after obtaining the advice of the Administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214 (d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers;

(4) insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

(5) prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by the communications satellite system are appropriately reflected in rates for public communications services;

(6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations; and

(7) grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, convenience, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either;

(8) authorize the corporation to issue any shares of capital stock, except the initial issue of capital stock referred to in section 304(a), or to borrow any moneys, or to assume any obligation in respect of the securities of any other person, upon a finding that such issuance, borrowing, or assumption is compatible with the public interest, convenience, and necessity and is necessary or appropriate for or consistent with carrying out the purposes and objectives of this Act by the corporation;

(9) insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity;

(10) requires, in accordance with the procedured requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

(11) make rules and regulations to carry out the provisions of this Act.

TITLE III—CREATION OF A COMMUNICATIONS SATELLITE CORPORATION

Creation of corporation

SEC. 301. There is hereby authorized to be created a communications satellite corporation for profit which will not be an agency or establishment of the United States Government. The corporation shall be subject to the provisions of this Act and, to the extent consistent with this Act to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this Act at any time is expressly reserved.

Process of organization

SEC. 302. The President of the United States shall appoint incorporators, by and with the advice and consent of the Senate, who shall serve as the initial board of directors until the first annual meeting of stockholders or until their successors are elected and qualified. Such incorporators shall arrange for an initial stock offering and take whatever other actions are necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

Directors and officers

SEC. 303. (a) The corporation shall have a board of directors consisting of individuals who are citizens of the United States, of whom one shall be elected annually by the board to serve as chairman. Three members of the board shall be appointed by the President of the United States, by and with the advice and consent of the Senate, effective the date on which the other members are elected, and for terms of three years or until their successors have been appointed and qualified, except that the first three members of the board so appointed shall continue in office for terms of one, two, and three years, respectively, and any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the director whom he succeeds. Six members of the board shall be elected annually by those stockholders who are communications common carriers and six shall be elected annually by the other stockholders of the corporation. No stockholder who is a communications common carrier and no trustee for such a stockholder shall vote, either directly or indirectly, through the votes of subsidiaries or affiliated companies, nominees, or any persons subject to his direction or control, for more than three candidates for membership on the board. Subject to such limitation, the articles of incorporation to be filed by the incorporators designated under section 302 shall provide for cumulative voting under section 27(d) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-911(d)).

(b) The corporation shall have a president, and such other officers as may be named and appointed by the board, at rates of compensation fixed by the board, and serving at the pleasure of the board. No individual other than a citizen of the United States may be an officer of the corporation. No officer of the corporation shall receive any salary from any source other than the corporation during the period of his employment by the corporation.

Financing of the corporation

SEC. 304. (a) The corporation is authorized to issue and have outstanding, in such amounts as it shall determine, shares of capital stock, without par value, which shall carry voting rights and be eligible for dividends. The shares of such stock initially offered shall be sold at a price not in excess of $100 for each share and in a manner to encourage the widest distribution to the American public. Subject to the provisions of subsections (b) and (d) of this section, shares of stock offered under this subsection may be issued to and held by any person.

(b)(1) For the purposes of this section the term "authorized carrier" shall mean a communications common carrier which is specifically authorized or which is a member of a class of carriers authorized by the Commission to own shares of stock in the corporation upon a finding that such ownership will be consistent with the public interest, convenience, and necessity.

(2) Only those communications common carriers which are authorized carriers shall own shares of stock in the corporation at any time, and no other communications common carrier shall own shares either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control. Fifty per centum of the shares of stock authorized for issuance at any time by the corporation shall be reserved for purchase by authorized carriers and such carriers shall in the aggregate be entitled to make purchases of the reserved shares in a total number not exceeding the total number of the nonreserved shares of any issue purchased by other persons. At no time after the initial issue is completed shall the aggregate of the shares of voting stock of the corporation owned by authorized carriers directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to their direction or control exceed 50 per centum of such shares issued and outstanding.

(3) At no time shall any stockholder who is not an authorized carrier, or any syndicate or affiliated group of such stockholders, own more than 10 per centum of the shares of voting stock of the corporation issued and outstanding.

(c) The corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, and other certificates of indebtedness as it may determine. Such nonvoting securities, bonds, debentures, or other certificates of indebtedness of the corporation as a communications common carrier may own shall be eligible for inclusion in the rate base of the carrier to the extent allowed by the Commission. The voting stock of the corporation shall not be eligible for inclusion in the rate base of the carrier.

(d) Not more than an aggregate of 20 percentum of the shares of stock of the corporation authorized by subsection (a) of this section which are held by holders other than authorized carriers may be held by persons of the classes described is paragraphs (1), (2), (3, (4), and (5) of section 310(a) of the Communications Act of 1934, as amended (47 U.S.C. 310).

(e) The requirement of section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-920(b)) as to the percentage of stock which a stockholder must hold in order to have the rights of inspection and copying set forth in that subsection shall not be applicable in the case of holders of the stock of the corporation, and they may exercise such rights without regard to the percentage of stock they hold.

(f) Upon application to the Commission by any authorized carrier and after notice and hearing, the Commission may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of such shares as the Commission determines will advance the public interest and the purposes of this Act. In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest, shall promote the widest possible distribution of stock among the authorized carriers.

Purposes and powers of the corporation

SEC. 305. (a) In order to achieve the objectives and to carry out the purposes of this Act, the corporation is authorized to—

(1) plan, initiate, construct, own, manage, and operate itself or in conjunction with foreign governments or business entities a commercial communications satellite system;

(2) furnish, for hire, channels of communication to United States communications common carriers and to other authorized entities, foreign and domestic; and

(3) own and operate satellite terminal stations when licensed by the Commission under section 201(c)(7).

(b) Included in the activities authorized to the corporation for accomplishment of the purposes indicated in subsection (a) of this section, are, among others not specifically named—

(1) to conduct or contract for research and development related to its mission;

(2) to acquire the physical facilities, equipment and devices necessary to its operations, including communications satellites and associated equipment and facilities, whether by construction, purchase, or gift;

(3) to purchase satellite launching and related services from the United States Government;

(4) to contract with authorized users, including the United States Government, for the services of the communications satellite system; and

(5) to develop plans for the technical specifications of all elements of the communications satellite system.

(c) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

TITLE IV—MISCELLANEOUS

Applicability of Communications Act of 1934

SEC. 401. The corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Act of 1934, as amended, and as such shall be fully subject to the provisions of title II and title III of that Act. The provision of satellite terminal station facilities by one communication common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. Whenever the application of the provisions of this Act shall be inconsistent with the application of the provisions of the Communications Act, the provisions of this Act shall govern.

Notice of foreign business negotiations

SEC. 402. Whenever the corporation shall enter into business negotiations with respect

to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

Sanctions

SEC. 403. (a) If the corporation created pursuant to this Act shall engage in or adhere to any action, practices, or policies inconsistent with the policy and purposes declared in section 102 of this Act, or if the corporation or any other person shall violate any provision of this Act, or shall obstruct or interfere with any activities authorized by this Act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this Act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

(b) Nothing contained in this section shall be construed as relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

(c) It shall be the duty of the corporation and all communications common carriers to comply, insofar as applicable, with all provisions of this Act and all rules and regulations promulgated thereunder.

Reports to the Congress

SEC. 404. (a) The President shall transmit to the Congress in January of each year a report which shall include a comprehensive description of the activities and accomplishments during the preceding calendar year under the national program referred to in section 201(a)(1), together with an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act and any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives.

(b) The corporation shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

(c) The Commission shall transmit to the Congress, annually and at such other times as it deems desirable, (i) a report of its activities and actions on anticompetitive practices as they apply to the communications satellite programs; (ii) an evaluation of such activities and actions taken by it within the scope of its authority with a view to recommending such additional legislation which the Commission may consider necessary in the public interest; and (iii) an evaluation of the capital structure of the corporation so as to assure the Congress that such structure is consistent with the most efficient and economical operation of the corporation.

Mr. MANSFIELD. Madam President, if Senators will look at their calendar, they will find that we are fairly well caught up. There are some measures still on the calendar which will not be brought up because of difficulties, either with respect to the sponsors of the measures or the opponents, or for some other reason.

I believe that the Senate did a fairly good day's work today. I anticipate that some little time will be spent on the pending business. I have been requested by Senators to hold up the laying down of this particular measure because of committee meetings and the like next week, but I felt that in all fairness to the Senate, especially to the two committees which held hearings on this proposal, and both of which reported the bill favorably, that it should be laid down once it was reported by the two committees and after it was reported favorably by the policy committee on being placed on the calendar.

I make that explanation because I think it is due to those who would like to see the consideration of the measure delayed.

Mr. HUMPHREY. Madam President, I join the majority leader in saying that a good bit of work was done today. I am particularly pleased that action was taken today on the Small Business Administration measure, to increase its lending capacity and authority, which is something that has long been needed. I am also pleased that we passed a measure which will permit some harvesting of hay on soil bank land in areas where there is distress and emergency, such as we are now witnessing in my State of Minnesota. In fact, it may well be necessary for me to bring other legislative proposals to the Senate to alleviate some of the economic hardship which has been inflicted upon us in northern and northwestern Minnesota due to floods and an incredible number of heavy rains.

AID TO YUGOSLAVIA AND POLAND

Mr. HUMPHREY. Madam President, I wish to call to the attention of the Senate and for the benefit of the RECORD two dispatches which appear in today's news, one from Belgrade, Yugoslavia, and one from Warsaw, Poland. The one from Yugoslavia is from our Ambassador to Yugoslavia, Mr. George Kennan, and the one from Warsaw is from our Ambassador to Poland, Mr. Cabot.

I believe that the pointed language of these messages or the teletype reports indicate the seriousness of the situation in these two countries with respect to their relations with the United States. I should like to read briefly from one of the dispatches.

Under a Washington dateline, the Associated Press dispatch reads:

> George F. Kennan, Ambassador to Yugoslavia, holds that congressional moves to crack down on U.S. aid and trade with that Communist nation are a "windfall" for Russia and a severe blow to U.S. aims in Eastern Europe.
>
> Kennan expressed that view in a private message from Belgrade to Secretary of State Dean Rusk this week.

Further, the dispatch reads:

> Kennan suggested to Rusk that he be brought home to talk with congressional leaders on U.S. policies toward Yugoslavia and the Eastern European Soviet bloc as a whole. Rusk and President Kennedy are considering ordering Kennan home for consultation and conferences with congressional leaders.

The second dispatch reads, in part, as follows:

> Kennan said in his report to Rusk that the actions in Congress were "a signal demonstration of ill will" toward an increasingly friendly people. So far as Yugoslavia is concerned, he added, "The harm has already been accomplished" by the actions taken in Congress.
>
> "If anything further were needed to confirm [Yugoslavia President] Tito on his present course (of closer relations with Russia) and to discourage those who have argued in favor of Western orientation," Kennan wrote, "what has occurred in recent days would already have sufficed to this purpose."

A little later the dispatch reads:

> Kennan said the worst effect of the actions in Congress is the "impression * * * being conveyed to the Yugoslav Government, as it moves into a crucial phase of development of its relations with the East, that there are no possibilities in United States-Yugoslav relations which could offer a favorable alternative to the Hobson's choice of reassociation with the Soviet bloc or acceptance of complete economic and political isolation in Europe.
>
> "To have this so authoritatively documented by none other than the U.S. Congress itself is of course the greatest windfall that could have befallen Soviet diplomacy in this area."

Congress has not acted as yet. One House of Congress has acted, namely, the Senate; and the action in the Senate was modified by the amendment offered by the majority leader and the minority leader, known as the Mansfield-Dirksen amendment, which permitted the President to utilize food and fiber products under the terms of Public Law 480, both for sales and contributions under all the aspects and all the terms, sections, and subsections of Public Law 480.

I believe that was a very fortunate amendment; that it modified the prohibitions which had been adopted the day before in the form of the Lausche amendment. But it is not my intention tonight to discuss the subject in terms of its substance. I merely say that if the President is considering asking Mr. Kennan and Mr. Cabot, our Ambassadors, to return, I urge in this public forum that he do just that. I believe the President should order Ambassador Kennan and Ambassador Cabot home at once and that the two Ambassadors should be called upon to appear before the Committees on Appropriations of Congress to explain or to state their views on the relationships between the respective countries: in the instance of Mr. Kennan, the United States and Yugoslavia; in the instance of Mr. Cabot, the United States and Poland. The two Ambassadors have made strong statements. I do not argue with their statements; I tend to agree with what they have said. But I know that some Senators may feel differently.

It seems to me that it would be wise and prudent on the part of the President to call those Ambassadors home. Not only should they be afforded an opportunity to be heard not only by the State Department officials and the President himself, but also the Com-

mittee on Foreign Relations, the Committee on Appropriations, and the Committee on Armed Services. At least those three committees should have the privilege of interrogating the Ambassadors.

