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.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

SECRETARY OF THE ARMY

The Chief Clerk read the nomination of Cyrus Roberts Vance, of New York, to be Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGE

The Chief Clerk read the nomination of John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Air Force which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the reports of various agencies, in connection with the morning hour.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SECTION 107(d) OF SOIL BANK ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 107(d) of the Soil Bank Act (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON STRATEGIC AND CRITICAL MATERIALS STOCKPILING PROGRAM

A letter from the Director, Office of Emergency Planning, Executive Office of the President, transmitting, pursuant to law, a report on the strategic and critical materials stockpiling program, for the 6-month period ended December 31, 1961 (with an accompanying report); to the Committee on Armed Services.

REPORT OF FEDERAL HOME LOAN BANK BOARD

A letter from the Chairman and members of the Federal Home Loan Bank Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the calendar year 1961 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF SECTION 172 OF INTERNAL REVENUE CODE OF 1954 TO PROVIDE A 7-YEAR NET OPERATING LOSS CARRYOVER FOR CERTAIN REGULATED PUBLIC UTILITIES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation 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 (with accompanying papers); to the Committee on Finance.

EXCEPTIONAL CHILDREN ACT

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to assist in providing training of teachers of mentally retarded, hard of hearing or deaf, speech impaired, visually handicapped, emotionally disturbed or socially maladjusted, crippled, or other health impaired children and to authorize grants for research relating to education of such children, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Petitions and memorials are in order at this time.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION 13

"Concurrent resolution to Congress regarding water resources legislation

"Whereas the Congress of the United States is currently considering S. 2246 and similar bills relating to comprehensive planning and utilization of the water resources of the Nation, and great opposition to S. 2246 has arisen in Michigan and sister States, and including such organizations as the Interstate Conference on Water Problems and the Great Lakes Commission, by objection to such legislation's lack of provisions for adequate protection and preservation of the sovereign rights and interests of the several States and their citizens in their respective water resources, and by objection that the effects of such proposed legislation would result in the displacement of genuine Federal-State cooperation in water resources planning; and

"Whereas the Michigan Senate, having investigated S. 2246 through consultation with Michigan's attorney general, and duly considered the effects which this and other similar bills would have on the extensive and vital water resources of the State of Michigan, determines to express its opposition to S. 2246 as it is now written: Now, therefore, be it

"*Resolved by the senate (the house of representatives concurring)*, That the Congress of the United States be and hereby is urged, when enacting any pertinent legislation on water resources, to clearly recognize the primary rights, interests and responsibilities of the State of Michigan in her water resources, and that her appropriate officials be consulted and have authoritative representation in any body or organization established by such Federal legislation for its administration, including formulation of rules and regulations therefor; and be it further

"*Resolved*, That representation on behalf of the Michigan Legislature be made to the appropriate committees of the Congress and to relevant agencies and officials that the provisions of S. 2246 as presently written and pending before the Senate of the United States do not adequately and sufficiently preserve and protect the sovereign rights and interests of the State of Michigan in her waters and water resources; and be it further

"*Resolved*, That copies of this resolution be transmitted to the President of the Senate and Speaker of the House of Representatives and each Michigan Delegate to the Congress of the United States, and to the Interstate Conference on Water Problems and the Great Lakes Commission.

"Adopted by the senate, February 14, 1962.

"Adopted by the house, June 6, 1962.

"BERYL I. KENYON,
"Secretary of the Senate.
"NORMAN E. PHILLEO,
"Clerk of the House of Representatives."