I suggest that we might even go further. It might be possible for both the majority leader and the minority leader to arrange informal caucuses of the members of the respective political parties, at which the Ambassadors might appear and answer questions.

I believe Congress started off on a very dubious course of conduct in the field of foreign policy by adopting the amendments which were agreed to last week with respect to aid to Yugoslavia and Poland. It seems to me that if we expect to mitigate or remedy some of the damage that has been done, we ought to consult with men who are in the field and have to deal with those governments every day.

It might be a good idea, also, to call upon the former Ambassador to Poland, Mr. Beam. Mr. Beam is a highly respected Foreign Service officer. He no longer serves as an Ambassador. As I recall, he is now serving as a consultant to or is working with the U.S. Arms Control and Disarmament Agency. Mr. Beam is looked upon as one of the ablest, most competent students of Poland and our relationships with Poland. I believe it would be well, likewise, that he be consulted. It might also be helpful if others who have served in Yugoslavia were called upon to give their views.

My point is that we ought not to fly blind; and that is what we are doing. The minute one lets his emotions control his reason, his passion takes control, and he flies and thinks blind.

I cannot help feeling that it would be in the national interest to have the Ambassadors called home for consultation.

I quote again from the same press report:

Ambassador Cabot at Warsaw said the result of the measures projected in Congress "would be to lose everything gained" by the $500 million worth of aid already furnished to Poland.

"The hand of those Polish officials at all levels who preach that the Soviet Union is Poland's only reliable friend and only unfailing source of support in raising the material well-being of the Polish people would probably be strengthened," Cabot said.

"Termination might also have an unfortunate effect on Polish liberal agricultural policy at a time when weather conditions threaten the 1962 crop, and on other present liberal trends which we wish to encourage."

It should be noted in the dispatch of Ambassador Cabot that there is a difference of opinion in Poland between leaders in the Government and leaders in the general society. It is well known that there are pro-Stalinist elements in Poland; it is equally well known that there are anti-Stalinist elements in Poland. It is better known that about 98 or 99 percent of the Polish people are anti-Communist. It seems to me that we would be well advised to proceed slowly and cautiously in any change of policy that might be considered.

It is my intention to document more fully tomorrow some of my general observations today. Tomorrow I shall read to the Senate certain documents from other countries, such as Communist China, including speeches by leaders of Communist China, which are every bit as anti-Tito and every bit as anti-Yugoslavia and anti-Poland as the speeches which were delivered in the Senate.

Speeches by leaders in Communist China call Yugoslavia an imperialist lackey of the United States. Speeches of Stalinist leaders in Albania call Gomulka and Tito every name that one can think of as being deviationists, revisionists, and allies of the United States; unreliable and enemies of socialism, as they put it.

It is amazing how we find ourselves in a situation in which the critics of our policy in Yugoslavia come from two very different sources: Critics who come from Communist China and Albania, and critics who come even from among our own fellow countrymen.

I do not draw any particular conclusion except to say that the policy which our Government has been pursuing has been a very carefully designed one in three administrations. It seems to me that we ought to be exceedingly cautious in making any basic change, unless we have undeniable facts which prove the necessity for such a change. I do not discern such undeniable facts in the present situation. Therefore, I hope the other body will act less emotionally than this body did, and I hope that at the conference we shall be able to design legislative language which will permit the President of the United States to have wide latitude in the conduct of our foreign policy, particularly with the countries behind the Iron Curtain which for the first time are beginning to move out on their own, and, to fracture the monolithic structure of communism, and to show some independence of judgment, and to show that the spirit of nationalism is stronger than the doctrine of communism. If our colleague will remember that, I think we shall do better in the conduct of our foreign policy and in our comments about it.

Today, the most powerful political force in the world is nationalism, not communism; and even in the countries where communism and socialism have a grip, the spirit of nationalism is breaking the bonds and the shackles of the Communist doctrine, insofar as it tries to hold together a huge area of the earth in an immovable attitude or mold. The Communist monolithic structure is already being strained by the conflict between the Soviet Union and China, and is being fractured by countries such as Albania, Poland, Yugoslavia, and even others. Only recently Czechoslovakia, for example, refused to go along with Khrushchev's ideas in regard to a Communist-bloc trade program, and so did Hungary, and so did Poland. There are all kinds and sorts of signs which indicate that all is not well within what we so frequently term "the Communist empire." That "empire" is wobbling and shaking, and is showing signs of cracks, schisms, and breakups; and it appears that we should be doing what we can to encourage such developments, rather than to force those nations back into an even more strictly enforced discipline under the domination of the Soviet Union.

ADJOURNMENT

Mr. HUMPHREY. Madam President, under the order previously entered, I now move that the Senate stand adjourned until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, June 15, 1962, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

Millis Scout Represents New England

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. PHILBIN. Mr. Speaker, this evening there will be an historic dinner in the Nation's Capital to mark the granting of the Federal charter to the Boy Scouts of America. Several hundred officials of Government, leaders of business and industry and national organizations will also honor two distinguished and outstanding Members of the 87th Congress, who were here in 1916 as Members of the 64th Congress which approved the charter. They are our own beloved Congressman CARL VINSON, great and distinguished chairman of the House Armed Services Committee, on which I am proud to serve, and our valued friend, the able and distinguished Senator CARL HAYDEN, of Arizona.

I am also pleased to make known to my colleagues that an outstanding young leader and active participant in Boy Scout activities from one of the new towns in the Third Massachusetts District is representing the entire New England area Boy Scouts at this noteworthy dinner. He is Eagle Scout Bernard A. Roy, of Millis, a member of Explorer Post 15.

The son of Superintendent of Schools and Mrs. George C. Roy, Bernard is 1 of a select group of 111 Scouts here in Washington to represent all of the Scout regions throughout the country in a special scouting report to the Nation.

I extend my congratulations to Bernard and his family who may well be proud of this outstanding Scout honor in

recognition for his work and activities in scouting and give him my very best wishes for a most memorable and enjoyable stay in the Capital. He has a very brilliant future ahead of him.

The People of Dallas Express Their Opinions

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. ALGER. Mr. Speaker, more than 28,000 people from the Fifth District of Texas have returned my annual questionnaire, expressing their views on the more pertinent issues of the day. This represents over an 11-percent return on the questionnaire which was sent to every registered voter in the district and clearly indicates once again that the people of Dallas County are alert to the issues and articulate in advising their Representative as to their position on vital legislation. This cooperation between the people and those of us who have the privilege of representing them in Congress makes for good government and is in the best interest of the continued strength of our Republic.

It is difficult, of course, to boil down to six or seven, or even a dozen questions, the great problems we face. Any such questionnaire must necessarily be limited to some extent, but I am convinced that through a careful selection of questions it is possible to determine the overall attitude of the people concerning the proper role of the Federal Government in the areas in which we are responsible as Federal legislators. The people of Dallas County have always been most cooperative in this effort as evidenced by the unusually high percentage of returns this year. Comments by literally hundreds of them demonstrate that they are eager and anxious to participate, in this way, in the determination of how their Government should operate.

As a part of these remarks I would like to include the tabulation of the results of the answers to my questionnaire.

The tabulation follows:

Issues	Percent		
	Yes	No	Undecided
1. Do you believe the churches should participate in Federal-State public assistance programs and be paid for their services?	1.7	96.1	2.2
2. Do you favor increasing Federal participation in medical care for the aged as a part of the social security program?	6.75	92	1.25
3. Do you feel that Federal fiscal responsibility now calls for—			
(a) Cutting nondefense spending?	86.65	8.3	5.05
(b) Increasing taxes?	3.75	87.65	8.6
(c) Balancing the budget and reducing the debt?	92.3	4.75	2.95
(d) Repeal wartime Korean taxes?	76.3	12.4	11.3
4. Do you favor Federal aid to education in—			
(a) Funds for construction and teachers' salaries?	7.025	91.225	1.75
(b) Loans and grants for colleges and universities?	14.85	82.05	3.1
(c) Aid to private and parochial schools?	2.65	95.6	1.75
(d) Grants for college scholarships?	15.5	81.95	2.55
5. In our relationship with the United Nations do you believe—			
(a) All members should live up to the charter?	95.17	1.47	3.36
(b) All member nations should pay their share of the cost?	94.7	1.3	4.0
(c) Unless all member nations accept these responsibilities, the United States should withdraw from the U.N.?	73.25	20.70	6.05
6. Do you favor the present foreign aid program?	7.2	84.7	8.1
7. Do you feel we should protect American lives and property whenever they are threatened anywhere in the world?	81.45	8.3	10.25

Baltic Peoples Under Soviet Rule in 1941

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. SANTANGELO. Mr. Speaker, at the end of the First World War the peoples of Estonia, Latvia, and Lithuania had regained their freedom after years of Russian rule. They instituted their own democratic governments and sought only to live in peace and develop independently. And they were firmly determined to defend their freedom and democratic institutions with all the means at their disposal. Unfortunately, however, their combined strength was insufficient to stave off the Soviet colossus which was preparing to attack them. The Baltic peoples were well aware of their inability to defend themselves alone against the Soviet Union, and so they depended upon the aid which they expected from other democracies in Europe. But when these democracies in the West were involved in the war, Stalin saw his chance; his Red army attacked these countries early in 1940, occupied them, and put an end to their independence. That was the end of democracy in these countries; but Stalin did more than that.

In mid-1940 his henchmen annexed these countries to the Soviet Union, and at the same time he meant to eliminate all opposition elements in these countries by arresting and exiling several hundred thousand Baltic nationals. This was done 22 years ago, and today the kinsmen of these peoples in the free world are observing the anniversary of that sad event. I am glad to join the many American citizens of Baltic origin in the observance of this anniversary, and express the hope that their brethren of the old continent will once again enjoy a life of peace and independence.

Lithuania, Latvia, and Estonia: Symbolic Victims of Red Tyranny

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. WIDNALL. Mr. Speaker, the victims of Soviet-controlled, Communist tyranny make newspaper headlines daily, from Cuba to Hong Kong, from the Berlin wall to the Mekong River. So great is their suffering, so appealing their plight, that we may tend to forget at times that this is a continuing story. Today we have the sad and solemn opportunity to mark the 21st anniversary of the first mass deportations from the three Baltic States of Lithuania, Latvia, and Estonia. This tragic event took place during the dark days of June 14, 15, and 16, 1941. While the world's attention was centered on the Battle of Britain, the Soviet Union cynically snuffed out the light of independence and freedom which the Baltic countries had gained at the end of the First World War. In Lithuania alone, an estimated 30,000 people were deported to Siberia, and 5,000 more lost their lives.

Sad, this day must be called, for we all recall the suffering and exile of proud peoples from these independent and flourishing nations, fallen before the hammer and sickle. Sad, too, because the ruthless subjugation of the Baltic States is symbolic of the events in Asia and Eastern Europe over the past two decades. And now we find their likeness on a once-peaceful island only 90 miles from our shores.

Yet, hope is not out of place in our consideration of this fateful anniversary. The peoples of the Baltic States are symbols of man's never-ending quest for freedom, as well. Despite the inhuman efforts of their Communist overlords—which has claimed almost one-tenth of the combined populations for slave labor camps since 1941—Lithuanians, Latvians, and Estonians, whether in exile abroad, or imprisoned behind the Iron Curtain, have held aloft in their hearts the forbidden dream of once again establishing their national identity through freedom and independence.

It is not necessary to reiterate here the present position of the United States in a worldwide struggle with Communist tyranny. To our credit we have refused to recognize the incorporation, or kidnaping, of the Baltic States into the Soviet Empire. But if we are to do more than to produce a stalemate and to fight a draw, then perhaps it is necessary to remind ourselves that we do not battle alone, but in concert with the freedom-loving victims of Communist oppression, whose hearts and minds will never

accept their present fate as inevitable. What better opportunity than now to rededicate our own hearts and minds in similar fashion in honor of those victims deported en masse from Lithuania, Latvia, and Estonia 21 years ago, captive nations, yet not forgotten by those who are free.

Legislation To Reduce Tax on Individual Capital Gains

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. CELLER. Mr. Speaker, our capital gains tax on individuals should be reduced from 25 to 12½ percent. I offered a bill recently for this purpose.

We would thus free vast amounts of "locked in" capital to move to new companies which need capital for development of plants and products. It would make more funds available also to the established company which is experimenting in new products, new processes, and research.

Investors would be encouraged to unlock billions of dollars. A recent survey conducted by Louis Harris & Associates for the New York Stock Exchange presented convincing evidence that reducing the maximum capital gains tax from 25 to 12½ percent would induce shareholders to sell securities and unlock five times as much capital as they would if the tax remained unchanged. Nor would there be any loss of revenue to the Government, since the lower tax rate of 12½ percent would be applied to a much broader base of realized capital gains. Indeed, the survey indicates an increase in Federal revenues.

A greater volume of pent-up stock would be sold and the money received would be available for investment elsewhere.

The estimated price of all stock held by individual shareholders at the beginning of 1960 equaled $250 billion, of which $100 billion represented capital appreciation. If the capital gains tax remains unchanged, investors would free or unlock $15.8 billion and the Government would receive $1.4 billion in tax revenues. However, if my bill should pass and the capital gains tax were cut to 12½ percent, investors would sell $77.7 billion of securities. Thus five times more capital would be freed for reinvestment than under present law and the tax revenues would be hiked from $1.4 billion as at present to $2.9 billion.

Much of this freed capital in the hands of experienced investors would be channeled into venture enterprises.

Many holders of blue chip stocks refuse to take their capital gains. They are loath to pay the large taxes. Their failure to sell holds up prices artificially by making stock less available for purchase.

The rate of stock turnover is restricted with the 25-percent tax and additional artificial pressures are exerted on stock values.

We need to encourage greater flow of venture capital if we are to increase our gross national product. Stagnant capital must become mobile if our Nation is to meet its obligations around the world, and if we are to create more jobs, more plants, more products, more services and greater research.

For all this our tax structure must encourage all possible available capital.

No other country of major industrial importance taxes capital gains on stock as stringently as the United States. Only six countries—Ceylon, Ecuador, Guatemala, India, Philippines, and Sweden—impose a tax on individuals' gains from sale of securities.

Most of these countries, including Great Britain, Canada, and West Germany, rely upon tax incentives to increase the rate of investment. They have made it a point of economic policy not to discourage personal investment in capital securities by taxing capital gains.

Our present policy embodied in the 25-percent capital gains tax restricts investment and hence impacts and stunts growth.

We should reduce the penalty on the investor for shifting his stockholdings, and in that way we would provide for a more efficient use of available capital. Billions of dollars would be released for new and expanding industries. Our economy would receive a much needed boost and the taxes collected would be increased.

Twenty-first Anniversary of the First Mass Deportations From the Baltic States, Lithuania, Latvia, and Estonia, by Russia, June 1941

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. CAREY. Mr. Speaker, Estonia, Latvia, and Lithuania constitute the three Baltic countries on the eastern shore of the Baltic, in northeastern Europe. And the peoples of these countries are among the most civilized, most gifted, and most progressive ethnic elements in all Europe. Although subjected to alien rule for centuries, they maintained their national identity, and at the end of the First World War they regained their national independence. Thenceforth for two decades they lived in freedom, which they were able to maintain in the face of a deteriorating international situation. But the outbreak of the last war brought them tragedy.

Soon after, when most of Europe was involved in the war, Stalin imposed his own harsh terms on the governments of these countries, and shortly thereafter they ceased to be independent entities. Early in 1940 the Red Army overran and occupied these countries; then all of their leaders, including several hundred thousand people, were arrested and exiled to other parts of the Soviet Union. In the meantime, these countries became part of the Soviet Union. These tragic events took place 21 years ago, and today the friends of the Baltic peoples observe the anniversary of their deportation by Soviet authorities in 1941. Since that tragedy Baltic peoples changed their masters more than once, but unfortunately all were cruel to them. During the war, for about 3 years they suffered under the Nazis, and toward the end of the war when the Communists returned, they came back with more fury and anger. At once they set out to uproot not only all vestiges of democracy in these countries, but they also did their worst to eliminate all national and ethnic traits among the people. To this day Communist totalitarianism is attempting to attain this goal, but happily Baltic peoples have resisted these steamroller tactics, and their love for freedom and independence remains unimpaired.

The Deportation of Baltic Peoples by the Soviets

EXTENSION OF REMARKS

OF

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. BARRETT. Mr. Speaker, the unfortunate peoples of the Baltic countries enjoyed a short period of independence and freedom during the interwar years. The Latvians, Lithuanians, and Estonians had regained their independence at the end of the First World War, and they were content with their status as small, but prosperous and progressive democracies.

Their giant neighbor to the east, Communist Russia, however, was jealous and envious of the prosperity and democracy enjoyed by these Baltic peoples, and the Soviet rulers in the Kremlin were intent to put an end to these sovereign states. Their evil designs were carried out in June 1940. The Red army overran these three countries, occupied them, and then all three were incorporated into the Soviet Union. With that forced incorporation began the enslavement of the Baltic peoples under the tyrannical Communist totalitarianism.

During the last war these peoples suffered much under both the Nazi and Communist tyranny. Since the end of that war they suffer even more under the terrible Soviet dictatorship. There some 5 million Estonians, Latvians, and Lithuanians are held down by superior forces of the Soviet Union, and they are treated as prisoners in a huge camp.

Of course, they are shut off from the outside world and know little of the free world. But we of the free world in expressing our condemnation of Soviet tyranny and by voicing our indignation

against Communist Russian misrule in these countries, echo the genuine sentiments of the unfortunate peoples of the Baltic.

Soviet Conquest of the Baltic Republics of Estonia, Latvia, and Lithuania

EXTENSION OF REMARKS

OF

HON. WILLIAM T. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. MURPHY. Mr. Speaker, June 15 marks a tragic anniversary in the history of Eastern Europe. It is the anniversary of the Soviet conquest of the independent Baltic Republics.

The Republics of Estonia, Latvia, and Lithuania struggled painfully for their independence in the chaotic days at the close of World War I. During the two decades which followed they protected their independence carefully and endeavored to raise the standard of living within their national boundaries. None of the three republics was endowed with abundant natural resources. However, agricultural reform initiated by their national governments broke up the large estates and resulted in a period of agricultural prosperity. The people enjoyed a moderately prosperous but not luxurious standard of living.

The Ribbentrop-Molotov pact of August 1939 heralded the close of the period of independence. The terror which was to follow was already being planned by the General Staff of the Soviet Army. On October 11, 1939, Gen. Ivan Serov, Deputy Commissar of State Security, issued an infamous order setting forth the "procedure for carrying out the deportation of anti-Soviet elements from Lithuania, Latvia, and Estonia." The technique which he perfected in the Baltic Republics was later repeated following the Hungarian revolt of 1956.

The magnitude of the Soviet terror is difficult for us to imagine living as we do in the secure confines of the United States. Perhaps some inkling of the immense dislocation and individual suffering can be gleaned from the bare figures of Soviet deportation. In the Republic of Estonia alone, during the period from 1940 to 1941, 5,451 men and 525 women were arrested and taken to the Soviet zone. Another 1,741 men and 209 women were arrested and executed. Still another 5,102 were expelled from Estonia, and 33,304 were drafted into the Soviet Army. It is estimated by the Estonian Information Center in Stockholm that during the 1940–41 period 60,000 Estonians were lost through deportation and execution. The pattern of repression was repeated in Latvia and Lithuania.

In Latvia on the single night of June 14, 1941, 15,000 Latvians—including women and children—were rounded up and deported to labor camps in northeast Russia and Siberia. During the year of Soviet occupation in 1940 some 34,000 Latvians were killed, arrested, or deported.

In Lithuania the beginning of the Soviet occupation was the start of a purge of the enemies of the people. On June 24, 1940, the Lithuanian Communist Party announced that "enemies of the people must get out of the administration and the army." Shortly after this shrill proclamation the Red terror began. During the interim between the first Soviet occupation and the Nazi occupation some 45,000 Lithuanians were killed. An equal number were arrested, deported, or managed to escape.

On this day of June 15 it is well that we pause and remember the great loss and suffering endured by the people of the Baltic Republics, and look forward to the day when Lithuanians, Latvians, and Estonians will once more enjoy individual liberty under just government.

The Baltic Peoples and Their Deportation by the Soviets

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. BOLAND. Mr. Speaker, the long and turbulent history of the Baltic peoples is full of misfortunes and misfortunes, but the tragic period of their history began in 1940. Centuries before the First World War they lost their independence and lived under foreign regimes. The end of that war ushered in a new era for them. After the conclusion of that war all three regained their freedom, proclaimed their independence, and established their own democratic governments in Estonia, Latvia, and Lithuania. These governments were duly recognized by other sovereign governments, and all three became members of the world community of nations. During the period of their independence, the interwar years of two decades, they rebuilt their war-ravaged countries, and were perfectly content with their lot. Unfortunately for them, in the larger world of international politics and world diplomacy they were not masters of their fate. With the rise of totalitarian governments first in Russia and then in Germany the Baltic peoples found themselves in a very dangerous situation. They succeeded in maintaining their independence until the outbreak of the last war, then the Soviet Union alone became the arbiter of their fate.

As the friends of these peoples in the West were involved in the war, the Soviet Union felt free to deal with the Baltic peoples as its dictator wished—to occupy and annex these countries and enslave their inhabitants. This was done not only in a highhanded manner by resorting to barbaric methods. In the middle of 1940, these countries were occupied by the Red army, and then made part of the Soviet Union. Within the next year Soviet authorities rounded up all those suspected of opposing communism, by the hundreds of thousands, and exiled them to the distant corners of the Soviet Union. This mass deportation of innocent peoples was the beginning of their tragedy, and today, more than two decades later, we do not know of their fate. It is probable that most of them died in exile and misery, far away from their beloved homelands in the Baltics. In observing the anniversary of their deportation, we condemn this inhuman act of the Soviet Government and pray for the souls of these helpless but brave people.

Deportations From Lithuania, Latvia, and Estonia

EXTENSION OF REMARKS

OF

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. RODINO. Mr. Speaker, once again the time has come for us to pause and in reverent sympathy commemorate the first waves of Soviet deportations from the Baltic States in June 1941. The seemingly never-ending sequel to the drama is still being played, for the Soviet Communists did not stop at one rash act of forcible seizure of persons, even though in this one act alone thousands of citizens of the Baltic nations were removed from their homelands to eastern Russia and Siberia. Excuses for arrest and exile were not hard to find for authorities as adept as the Soviets at weaving justifications out of a void and at molding confessions out of silence. Political criticism was always the basis—the lightly spoken word against an official, gentle resistance to the collectivization of land, the boldness to disagree, however softly, with any aspect of Soviet policy. All Lithuania, Latvia, and Estonia were placed under close surveillance, and any who dared object to the insidious betrayal of his country by the Soviets was forced to leave that homeland forever.

It might be well at this point to review briefly the history of the Baltic nations in the 20th century. Subject to Russian domination since the 18th century and overrun by Germany during the First World War, the Baltic countries regained their long-lost sovereignty after the First World War. According to the German-Russian Peace Treaty of Brest-Litovsk, signed on March 3, 1918, and a supplementary agreement of August 27, Russia renounced her sovereignty over the Baltic States, with an understanding that their future would be determined in accordance with the will of the people. But after Germany's military collapse the Soviet Union declared the treaty null and void, and the Baltic States were forced to fight the Red army for their independence. The bravely fought wars for independence were finally crowned with success, and in the course of the year 1920 peace treaties were signed between the Soviet Union and each of the Baltic States, in

which Russia renounced all rights over the Baltic Republics "forever."

Thus, the year 1920 marked the beginning of two decades of peaceful development for Lithuania, Latvia, and Estonia. Civil liberties were constitutionally guaranteed. Local self-governing institutions were elected by the citizens. Social legislation was enacted. Economic reforms were initiated. The educational system was improved. Literature, music and art flourished in an atmosphere which nourished creativity. The Baltic States were responsible and well-beloved members of the world community.

But even in these golden years relations with the Soviet Union caused problems for the three Baltic countries, for it early became clear that the Soviet Union had not abandoned its aggressive aims regarding its smaller neighbors. Numerous frontier incidents were incited by the Soviets and several Communist coups were attempted. Then, in the middle 1930's the Soviet Union began pressing for a protectorate over the Baltic Republics, supposedly to protect them against German aggression. The first step in the annexation of the Baltic countries was taken in 1939 when the Soviet Union imposed mutual defense pacts upon them. In 1940 the Soviet Army marched in and Moscow announced the incorporation of Lithuania, Latvia, and Estonia into the Soviet Union. The Soviet pledge renouncing all right over the Baltic States forever had been kept but 20 years. The independence of the Baltic nations had lasted but two decades when, once again as in the past, the Russian conqueror swept over the land.

We can only express horror at the ruthless suppression of liberties which accompanied the Soviet takeover. The reforms of the epoch between the wars, the advances in every field of endeavor came to naught as the citizens of Lithuania, Latvia, and Estonia were made prisoners of the Soviet dictatorship. Where once democracy had flourished, now a heartless totalitarian society repressed all creative endeavor, for criticism and the incentive to improve became crimes punishable by arrest and deportation.

But let us hope that it will not always be so. In extending our sympathy to the thousands of Baltic citizens brutally forced from their homelands by the Soviets and to the thousands of others who live in terror of the same fate, let us assure them of our support for their cherished cause of liberation. May they once again live in freedom.

Believe It or Not

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. JENSEN. Mr. Speaker, I am sure that the facts and figures given below will surprise every American taxpayer, which includes every citizen of the United States. Here they are in a nutshell, as just handed to me by one of the able clerks of the House Appropriations Committee, at my request.

Since the 1st session of the 78th Congress which began in January 1943 up to and including the 1st session of the 87th Congress 19 years later, this House of Congress has during those 19 sessions reduced the President's budgets in round figures $57 billion.

Had the other body accepted the House figures our Federal debt would now be less than $250 billion, and hence the bill now before the House to raise the Federal debt ceiling up to $308 billion would not be worrying the American taxpayers, most of whom are asking, "Where do we go from here?"

Fathers and Sons

EXTENSION OF REMARKS

OF

HON. J. GLENN BEALL

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, June 14, 1962

Mr. BEALL. Mr. President, it is a rare gift to be able to experience true beauty in this world and to describe it so warmly that others can share in the sentiment. My good friend and colleague from West Virginia, Senator JENNINGS RANDOLPH, the father of two sons, is one of those gifted persons who has this ability, and he exhibited it to the highest degree recently when he wrote an article for Parents' Magazine entitled "Fathers and Sons."

This article should be "must" reading for every parent, but it is particularly appropriate with Father's Day so close at hand. Therefore, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD. As the father of three sons, I recommend it wholeheartedly to everyone interested in the important father-son relationship.

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

FATHERS AND SONS

(By JENNINGS RANDOLPH)

A boy, someone has said, is nature's answer to that false belief that there is no such thing as perpetual motion. A boy can run like a deer, swim like a fish, climb like a squirrel, balk like a mule, bellow like a bull, eat like a pig or act like a monkey according to climatic conditions. He is a piece of skin stretched over an appetite. A noise covered by smudges. He eats only when awake.

All our work is for him, a boy. He is a growing animal of superlative promise which must be fed, watered and kept warm, a joy forever, a periodic nuisance, the problem of our times, the hope of our Nation. Every boy born is evidence that God is not yet discouraged with man.

This is the problem each of us faces as a father: to help our sons become men, without making them lose the spontaneity and independence of a boy. For each of us the problem is unique, and its solution the most important and delicate task that ever confronts us. For the task calls for the right balance of love and wisdom.

In helping a boy become a man, the means we use become the very substance of the person himself. The boy, watching from his corner of the world, is the mirror of our methods. If we rely on authoritarianism and coercion, we create a hidebound and fearful person. The wisest European mind of the 16th century, Montaigne, expressed this when he said, "* * * that which cannot be compassed by reason, wisdom and discretion, can never be attained by force and constraint."

To these qualities I would add companionship, love and compassion. All three are vital. To take the first: What goes into the companionship between father and son? All manner of things—time spent together, working together when a father transmits the skills he has to his boy. Whether these skills include building shortwave radios, sailing a boat, working at a stamp collection, cultivating a garden, repairing the automatic machines around the house so they're put back into working order, building a cabin or a room onto the house, deciphering puzzles or skiing—the time spent together is as valuable, perhaps, as the skill transmitted. For within the time is the father's enthusiasm, his regard and love for what he is doing. And it is this heritage he is passing on to his son. Father and son may talk a lot, or not at all. A true companionship can be as full of silence as of words. And having fun together needs no self-conscious determination to "have fun" together. The father who plays with his young son because he feels he should, who takes a walk with him reluctantly, with his mind on other matters, misses the meaning of true companionship, and both he and his son miss the rewards of true companionship. As a sapling grows from the root of a big tree, and up in the shelter of the big tree until the time when it can be successfully transplanted on its own, so does a father who is a real companion to his son nourish that son's being and share his own life with his offspring.

But there are times in a boy's life, despite companionship, when a father is forced to stand aside and watch him struggle alone—when all a father can give his son is love and compassion. These are, perhaps, a father's most difficult times—but the most necessary. Difficult because they test our own forebearance when we know—or think we know—life's answers in our own terms, but must sit by while our sons find the answers in their own terms. For these times form the very substance of manhood itself.

Each of us, then, must face these countless times of decision when not action but forebearance to act—even in the face of pain to ourselves and our sons—is the greatest act of love and wisdom in our power. For it is only when a boy can look upon life with his own eyes—when he can form judgments and make responses in terms of his own hardwon and consciously arrived at values—that he becomes a man. Thus, the highest measure of our success as fathers is the extent to which our sons outgrow us. A stern truth to face, but a root to the essence of fatherhood.

We need to be clear about what kind of fathers we are, what kind we would like to be, we need to try to understand how we communicate this image of "father" to our sons, so that they in their turn may become fathers.

This understanding can no longer rest only on the assumptions of a previous age—for our functions as fathers are more sensitive to the vicissitudes of social change than the functions of mothers. No longer, for example, is a father the figure of arbitrary and unquestioned authority he was a hundred years ago. Too often, today,

a father is mirrored by the comic-strip father, the Dagwood Bumstead, the weak and ineffectual man continually duped by circumstances, by his velvet-gloved, iron-fisted wife, and by his children.

Thus, added to all the other obligations of a father is his duty to be a man—to demonstrate his worth as a man in all the varied ways that life charges him with responsibility—in all the varied ways his son perceives him as a man capable of directing his own life and that of his family, with balance and with dignity.

The Baltic States Mass Deportation Day

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. FARBSTEIN. Mr. Speaker, on June 14, 1941, a little over two decades ago, the Soviet Communists initiated a series of mass deportations from the Baltic States the cruelty of which has few parallels in history. The exact figures are unknown, but around 15,000 Latvian men, women, and children were forced into exile on that first night of June 14. About 5 percent of the total population of Estonia was deported during a period of 14 months. And, in a later wave of deportations, approximately 10 percent of Lithuania's population was driven to Siberia in a Soviet attempt to break down the resistance of Lithuanian farmers to the forcible collectivization of their land.

But the treachery began earlier when, contrary to every assurance given the Baltic peoples in a vast array of treaties and international agreements with the Soviet Union, their territory was overrun by the Soviet army and they were incorporated into the Soviet Union as constituent republics. "Republics" is truly an ironic misnomer, for with incorporation into the Soviet Union came the end of constitutional government and guaranteed liberties which are to us in the free world inherent characteristics of a republic. "Republic" is a strange epithet for a country whose citizens are arrested without cause and forcibly driven to Siberian prison camps in the middle of the night.

When we compare the Baltic constituent republics of today with the independent Baltic Republics of the decades between the two World Wars, we are stunned by the contrast. In those bright interwar years parliamentary government and legislative reforms were the order of the day. Industrial development and trade were encouraged. The Baltic nations saw a revival of culture as creativity was stimulated in an atmosphere of freedom. But today under the totalitarian system imposed by the Soviets, creativity is frustrated and individual liberties are nonexistent.

Thus, we pause once again on this tragic anniversary to assure the peoples of Lithuania, Latvia, and Estonia of our support for their goal of liberation. Our Government has never recognized the incorporation of the Baltic Republics into the Soviet Union, for that ruthless action was a betrayal of the basic ideals for which we stand. We urge the Baltic peoples to have courage, for with that courage will emerge the faith that one day their cause will be won.

Tax Reduction Now

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. PHILBIN. Mr. Speaker, speaking to my friends at the Massachusetts Police Chiefs Association in West Boylston, Mass., May 31 last, I was requested in advance to outline my views on some pending, important issues.

Because of the many pressing issues before us, it is often quite difficult to select and summarize in brief remarks, an analysis of the questions under discussion. But in view of present conditions, I felt it incumbent upon me to suggest the compelling need for tax reform.

Immediate tax reduction across the board for business and the general taxpayers, I said, would unquestionably be an effective spur to business prosperity, high level employment and the general welfare of the American people.

Secondly, I discussed foreign policy and defense and declared that firmness, calmness and overwhelming strength of the kind we have marshaled in our military and economic patterns, as well as the moral and spiritual vitality emanating from the homes and communities of America, constitute not only our great national defense, but the best insurance we can have at this time against the ravages of nuclear war.

Thirdly, I urged that there be no lack of confidence in our superb economy. It is the most productive, economic system in history, and it derives its strength from the fact that it is the freest economy in the world. It is imperative that we keep it free, strong, and vigorous, and that we make sure that a suitable climate is preserved here for incentive, for ambition, and for free enterprise.

Long ago and on numerous occasions, I have urged general tax revision and faster depreciation writeoffs to promote prosperity and eliminate inequities and injustices, and I hope appropriate action will soon be taken because that would do much to stimulate initiative, and improve the distressing trouble spots which currently appear, and to maintain our much-vaunted standards of living. Speedy action is imperative to give tone and more confidence to our economy.

Such measures, accompanied by economy and efficiency in the Government, would also increase Treasury revenues and bring about a better balance between expenditures and income.

I am very proud of the police chiefs and the officers and staffs of my hometown of Clinton, the great congressional district which I represent, and our Commonwealth, and while they are beset by many extremely difficult problems these days, I know that they can be relied upon, in an efficient, effective way to do their full part in law enforcement and related fields, so necessary to social well-being and ordered liberty.

I paid special tribute to my friend, Boston Police Commissioner Edmund McNamara, as one of Clinton's great public servants, and hailed his family background, high character, ability, and training, personal integrity, courage, and efficiency as giving assurance of dedicated leadership and accomplishment. Clinton is proud of this young man and I am proud of him; we are all proud of him, and I wish him great success in his important work.

There can be no question but that law enforcement, actual and preventive, is of vital importance and a critical need in maintaining public order and nurturing proper respect for the rights of others. Our able and distinguished police chiefs, their officers and staffs must be congratulated and complimented upon their sterling performance, their fidelity and devotion to duty and the fine work they are doing in their respective communities and for the Nation.

The invitation to attend the Massachusetts police chiefs gathering of such able and distinguished chiefs and their honored guests, coming as it did from my dear friend, Chief Michael J. Kelly, of Clinton, was more or less of a mandatory character, as well as a great honor and pleasure, and I greatly enjoyed the delightful and rewarding occasion.

Soviet Deportation of Baltic Peoples

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. DENT. Mr. Speaker, the unfortunate peoples of the three Baltic countries—Estonians, Latvians, and Lithuanians—have had their share of misery and misfortune, but fate was most cruel to them in 1940. In that year these three countries, once the home of rising young and progressive democracies, were attacked by the Soviet Union, overrun, and then annexed to the Soviet Union. Many hundreds of thousands of their inhabitants were uprooted from their homes and deported to other parts of the Soviet Union. Unfortunately many innocent and helpless victims of the Soviet Union's unbridled aggression of 1940 are still suffering in some distant and desolate corner of the Soviet empire.

For the last 22 years the free world has heard practically nothing about these people except what has been learned from those few who have had the extraordinary good luck to escape. And the fate of millions of Estonians, Latvians, and Lithuanians in their home-

land is not much better. It is true that they were not deported, but they certainly suffered much privation and hardship during the war, and are still suffering under the unrelenting tyranny of Communist totalitarianism. We have also learned that in recent years the native population of the coastal areas of these countries were moved to the interior in order to make room for Asiatic people brought in to settle there. Outrageous and almost unbelievable as this may sound, yet the deliberate policy of the Soviet Union seems to be to colonize these frontiers exposed to the West with people from other parts of the Soviet Union.

We in the West are fully cognizant of these heartrending facts. We are well aware of the sad fate that befell those deportees and of the unbelievable lot of those who are living in the three Baltic countries today. I wholeheartedly sympathize with their lot, and ardently hope that soon a way will be found to ameliorate their lot and free them from Communist totalitarian tyranny.

Soviet Deportation of Lithuanians in 1940

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. BOLAND. Mr. Speaker, Lithuania is the largest of the three small Baltic countries in northeastern Europe, and the 3 million Lithuanians constitute the largest ethnic element among the three Baltic peoples. These dauntless and daring people have had a long and turbulent history, extending back to the Middle Ages. They had their glorious days in the distant past, but during most of modern times they have been subjected to alien rule, and therefore have suffered under oppressive foreign regimes. For more than a century they endured the autocratic rule of Russia's czars, and during all that time they worked and struggled for their freedom. Toward the end of the First World War when the Russian czarist regime was no more, they felt free, and proclaimed their national independence in 1918.

Thenceforth for more than two decades they worked hard in rebuilding their homes and in strengthening their newly established democratic institutions. And in that relatively short time democracy had taken firm root in the country, and the people were enjoying their freedom to the full. During all that time, however, Lithuanians were afraid of the rise of nazism in Germany as they were also rightly apprehensive of the Soviet regime's intentions toward them. Unfortunately, their worst fears proved to be well founded, when by mid-1940 their freedom and independence were treacherously taken away by Stalin's henchmen.

Early in 1940 Red forces attacked and occupied Lithuania, thereby putting an end to the freedom there. Then under the leadership of Soviet agents a Communist regime was instituted there, and then the country was annexed to the Soviet Union. Thus in a matter of a few months, and without having waged war, Soviet Union became master of Lithuania and its helpless inhabitants. Of course the Soviet Government saw to it that there was no opposition to its treacherous act. To that end, arrests and imprisonments of tens of thousands went on, and eventually these victims of Soviet tyranny were exiled to distant and desolate parts of the Soviet Union. Throughout the war these unhappy souls suffered in exile, and to this day many of them are still suffering in some unknown and forbidding areas in Asiatic Russia. On the observance of the anniversary of this tragic act by Soviet authorities, we can only hope that these unfortunate and helpless Lithuanians will regain their freedom from Soviet prison camps.

Mass Deportation of Lithuanians by the Soviets

EXTENSION OF REMARKS

OF

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. CLARK. Mr. Speaker, Lithuania is the largest of the three Baltic States in northeastern Europe, and the Lithuanians the most numerous of the ethnic groups there, about 3 million in all.

They have played an important role in the history of the Baltic peoples. Highly intelligent, well-educated and devoutly religious, the Lithuanian people have every right to be proud of their attainments.

For more than a full century their country was part of imperial Russia, and they were subjected to czarist Russia's autocratic regime. At the end of World War I they regained their freedom and independence, and reconstituted the Lithuanian Republic. In this democratic state they made remarkable progress in the course of two decades. But the outbreak of the last war and its tragic sequel was disastrous to the Lithuanian people.

Early in that war the Red Army attacked Lithuania, and by mid-1940 Lithuanian independence had vanished. Soon Lithuanians found themselves enslaved by the Communist regime imposed upon them by the Kremlin, and thenceforth authorities arrested and imprisoned all Lithuanians. Subsequently many thousand innocent peoples were also arrested, and in a mass deportation, they were exiled to distant parts of Soviet Russia. Some of these deportees must have died far from their homes and friends, and today on the observance of the anniversary of their deportation, we mourn their death and condemn this inhuman act of Soviet authorities.

1962 Capitol Page School Commencement Address by Representative Harold R. Collier of Illinois

EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. BROOMFIELD. Mr. Speaker, on Monday, June 11, my colleague, Hon. HAROLD R. COLLIER, of Illinois, delivered the commencement address at the graduation ceremonies of the Capitol Page School. Believing that his remarks will be of interest to our fellow Members of the House and Senate who were unable to attend the exercises, I am pleased to place his address in the RECORD.

The address follows:

1962 CAPITOL PAGE SCHOOL ADDRESS BY REPRESENTATIVE HAROLD R. COLLIER, OF ILLINOIS

Distinguished guests, students, and graduates, it is a distinct privilege for me to participate in this commencement exercise this evening. And it is apropos that I use the word "distinct" because few young men have the opportunity which you experienced in your education here in the Capitol Page School.

You who are receiving your diplomas this evening are but 23 of 1,880,000 high school students across the country who are graduating in this year of 1962. Yet no other institution of secondary schooling is as widely known as yours and in no other school do the graduates receive along with their diplomas a Presidential certificate as will each of you. In years to come I am sure you will prize more and more this rare memento, not only of your school but your service to your Government. The 80 young men who serve each year in their capacities as pages in the House of Representatives, the U.S. Senate or the U.S. Supreme Court, are in daily association with the men who conduct the affairs of state and write the history of this great and proud Nation.

And while, perhaps, many of you might be inclined to take the opportunity you are enjoying and have enjoyed, a bit for granted, I am sure you will find in the years ahead a rich reward for your experiences in the Nation's Capitol.

True, it may be more rewarding to some of you than others, depending on your individual application, personal effort, and insight.

On this theme, I humbly express the hope that those of you who are graduating this evening use to every advantage the rich experience of your service and education in your future endeavors. And to those of you who will enjoy the experience of graduation in the years to come, may this occasion be an inspiration to set even higher standards for yourselves and the Page School.

Five years ago Soviet scientists set a little metal ball whizzing around the earth in space. This perhaps had as great an impact upon the reevaluation of our educational system as any other single incident in modern history.

Our national pride was suddenly wounded by the scientific achievement of our adversary. The greater achievement of having been first to split the atom was relegated to temporary oblivion.

"Why were we not first in this scientific endeavor?" was the hue and cry of many educators and top people in Government.

We began to search for the answer, and in doing so called for a new and greater

emphasis upon mathematics and the sciences. The following year, in 1958, the Congress passed the National Defense Education Act, designed to encourage participation primarily in these fields, as well as the modern languages.

Many who clamored for greater participation by the Federal Government in the field of education may not have looked far enough for the answer to some of the ills and woes of our educational system. Others exaggerated the inadequacies which existed and which still exist today.

Yet for all of our criticism, which in itself is frequently healthy, we must not lose sight of the fact that American education in its finest sense provides a fredom of choice which is not enjoyed by students in countries with totalitarian governments. While the Soviet Union may direct the curriculum and future of any student, in a nation of free people, such as ours, we cannot and must not dictate the course of study nor the ultimate profession of our scholars. On the other hand, we must provide the tools, incentives and opportunities for making the most of the great intellectual resources of our people.

In the same breath, it must be remembered that the system of education which we enjoy in this great free Republic has provided the highest standards of education for the greatest number of people of any educational system in the history of the world. We accomplished this in the comparatively brief span of less than two centuries, while nations with thousands of years of civilization behind them had a system which provided educational opportunities for only a few of their privileged citizens. Even now, educational opportunities in many nations are limited to small segments of the populace.

Although there is a virtual renaissance in education taking place around the world, a world which is engaged in a great struggle between two divergent ideologies, this international rivalry is having an increasing effect upon all phases of our national life and more and more it dominates our perspectives.

Here at home, we are engaged in an educational race with the Soviet Union as part of the broad intense international competition. Not only have we taken the position that the challenge of our time is to train more engineers than our adversary, but to develop the best ballerinas and ballet dancers, gather the greatest attention at international trade fairs, build the most schoolhouses, or even grow the tallest corn. While some people claim this sort of competition is foolish, we must recognize it, on the other hand, as a way of life in the world in which we live today.

But I hasten to say to you this evening that this approach to educational competition must not dominate our system, for should not the real value of education be reflected in the improvement of creative activity among more and more of our people; for with it will come an improvement in the living standards of our entire population. Education holds the key to the individual and collective progress of our society.

Improving our areas of learning must, of course, be coupled with strengthening the moral standards of all our citizenry. We must not look for the easy way out unless we choose to permit the moral fiber of democracy to degenerate.

The individual's responsibility to himself is as essential to the preservation of these United States as is his obligation to his fellow man. This statement might well be challenged by many who look upon the entire system of education in the mass concept. But may I remind you that great advances in many fields of research were achieved by dedicated individuals, each using the knowledge of another individual upon which to build a final goal.

Hence, the encouragement of every young man and woman to pursue higher education on the basis of providing himself or herself with a more fruitful life in a field of his or her own choosing is the foundation of a free society.

It seems to me that the prime product of education is self-responsibility; for being responsible to oneself is the fundamental ingredient of a strong moral society. There are those who seek a utopian system through greater control of the lives of individuals. But history has repeatedly borne evidence of the fallacy of this philosophy. As a Nation we are becoming insecure with our obsession for a security which places emphasis upon the material rather than the intellectual and spiritual values. Yet the real security and strength of this country depends upon individual initiative, ambition, and ingenuity.

Our society, by its very nature, is complex. Its strength cannot be preserved if we attempt to simplify its problems by mass solutions. And this is where self-reliance through well-proportioned education enters the picture. For as we increase the scope of education, we also expand its influence.

There is no question that we are expanding educational opportunities, and we are witnessing an acceleration of new and better institutions of learning in many areas. Education, of itself, cannot be isolated, for a broadening of self-reliance through preparedness funnels its way down to every level of society.

And so the point of my remarks to you this evening is just this:

Pursue your future education with a positive goal and keep in mind always that the short cuts to success are rare. The detours are many and the pitfalls are not few. To you who are graduating this evening, and I presume most of you will continue your education at various institutions of higher learning, may I suggest that every hour of study should be regarded as an hour of training for your future responsibilities as better-informed and consequently better citizens.

Higher education, while it is so frequently regarded as something that should be the birthright of every citizen, should also be regarded as an opportunity which a student must earn by effort and desire.

The problems of each generation become increasingly more difficult and complex. Therefore each generation must be better equipped and must draw more diligently upon its talents. That is the challenge of our day; and, in fact, the challenge we face if we are to preserve a Nation of free people; a Nation of rich opportunity; and a Nation which must continue to be governed by the consent of the governed.

If you who are graduating this evening and the nearly 2 million others like you, accept this challenge with pride of personal responsibility, there need be no fear of the future. To do anything less would indeed pose a threat to the great heritage of a free Nation.

The Russian Invasion of the Baltic States

EXTENSION OF REMARKS

OF

HON. GEORGE M. WALLHAUSER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. WALLHAUSER. Mr. Speaker, today marks the 21st anniversary of the Russian invasion of the Baltic States of Lithuania, Estonia, and Latvia.

During 3 agonizing days of brutality and terror more than 100,000 proud, defiant, and freedom-loving people were deported to concentration camps in remote regions of Siberia. In these squalid and pestiferous camps, these people were left to die for their crime—the crime of wanting to be free, of opposing enslavement by their sinister Communist neighbors.

Today the fate of those who remain in this enslaved area is largely uncertain, but one fact has been clearly established. Under the yoke of Communist oppression, more than 600,000 people have been murdered or deported. Yet, the Communist rule and domination of these enslaved people has not succeeded in crushing out their hope for freedom. It is our solemn duty as citizens of a free and democratic country to vigorously oppose this sort of tyranny wherever it has occurred, and wherever it will occur in the future.

Thus, Mr. Speaker, may we all reflect on this tragedy of history and rededicate ourselves to the cause of democracy and freedom.

"Keep Fit" Kit for Young America

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. ANFUSO. Mr. Speaker, young America is of vital concern to us all, not only in the field of education and development, but in the area of general health as well. The person who will become the President of the United States at the turn of the century is today in the preschool to the 11-yead-old age bracket. That person's philosophy, personal creed, and physical appearance will reflect the America of tomorrow.

That is why I am particularly interested in Paige Palmer, who has been proposed as a member of the President's Committee for Physical Fitness, and her scientifically developed "keep fit" kit for youngsters whose ages fall in the area I have mentioned previously—preschool to 11 years of age.

The "keep fit" kit appeals to youngsters primarily because it turns healthful exercise into play, and play into healthful exercise. Through the use of the contents of the "keep fit" kit, young America can achieve stronger muscles, better posture, balance, agility, rhythm, and grace. For example, the weighted bar included in the "keep fit" kit not only corrects round shoulders, but it strengthens ankles and arches as well. The exercise stretch rope is ideal for straightening back-shoulder muscles which lead to better posture.

In conclusion, I should like to point out that Miss Palmer, developer of the "keep fit" kit has been commended on the floor of Congress for her efforts to

help improve the Nation's physical standards and for her organization of the Youth Physical Fitness Council.

All of us, as Miss Palmer, can help build a stronger America by assuring the youth of America that we have their interest at heart and we shall do our utmost to supply them with the tools to keep them physically fit and mentally alert.

Mass Deportation from the Baltic Countries

EXTENSION OF REMARKS

OF

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. DANIELS. Mr. Speaker, today we are reminded of the indignities which humans have suffered and continue to suffer in the hands of Communist domination.

On the night of June 14, 1941, began a series of mass deportations from the Baltic countries that shocked the world into disbelief. In a single night over 30,000 Lithuanians were forcibly driven to the alien and barren lands of northeastern Russia and Siberia by the Soviet Communists. The story of terror is the same for the Latvians and Estonians. The mass deportations continued until the Baltic countries had been deprived of a not inconsequential fraction of their populations. The Soviets planned to replace the exiled Baltic citizens with good Communists from Russia.

This was not the first time that the Baltic peoples had felt the yoke of Russian oppression, for in the 18th century the czarist armies had planted the flag of Russian imperialism on Baltic soil. It was not until the end of the First World War that the Russian flag could be stripped from its mast and replaced by the standards of sovereignty and independence. But Russian repression under the czar, though it existed, was light compared to the tactics of the Soviets. Individual liberties have been crushed, self-governing institutions have been demolished, and the once flourishing culture of the Baltic Republics had been choked by the Soviet tyranny. Everything has been remolded to fit the structure of totalitarianism, everything, that is, but the courageous peoples of these three unfortunate nations.

For the mass deportations of citizens, unspeakably tragic though they be, are a telling account of the failure of the Communists to remake the Baltic peoples in their own image. We commend the populations of Lithuania, Latvia, and Estonia for their resistance to the insidious techniques of the Soviets. Our hearts ache at the tragic choice they have been forced to make—exile from home and family to the slave camps of Siberia or life under totalitarianism. For it is not really a choice at all; in either case it has meant the suppression of that which is dearest to all men—individual liberties. We cannot but admire the fortitude with which the Baltic peoples have borne their tragedy, and we cannot but express thanks that they have been able to keep always before them the hope that someday they will once again be sovereign and free. Thus, it is fitting that on this sad anniversary we commend the Lithuanians, Latvians, and Estonians for their unshakable faith and express our support for their liberation.

Charter Day, Boy Scouts of America

EXTENSION OF REMARKS

OF

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. HALPERN. Mr. Speaker, 52 years ago tomorrow the Congress issued a charter to the Boy Scouts of America. In Scouting this is known as Charter Day. It falls on June 15. President Teddy Roosevelt was one of the men who gave early encouragement to the Scouting idea. Since his time every President we have had has played an active part in the Boy Scouts of America; and President Kennedy himself was in Troop 2, Bronxville, N.Y., between 1929 and 1931. What other organization can name as honorary president the President of the United States and as honorary vice presidents former Presidents Eisenhower, Truman, and Hoover?

The list of men who have played constructive roles in Scouting and who today are honorary members of the Boy Scouts reads like a roster of the Congress and the Government. Take California for example. Former Vice President Nixon and Gov. Pat Brown are both honorary Scouts. Take New York. Former Governor Dewey and Governor Rockefeller are both members. Senator JAVITS is an honorary member. So is former Senator Lehman. In the Senate men like Saltonstall, of Massachusetts; Hickenlooper, of Iowa; Scott, of Pennsylvania; Bush, of Connecticut; the late Senator Bridges, of New Hampshire; Senator Byrd, of Virginia; Senator Kerr, of Oklahoma; former Senator Green, of Rhode Island; and in the House of Representatives Noah Mason, of Illinois; James Van Zandt, of Pennsylvania; Robert Stafford, of Vermont.

Our former representative to the United Nations, Henry Cabot Lodge, is an honorary member of the Boy Scouts; as is the American whom we associate more than any other with that organization, Dr. Ralph Bunche. I also have information that Dean Rusk, the Secretary of State, was a Boy Scout in the early 1920's and was the Atlanta Council's knot-tying champion.

Many members of recent Cabinets have had close associations with the Boy Scouts. The present Secretary of Labor, Arthur Goldberg, and the former Secretary, James P. Mitchell, were Scouts.

What does this mean? Partly it means that Scouting is an excellent launching pad for future careers in public service. Partly it means that Members of the Congress, high officials in Federal agencies, State Governors, and local officials recognize that groups like the Boy Scouts should be encouraged in their programs which turn today's boys into tomorrow's citizens.

As Scouts you learn what a feeling of pride there is in individual achievement. As you progress through the various Scout ranks and acquire skills of increasing difficulty and importance, you educate yourselves—you learn how to be resourceful and how to be self-reliant. You learn how to serve. You build confidence at having conquered several difficult tasks, and find yourselves better equipped to deal with new and unfamiliar situations.

This confidence building, it seems to me, is much the same as the program of education, conditioning, and practice which our seven U.S. astronauts go through. As they become more familiar with the sensations of space travel, more familiar with the equipment they are to use, their confidence builds and they learn to handle new problems with coolness and intelligence.

And Scouting is keeping up with the times. They tell me you Scouts are learning first aid techniques which are far superior to the training your parents ever received. I have read newspaper stories of Boy Scouts administering mouth-to-mouth artificial respiration successfully when other methods by other persons insufficiently trained were failing.

And to prove how up-to-date Scouting has become, two explorer Scouts, one from Kansas and one from Denmark, spent part of last year as junior scientific aids to a research outpost, Camp Century, operated by the Army Corps of Engineers in Greenland, within 800 miles of the North Pole. These boys found out how the Army does most of the routine Scouts tasks by the use of modern technology. To find water—they bored into the ice with steam drills. To blaze trails across the ice—the Army used parallel wires buried in the snow that kept surface vehicles from losing themselves in the Arctic fog and snowstorms. To build fires—the Army substituted a portable atomic reactor, which saved the necessity of transporting huge quantities of diesel fuel. One day, however, going back to their old Scout ways, these boys built themselves a shelter—an igloo cut out of ice slabs. They took in double sleeping bags and spent one night in the shelter, before going back into the Army barrack-type quarters. It turns out that it was 64° below outside that night, and a not-so-cozy 30° above inside.

So it appears that these days you do not know where Scouts will turn up next.

Fifty-six thousand of you and your fellow Scouts managed to turn up in Colorado in 1960 for the National Jamboree. Those who saw it said that the most impressive part of that meeting was an interfaith religious service attended by 45,000 boys of the Protestant, Catholic, Jewish, Moslem, and Buddhist faiths—a demonstration of the brotherhood of men which you Scouts have always symbolized and which we adults sometimes find so hard to learn.

One of the troubles with the Boy Scouts is that their accomplishments over the years make such a long list that I could not possibly cover all the ground.

I would mention, however, the 1954 conservation good turn, a series of activities to improve our natural resources carried out at the invitation of President Eisenhower. Boy Scout participation included: Tree planting and grass planting, improvement of wood lots, work on eroding gullies, fish and bird conservation projects, fighting forest fires, distribution of forest fire prevention posters, and cleaning up roadsides, parks, and recreation areas.

This work, if it were expressed in money terms, would run into the millions of dollars.

The year 1958 was your year for the national safety good turn. This nationwide good turn involved the following Scout activities: Distribution of traffic safety literature; antijaywalking campaigns; projects in recreational safety having to do with firearms, boating, and swimming; and many related projects, using up almost 5 million boy-hours of work.

Without even voting the Boy Scouts of America played an important part in the 1960 national and State elections by distributing over 40 million colorful posters urging us adults to get out the vote. The Boy Scouts have gotten out the vote in prior years, but they can take special pride, along with all Americans, in this last election year which saw more citizens than ever before going to the polls and voting.

Finally, and with special emphasis, let me say that it is the Boys Scouts as individual people, and the good turns they do as individuals, which mean so much to this country. You boys teach us what service means. You demonstrate that there are many good turns that we as individuals can perform in transforming our homes, neighborhoods, and communities into better, more democratic, and pleasanter places to live.

The Boy Scouts may be 52 years old this year. But if the past is any guide, they have left in them many future years of youth, enthusiasm, energy, and usefulness.

Soviet Deportation of Baltic Peoples

EXTENSION OF REMARKS

OF

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. FLOOD. Mr. Speaker, the peoples of the Baltic countries enjoyed freedom and independence for only a short time in their modern history; that was during the interwar years of 1919–40. The Estonians, Latvians, and Lithuanians, after enduring oppressive rule of foreign regimes for centuries, regained their independence at the end of the First World War, instituted their democratic governments in their countries, and were content with their lot. Their giant neighbor in the east, Communist colossus of Russia, however, was jealous and envious of the prosperity and democracy in these countries, and the Soviet rulers were intent to put an end to these sovereign states in the Baltics. Their evil designs were carried out in mid-1940. The Red army overran those countries, occupied them, their inhabitants were enslaved under the newly instituted Communist regimes there, and the countries were annexed to the Soviet Union. Meanwhile, arrests and imprisonments of Baltic nations took place on an unprecedented scale, in tens of thousands, perhaps in hundreds of thousands. All those thus arrested and imprisoned were shipped, in a huge mass deportation, to distant parts of the Soviet Union.

Today, more than two decades later, we do not know much about the sad fate of these Baltic peoples in exile. In observing the anniversary of those tragic mass deportations, we pray for the liberation of those who still survive in Soviet prison camps.

Baltic Peoples and Their Deportation in 1940–41

EXTENSION OF REMARKS

OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. GALLAGHER. Mr. Speaker, the peoples of the three Baltic countries enjoyed a short period of independence and freedom during the two decades of interwar years. All three—Latvians, Lithuanians, and Estonians—had regained their freedom at the end of the First World War, and they all were content with their status as small, but advanced and progressive democracies. Later in the 1930's, however, their powerful neighbors in the east and in the south were bitterly antagonistic to democracies; both Stalin's Communist Russia and Hitler's Nazi Germany became deadly enemies. Russia, in particular, was unwilling to tolerate freedom and prosperity in these small countries; Stalin had decided to put an end to the independence of these countries at the first opportunity.

Soon after the outbreak of the last war he had that opportunity. Early in 1940 the Red army overran all three of these countries, occupied them, and then these were incorporated into the Soviet Union. Subsequently Lithuanians, Latvians and Estonians by the tens of thousands were arrested, put into freight cars and deported to most distant parts of the Soviet Union. This inhuman and treacherous act of the Soviet Government was a deliberate mass deportation of all national leaders in these countries who were considered opponents of communism, or were suspected of opposing the Soviet Government. Today is the 22d anniversary of that tragedy, and many of the victims of that deportation are still suffering in some distant and desolate part of the Soviet empire. On this day we pay tribute to the courage of those who still suffer for their democratic belief, and pray for the memory of those who died for their faith.

"Whatsoever Things * * *"

EXTENSION OF REMARKS

OF

HON. HENRY C. SCHADEBERG

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. SCHADEBERG. Mr. Speaker, today is Flag Day, commemorating the adoption by the Continental Congress on June 14, 1777, of the original Stars and Stripes. During the 185 years that have followed, the flag has been symbolic of the noblest and bravest deeds of men and of a priceless heritage that is our American way of life.

This is no attempt at soapbox oratory. Patriotism born of deep gratitude for the privilege of living in a free society has been a part of my life since I became conscious as a youth that I was an individual. I became aware of the privilege of living as a free man through my Dad, who taught me and my brothers and sisters to respect the flag—the symbol of our freedom.

I became uniquely aware of what my country and freedom meant as during World War II I helped dress the wounds of those injured in battle aboard the ship on which I served as a chaplain; or wrote letters of condolence to families and friends of those who were killed in battle; or gave the benediction as the bodies of those who gave their last full measure of devotion slipped beneath the flag under which they served, and were claimed by the sea.

I became more aware of the meaning of freedom when, on the day the Japanese surrendered, our ship pulled up alongside a dock at Pearl Harbor and I gave a prayer of thanksgiving for peace to those who were wearied by battle but were encouraged by the prospect of soon returning to their homes and loved ones. Following the prayer, a Navy band assembled on the dock to play the Star Spangled Banner as we stood at attention and saluted, facing a battle-scarred flag waving majestically in the breeze. It was more than mere bunting of red, white, and blue. It represented sacrifice, heartache, sorrow, struggle, pain, fears—the price we had paid that we might remain a free people.

I became still more aware of the privilege of being a citizen of the United States—the Nation the flag represents—as I took the oath of office as a Member of Congress. My period of service since that time surely has made me even further aware of my privilege. So, too, did the flight into space and back on May 5, 1961, by our first astronaut hero, Comdr. Alan B. Shepard, Jr. And how humble I felt to see how humble he felt

when he had completed his pioneering mission—an achivement which at its time in our brief space history paralleled in importance the more heralded feats that were to follow of our orbital-flight heroes, Lt. Col. John H. Glenn, Jr., and Lt. Comdr. Scott Carpenter. And I do not overlook the contribution to the Glenn and Carpenter accomplishments made by Capt. Virgil I. Grissom.

Colonel Glenn has given us much upon which to reflect in the numerous public appearances he has made since his flight. None has had more meaning for me than these few words which, as far as I am concerned, highlighted his address before a joint session of Congress:

> I still get that hard-to-define feeling deep down inside when the flag goes by * * *.

With that declaration, Colonel Glenn brought patriotism back into fashion for many whose preoccupation with material things around them had forced much of their patriotism into mothballs.

Patriotism does not have to follow a pattern, except that it always includes a geninue love for our country and a respect for and adherence to the principles on which it was founded. It can stem from many sources. It is seen in the decision a few years ago—in 1959—of the Cincinnati Reds baseball to readopt its prior name of Reds. Some years earlier—in 1953—the club, under pressure, changed its name to Redlegs to avoid association with a word that had in the arena of international politics become unpopular. Redlegs, it was said, was a suitable name since the club's first name back in the 1860's was Red Stockings. But sportswriters were not enthused and did not adopt it universally. And many persons resented defaulting the word Reds to the Communist variety of Reds. The color red has for Americans so significant a meaning as to make unthinkable the yielding of it to communism. The red in our flag is for hardiness and valor and courage; the white for purity and innocence; and the blue for vigilance and perseverance and justice and truth and trustworthiness.

One does not have to be nationally prominent to be a patriot. Patriotism is seen in the pilgrimage one citizen took some 10 years ago to such shrines of national patriotism as Lexington and Concord. He was deeply disturbed over the trend throughout the country toward socialism. He was worried at how fast was spreading the fallacious doctrine of something for nothing—greater dependence on the Federal Government for more and more assistance in more and more areas of life at a frightening sacrifice of individual initiative and self-reliance.

So he took his two sons—both young men in their late twenties and married—to Lexington and Concord, there to drink deeply of the spirit of those early Americans who on the battlegrounds there had fought to help bring this Nation into being. He related how he stood there and openly wept, unashamed, before his sons—and it was not merely emotionalism but a tremendous feeling of pride in America and praise to God for the unspeakable gift of being able to live, worship, and work in accordance with his own choice, and to know that his children and their children would enjoy the same life of liberty.

And patriotism does not belong exclusively to those of us who were fortunate enough to have been born in the United States. It is expressed as well, sometimes better, in letters which come across my desk, written by newly naturalized citizens whose hearts overflow with gratitude for the newfound joys of freedom in the United States.

One Congressman, who is doing much to restore patriotism to its rightful, and I believe necessary, place in the thoughts and hearts of Americans, finds some of the memorials here in Washington most inspiring in this respect. He once said that periodically he goes to the Lincoln Memorial. He looks up at the massive sculptured figure of that great American and reflects on the qualities of spirit and mind and character that could elevate him from a log cabin to the White House. He then turns to the south wall and reads thoughtfully the Gettysburg Address he knows so well by heart; then to the north wall to read Lincoln's Second Inaugural Address, an inaugural address unsurpassed if ever equaled. This colleague of ours says his purpose in going regularly to the Lincoln Memorial is to get his patriotism battery recharged, and it never fails. If such a patriot as I know this Congressman to be does this, what should those persons do who have tucked their patriotism away in a remote pigeonhole somewhere?

This is Flag Day. Old Glory should today be flying over every home in the land. If it is not flying over your home, as an expression of your patriotism, what say we spend more time in the year ahead thinking on these things? I see the flag of the United States, which is to say, the United States itself, as representing those qualities which St. Paul admonishes the Philippians—and all mankind—to think on:

> Finally, brethren, whatsoever things are true, whatsoever things are honest, whatsoever things are just, whatsoever things are pure, whatsoever things are lovely, whatsoever things are of good report; if there be any virtue, and if there be any praise, think on these things.

India's Prize-Bond Program

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the gambling operation of the Government of India. India does not conduct a national lottery but rather operates a prize-bond scheme.

India's prize-bond program, patterned after the British premium-bond lottery, revolves around the issuance of Government bonds which, instead of bearing interest, offer the opportunity to win prizes.

In 1961, gross receipts from the sale of prize bonds came to $35 million. The benefit of the prize-bond idea was that Government bonds were made more appealing through the presentation of an opportunity to win large prizes. India realizes that a recognition of the gambling urge can be a great help in handling the nation's finances.

Mr. Speaker, we too, in the United States, can help our taxpayers from the heavy tax load. A national lottery in America can easily provide $10 billion a year in additional revenue which can be used to lower taxes and reduce our national debt.

Baltic Independence

EXTENSION OF REMARKS

OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. DADDARIO. Mr. Speaker, I wish to join with the people of this country in paying tribute to the courageous citizens of the three Baltic Republics of Estonia, Latvia, and Lithuania for their refusal to accept Communist domination and their continuing efforts to further the cause of liberty.

Twenty-one years ago today 15,000 Latvian men, women, and children were rounded up by the Soviet secret police and transported in cattle cars to slave labor camps in Siberia. The same tragic fate befell the peoples of Estonia and Lithuania, making a total of over 120 000 persons who lost their liberty to think and act in a free society. They were subjected to this inhuman treatment merely because of their opposition to communism. The day was equally dark for those who were left behind, for with the first influx of Soviet troops in 1940 their fate was to live under the heavy yoke of communism.

Today these three Baltic Republics are still under Communist domination. Civil liberties have been abolished, religious activities repressed, and the standard of living continues to spiral downward. Although the Soviet occupation of the Baltic countries and their "incorporation" into the U.S.S.R. ended the independence which these three countries had enjoyed since the end of the First World War, the vision of reachieving autonomy and of regaining individual liberty has not vanished from the dreams of these valiant people.

The United States has never recognized the Soviet incorporation of any of the three Baltic countries, and on the anniversary of these inhuman crimes against the Baltic peoples we hope and pray that the time will come when the burden of communism will be thrown off and these brave people will become members of the free world once again.

Pinpointing Responsibility for Procurement Waste

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 1962

Mr. WILSON of Indiana. Mr. Speaker, during the past several days, I have referred to the scandalous waste in the procurement branches of our armed services. As a typical example, I have detailed the procurement of a UHF radio which will cost the taxpayers $1.3 million more than necessary if the Navy has its way and sees to it that a favored contractor gets an award of contract.

I have also discussed other cases which parallel the example case and just yesterday I singled out another procurement in another branch of the service that is current.

In the near future, I shall pinpoint the single person in the Navy Department who has been responsible in the case of the procurement of the AN/PRC 41 radio set by Navy, the case in which the taxpayer is going to pay out $1.3 million more than necessary. I shall detail his errors, both of omission and commission, I shall point out examples of gross incompetency if not actual examples of a part in a conspiracy to defraud the Government. When I am finished, I think you will agree with me that here is a man who at the very least should be severely reprimanded before being discharged.

During my presentation on the AN/PRC 41 case, several of my colleagues have asked me how I became interested in military procurement. Others have asked how I presented my case against the AN/PRC 41 procurement. There is a perfect way to answer these and other questions. It is by repeating to you the contents of my letter of May 21, 1962, to the Secretary of the Navy, setting out to him my findings concerning the AN/PRC 41 and other procurements.

Here is the letter as I delivered it to the Secretary of the Navy:

MAY 21, 1962.

Hon. FRED KORTH,
Secretary of the Navy, Department of the Navy, Washington, D.C.

DEAR MR. SECRETARY: As a Member of the U.S. House of Representatives now in my 20th year, and as a member of the Appropriations Committee, I have been concerned about the enormous budget requests submitted by the various branches of the military departments that purport to cover equipment required for our national defense. As a taxpayer as well as a Congressman, I fully realize that we must all carry our share of the burden, regardless of how heavy, to fulfill the requirements of the Constitution to provide adequately for the common defense. I am also in agreement with my colleagues in Congress who feel that it is better to be safe than sorry.

There is no denying the fact that Government business today is big business. Entire areas of the country are affected by the award of a single contract for a weapons system. Similarly, still other areas are depressed when this work does not come to them. Since Government business is big business, it is inevitable, as it is in any big business operation, that a certain amount of waste is to be expected. The bigger the business, the bigger the waste, but it is hard for me to realize any private company would tolerate procurement practices such as those revealed in my past 15 months' review of military contracts and awards.

For many years I was simply an interested spectator, observing reports from the General Accounting Office and reviewing records of congressional hearings involving military procurement and waste. I tried to understand and comprehend what was going on and tried to make a sincere effort to have a comprehensive knowledge of the subjects, but this was difficult, if not impossible.

On every hand I would hear other Members complain about abuses of "authority to negotiate" military contracts without really understanding the whole complicated procedure. About 15 months ago, I decided to devote much of my time to a personal education in military procurement practices and to try to undertake a personal study of how the Armed Forces buy materials for use in connection with our national defense. With the help of the Comptroller General I began to ask questions and started receiving answers. I began to see just how contracts are awarded, and I also began to have some concrete realization as to how much of the taxpayer's money is being wasted.

During the ensuing 15 months, my inquiry has been penetrating and exhaustive. I have gone into many specific transactions in detail. The results, documented by General Accounting Office reports, complemented by information obtained from informal inquiry into the electronic industry, have been, to say the least, profoundly shocking to me, not only as a Congressman but as an American citizen.

During this study, I uncovered information that led me to believe the technical know-how of many valuable American industries was being bypassed. To confirm this I contacted officials of many electronic firms. I have been given enough information to conclude that fully qualified, talented, financially competent manufacturing facilities are daily being denied the opportunity to participate in certain procurement transactions covering electronic equipment. The effects of this "closed door" policy are obvious—a virtual elimination of competition, the inevitable inflation of the uncontested selling price, and a loss of vital technical progress which results as a national consequence of open competition. Much of my information points to the Navy Department Bureau of Ships as one of the prime offending agencies.

A review of reports from the General Accounting Office reveals a letter dated April 14, 1959, from the Chief of the Bureau of Ships to the Comptroller General, file L-4 (110Ser 110-1045) which declared a policy to provide that "even though the determinations and findings specifically state only certain companies are believed to be able to meet requirements, other companies shall not be precluded from bidding."

That policy, Mr. Secretary, stated in a letter of April 14, 1959, has been subverted constantly since the very day of its existence and is still being subverted today by civilian employees in the Bureau of Ships.

To prove this to my own satisfaction and to gain documentation for my study, I sent my administrative assistant, Mr. Philip Cole, to the Navy Department, Bureau of Ships, on February 5, 1962, with instructions to ask for an opportunity to participate in the then current procurement for the AN/WRC-32 (unclassified) and the AN/WLR-1 electronic countermeasures (classified confidential). He went through normal procedures, stated that he was a "representative" but declined to specify which firms he "represented" until (he was told by me to say) he could revive specifications to determine just which firms he wanted to participate in the procurement transaction then underway. This was an obvious and clear-cut test of the Chief of Bureau of Ships directive of April 14, 1959.

To put it mildly, Mr. Secretary, he was denied any information whatsoever, and was told by Navy Contract Negotiator Dean Young, if he wanted to do any business in that area, he would have to "level" with the Navy.

Now, I would like to ask a question at this point, Mr. Secretary. How is it possible for the Chief of the Bureau of Ships to declare a policy in a written statement to Congress, as in Admiral Mumma's letter of April 14, 1959, only to have this very policy bluntly ignored and subverted by grade 9 civil servants such as Mr. Young? Another question, and an important one regarding the safety of this Nation: What effect do civil servants of this type have on our national economy, not to mention our national security? To answer my own question, I would like to quote some examples that have arisen out of my 15-month study of Armed Forces procurement. These examples are but a small portion of similar examples which I intend to take up with the Congress, the Navy Department, the Secretary of Defense, and the Department of Justice at a future time.

Example No. 1. In the immediate future, I shall document, with the assistance of the General Accounting Office, the case of the AN/WLR-1 electronic countermeasures receiver. Sole-source negotiations with Collins Radio Co., Cedar Rapids, Iowa, under terms of contract Nobrs-75710, covered a huge program of production which undoubtedly was "justified" by some Navy official, and which cost the American taxpayer in excess of $60,000 as an average per system price. When competition was introduced into subsequent procurement, the cost fell to approximately $15,000 per unit, with Sylvania winning the contract. Later the unit price dropped even lower with additional awards to General Instruments. Without a doubt, your Department could inundate the Congress with material designed to establish that the $60,000 price was both "justified" and "legal." This, however, is beside the point I wish to make, and the AN/WLR-1 is not an isolated illustration of my ultimate conclusion.

Example No. 2. The General Accounting Office has already investigated the procurement methods followed in the case of the AN/SPS-10 radar. It has been established through documentary evidence that the Navy-negotiated, $40,000 per system, prices with Dumont and Sylvania, subsequently fell to less than $12,000 when open competition was introduced. Daystrom, Inc., won the contract when the procurement was placed out in the open for unrestricted bidding. This again proves the efficacy of open competitive practice.

Example No. 3. This case, is, I believe, among the more fantastic reports received from the General Accounting Office. It covers procurement of the TR-152( )/SQS-23 transducer which was completely documented by the Comptroller General. It is not my plan to go into detail on this matter since you have probably already heard of it through my speech on it in Congress. If you have not, I refer you to the CONGRESSIONAL RECORD of September 19, 1961, 1st session of the 87th Congress, which contains a rather detailed summary. The results of Navy action in this instance are obvious, Mr. Secretary. 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 by the Navy Bureau of Ships employees. It is clear to me that someone in the Navy Department then took it upon himself to reveal the competitive price to the favored firm, and on the second bidding, the unwanted firm re-

stated its original quotation only to be underbid by $20,000, which is a very small margin on a $4.5 million procurement. When this procurement was forced into open competition by a totally unwanted bidder, the price per unit on this equipment fell from $100,000 to $70,000, and subsequently even lower, thereby saving the taxpayer almost $1 million on a single contract. Again, the efficaciousness of open competition is demonstrated, but in this instance, the company responsible for saving the taxpayers $1 million was completely shut out in the cold for their patriotic interest.

Mr. Secretary, there are literally dozens of other cases that I could mention. Some of them are not Navy procurement actions, although all Navy transactions under study follow this same pattern.

It appears to me, as a result of a long and arduous study, that some Navy civilian employees and some of the uniformed personnel use their Federal status as a staging area for subsequent lucrative employment outside the Government, if not for immediate gain while still in the Federal service. When the taxpayer has to foot the bill for these efforts for personal advancement of one sort or another, the continued "administrative errors" and "oversights" become noxious and open to critical inquiry if not criminal prosecution. To use Federal employment as a tool to create either an atmosphere which provides for subsequent commercial opportunity or a climate of immediate financial gain, appears to me to be nothing short of a criminal conspiracy. When the Government is thus defrauded, the guilty should be punished.

Since the transactions I have mentioned previously have all been accomplished and completed, it might be concluded that they were, indeed, irregular or improper. It might also be contended that the lessons involved in these procurement actions have all been well taken. It might further be stated that they will not reoccur in any form, and that in the future, the American taxpayer will derive more value for this tax dollar spent for defense, and the American industry will no longer either be shut out or have to use devious methods to gain ingress into profitable Navy Department production contracts.

That would indeed be a laudable accomplishment, but unfortunately for everyone but the favored manufacturers and some Navy employees, such an accomplishment cannot be documented. In fact, and in truth, the same pattern of suspected duplicity and possible deceit is being followed in a current procurement transaction for equipment identified as the "AN/PRC-41 radio set."

This history of this procurement is such that it is almost certain there is a criminal conspiracy to defraud the Government here. The actual sum of money has not yet been calculated and cannot be until after all the facts are reported by the General Accounting Office.

To begin at the beginning, there was a development contract issued for almost $1 million to Collins Radio, sole source, without competition, for a radio that is curiously alined with a similar development of the AN/ARC-51 which was paid for both by the Navy and the U.S. Army Signal Supply Agency. In the brief time allowed for preparation of this presentation, it has not been possible to develop full details on the AN/ARC-51 development and production; however, this will be accomplished soon. Suffice it to say that some serious questions have been posed by even the most superficial of preliminary studies.

The current procurement for the AN/PRC-41 is now identified as a sole-source negotiation under Bureau of Ships request No. 6270-26112(S) and is scheduled now for an award to Collins Radio Co. without any competition of any kind. The General Accounting Office has supplied to me, at my request, a complete report on the previous history of the development contract awarded to Collins, again, I would like to emphasize, without competition. This material reveals an almost unbelievable circumstance. After spending almost a million dollars for development of this radio, there are no manufacturing drawings available to the Navy Department to provide details necessary to obtain open competition for follow-on production.

The reason there are no manufacturing drawings available to Navy (which do exist and are currently in possession of Collins Radio) is even more astounding to me. This is a direct result of an order issued by an individual identified as H. Mullally, BuShips telephone No. 62431, originally justified by S. D. Keim, Extension 64065, and E. C. Aiken, Bureau of Ships Code 675. This order is in the form of a letter, serial 1705.4-73, dated 11 January 1962. It instructed Collins Radio that "the Bureau has reviewed its requirements and it is now requested that the drawings not be delivered."

As you know much better than I, it now follows naturally that in production procurement action, your Department or some employee thereof can state with absolute authority that there are no drawings available to provide the rest of the electronic industry with details covering the manufacture of AN/PRC-41. This fact alone would justify an award to Collins, but for the fact that my study has uncovered other facts which point a finger of criminal suspicion at someone in an ever-decreasing circle in the Navy Department.

Additionally, it has been learned in my study of documentation that the current procurement request (26112) is supported by an interdepartmental procurement request initiated by the Marine Corps. Identified as MIPR, this document stipulates several technical changes for incorporation into the production equipment. On the procurement request (26112), however, these changes do not appear. I repeat, they do not appear.

Based on circumstances and study of past procurement actions, this automatically sets the stage, after an award is made to Collins Radio for production on a sole-source basis, to allow and to "justify" subsequent "engineering changes" which will increase the cost of this unit to the Government even further and provide another opportunity for financial legerdemain similar to that of past cases.

Mr. Secretary, since starting my study of this particular procurement request, I have become increasingly appalled at the furtiveness under which it is being conducted. I determined that it might be very possible for a completely independent manufacturer to complete a study of this equipment and arrive at a price figure that would be competitive to the price per unit of the Collins offer.

A copy of the procurement request (26112), interim and final technical reports, technical manuals, specifications, and microfilms of manufacturing drawings of other allied equipment was submitted by me to Arvin Industries, Columbus, Ind., and they were asked to prepare a quotation. Arvin informed me they had already submitted a request to the Navy Department for an opportunity to participate in this procurement action and said the firm was denied the procurement papers by the Contracting Office of the Bureau of Ships, again in clear violation of stated Navy policy.

Regardless of the Navy Department's seeming determination to award a substantial contract to Collins Radio without even considering other highly qualified sources, I insisted that Arvin go to the expense of preparing an honest cost analysis and quotation.

I then requested the Chief of the Bureau of Ships to withhold any award to Collins Radio until the close of business Monday, May 21, 1962. I also requested the Comptroller General to observe the current quotation submitted by Collins Radio to the Bureau of Ships in response to request No. 26112. My purpose in so doing was to make sure a disinterested third party had full knowledge of the Collins bid and also to deter any overenthusiastic Navy employee from either modifying, altering, or even substituting another proposal for the now current quotation for this equipment.

Attached hereto is the proposal prepared by Arvin Industries for the production of the AN/PRC-41 ( ) radio set. This firm, one of the most reputable in the industry, warrants to me that they cannot only deliver the end product, but can actually improve the current delivery requirements set forth in procurement request No. 26112, which is of critical concern to the Government in view of the statement to my office by Rear Adm. R. E. Jones, Chief of the Bureau of Ships, regarding the urgency of the delivery requirements.

Mr. Secretary, in view of the foregoing, I believe I have a right to expect that the award for production of the AN/PRC-41 production contract be made to Arvin Industries, Inc., Columbia, Ind., providing the price quoted by Arvin is in any degree less than that submitted by Collins Radio for this same production.

In view of the documented record of performance of Navy personnel in handling "negotiated" procurement of the TR-152 ( )/SQS-23, I would strongly urge a great degree of caution in "revising" the current requirements to "justify" second bidding, or third bidding, as in the case of the TR-152. Additionally, since it is the pronounced "policy" of the Navy Bureau of Ships not to "auction" awards, negotiations should only be conducted with the lowest proven responsible bidder.

If the Navy Department intends to conduct negotiations with Arvin Industries for the award of contract for production of the AN/PRC-41, I wish to be notified accordingly before close of business, Tuesday, May 22, 1962.

In conclusion, I wish to inform you that I am today requesting the Comptroller General to supply me with a copy of the Collins Radio Co. quotation under No. 26112 covering the AN/PRC-41, and other data, which will, in the immediate future, make it possible to put an end to "administrative errors" and "inadvertent oversights." It will also make it possible that a single individual in the Navy Department be held responsible for examples of reckless waste of taxpayer dollars in military procurement for electronic equipment. This will be done either by removal from office or by prosecution through the Department of Justice, or both.

With highest personal regards, I remain,

Sincerely yours,

EARL WILSON,
Member of Congress.

That is the sum and substance of my letter, to which I added a detailed proposal submitted to me by an Indiana manufacturer covering this radio set. Since delivery of this letter, I have been contacted by the Navy Department on this matter on the phone, by officials ranging downward from Secretary Korth. I have had telephone conversations and personal conferences. The Navy has attempted to get the case in an off-the-written-record state at several points, but with no success.

My case on military procurement has been built on written questions and written answers and that is how I intend to keep it.

I might say here that the Navy has been somewhat less than parallel in this respect. Secret meetings have been set up by the Navy in Washington. There has been a massive campaign to prove that the taxpayers have no hope of saving money on military procurement. This campaign isn't going to work. I have been cognizant of the fact that this matter is being treated by the Navy as though someone is attacking the U.S. Navy, instead of trying to help it and other branches.

Soon, however, I shall detail my case against the Navy personnel to whom I refer in my letter to the Secretary. We shall see at that time who is working for the best interests of the United States and its citizens and who is working for purely personal gain. We shall also see whether the Navy is interested in protecting its own, or in cleaning its own house before someone else picks up the broom and starts sweeping.

SENATE

FRIDAY, JUNE 15, 1962

The Senate met at 12 o'clock meridian, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

Rev. Hunter M. Lewis, assistant minister, St. Andrew's Episcopal Church, Fort Worth, Tex., offered the following prayer:

God of our fathers, who of old didst lead them to these shores and open before them a fair land, which, under Thy guidance, has become a nation great among the nations of the world; we beseech Thee to continue Thy loving kindness to us, that our Nation, great first in Thy sight, may be found great in the sight of all men.

Vouchsafe Thine aid, we beseech Thee, to our President and to the members of his Cabinet. Give them the wisdom to know and the courage to do always that which is best for our country.

And now, as these, Thy servants, resume their appointed tasks, give them, we pray Thee, the strength of Thy guiding counsel, that no selfish passion may hide Thy will from them, and that no human frailty may prevent them from doing it. Lift up Thy countenance upon them, O Lord, that in Thy light they may see light, and in Thy straight path may not stumble. We ask it for Thy name's sake. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 15, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BURDICK thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a 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, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

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

S. 1881. An act for the relief of Maria La Bella;

S. 2143. An act for the relief of Mrs. Eva London Ritt; and

S.J. Res. 198. Joint resolution deferring until July 15, 1962, the issuance of a proclamation with respect to a national wheat acreage allotment.

HOUSE BILL REFERRED

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, was read twice by its title and referred to the Committee on Finance.

THE JOURNAL

Mr. MANSFIELD. Mr. President, with some trepidation—although I do not know why—I ask unanimous consent that the reading of the Journal of the proceedings of yesterday be dispensed with.

Mr. CLARK. Mr. President, reserving the right to object, I should like to inquire of the Chair approximately how long it would take to read the Journal.

The ACTING PRESIDENT pro tempore. The approximate time is 10 minutes.

Mr. CLARK. Mr. President, because I do not wish to delay unduly my colleagues, I shall not object at this time, but I reserve my right to do so at a later time, on another day.

Mr. MANSFIELD. Mr. President, I appreciate what the Senator from Pennsylvania has said. When I see him in the front row, I am always worried. I am glad to find that in this case my worries were unfounded.

Mr. CURTIS. Mr. President, reserving the right to object, let me ask whether the Journal is available for inspection by Members prior to the convening of the Senate, if they present themselves at the place where the Journal is kept.

Mr. MANSFIELD. Mr. President, in the interest of accuracy, I should like to raise that question with the Acting President pro tempore of the Senate.

The ACTING PRESIDENT pro tempore. The Chair understands that would depend upon the condition of the Journal at a particular time; and the answer to the question must be made accordingly.

Mr. MANSFIELD. Mr. President, I believe I am correct in stating that at the close of any session the Journal is available, at the desk, for Members to read and to examine, as they may wish.

The ACTING PRESIDENT pro tempore. That is correct. The Chair understood the inquiry of the Senator from Nebraska to refer to a period prior to the convening of the Senate. Is that correct?

Mr. CURTIS. Yes; and by "prior" I would say 5 minutes before the Senate convenes. By "prior" I did not mean to imply before the Journal was prepared.

Mr. CLARK. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Yes.

Mr. CLARK. I address myself to the Chair, to inquire whether it is the invariable practice to complete the Journal of the preceding day's proceedings well in advance of the convening of the Senate on the following legislative day. In other words, I should think the Journal would be available the night before.

Mr. MANSFIELD. That would depend on the length of the session; and I am sure that those charged with the responsibility of maintaining the Journal work as expeditiously as possible. I am also certain that if a Member wishes to see the Journal before the session on the following day convenes, it is his right to see it, and he can see it.

Mr. CLARK. Let me ask whether the Journal is typewritten or is prepared in longhand.

The ACTING PRESIDENT pro tempore. The Journal is typewritten.

Mr. CLARK. When is it typewritten—the night before, or the next day?

The ACTING PRESIDENT pro tempore. During the day, and the next morning, as well, depending on the length of the Journal. As soon as the Journal is prepared, it is available for examination by Members.

Mr. MANSFIELD. Mr. President, has my unanimous-consent request that the reading of the Journal be dispensed with been agreed to?

The ACTING PRESIDENT pro tempore. Is their objection? The Chair hears none. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

Mr. CLARK. I object; and I call for the regular order under the rule.