A resolution adopted by the Sixth Guam Legislature; to the Committee on Interior and Insular Affairs:

"RESOLUTION 258

"Resolution relative to respectfully requesting and memorializing the Congress of the United States to enact 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

"Whereas immediately after the reoccupation of Guam by the Armed Forces of the United States, a large tract of land was occupied and shortly thereafter converted into an air base commonly known as Harmon Field, located within the municipality of Dededo, Guam; and

"Whereas the so-called Harmon Field area encompassed and occupied the old prewar Dededo Village, and the entire area of the Harmon Field taken is in excess of 2 million square meters; and

"Whereas the purpose for the taking of such a large tract was for the establishment and operation of an air base, with the consequence that a landing field, runways, parking strips, and other pavements were made

on the greater portion of such tract taken for Harmon Field, thereby rendering the majority portion of Harmon Field useless to the former landowners who had occupied the place primarily for ranching; and

"Whereas the United States Government released any and all claims in and to the entire Harmon Field area on or about June 30, 1960, but that because of the tremendous change in the topography of the Harmon Field area, the landowners are at a loss in determining boundaries, and particularly the landowners have no use for such released lands because of the placement thereon of paved runways, strips, and parking facilities for airplanes and other heavy equipment; and

"Whereas the period within which the landowners of the former Harmon Field area are required to file their claims with the United States Government will expire on or before July 1, 1962, and the majority of the landowners not being familiar and in some cases utterly ignorant of their rights and claims for damages done to their lands cannot seek the proper remedy within such a short period of time remaining for them to so prosecute their claims or damages done to their properties; and

"Whereas this item of damage is properly a part of the rehabilitation of areas ravaged and destroyed as a result of World War II: Now, therefore, be it

"*Resolved*, That the Sixth Guam Legislature does hereby, on behalf of the people of Guam, respectfully request and memorialize the Congress of the United States to enact legislation extending the period of time within which the landowners of the former Harmon Field area will be required to file claims for damage done to their lands; and be it further

"*Resolved*, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Unied States, to the Presiding Officer of the Senate, to the Speaker of the House of Representatives, to the chairman, House Committee on Interior and Insular Affairs, to the chairman, Senate Committee on Interior and Insular Affairs, to the Secretary of the Interior, and to the Governor of Guam.

"Duly adopted on the 7th day of June 1962.

"A. B. WON PAT,
"*Speaker*.

"V. B. BAMBA,
"*Legislative Secretary*."

Two resolutions adopted at a statewide session of the Pennsylvania Department of Veteran Affairs, at Harrisburg, Pa., relating to increased rates of disability pensions for veterans, and favoring pensions for World War I veterans; to the Committee on Finance.

A letter in the nature of a memorial from Rafael J. Yrastorza, of Mandaluyong, Rizal, Philippine Islands, remonstrating against a lump-sum payment to the Government of the Philippines in payment of certain war damage claims, instead of to the individual claimants; to the Committee on Foreign Relations.

A resolution adopted at a statewide session of the Pennsylvania Department of Veteran Affairs, at Harrisburg, Pa., relating to the establishment of national cemeteries in the Commonwealth of Pennsylvania; to the Committee on Interior and Insular Affairs.

The ACTING PRESIDENT pro tempore. Reports of committees are in order.

If there be no reports of committees, the introduction of bills and joint resolutions is in order.

BILLS INTRODUCED

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

By Mr. HARTKE:

S. 3422. A bill for the relief of Haralambos Foufas; to the Committee on the Judiciary.

By Mr. FONG:

S. 3423. A bill for the relief of Dora Thelma Andree; to the Committee on the Judiciary.

The ACTING PRESIDENT pro tempore. The submission of concurrent and other resolutions is in order.

REDUCTION OF TAXES AND FEDERAL EXPENDITURES FOR FISCAL YEAR 1963

Mr. CAPEHART. Mr. President, I submit a concurrent resolution to reduce taxes by $10 billion this year, and to reduce expenditures by $15 billion; and I ask that the resolution be referred to the appropriate committee, and be printed in the body of the RECORD, as a part of my remarks.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 79) favoring a reduction of taxes and of Federal expenditures for the fiscal year 1963, was referred to the Committee on Finance; and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the recent drastic decline of the stock market and the continued drain on the gold reserves of this country provide dramatic evidence of the need for a fiscal reappraisal by the Government;

Whereas with sound fiscal policies on the part of the Government there is no reason why this Nation, with its tremendous resources in plant and skills, cannot continue to enjoy the benefits of an ever-expanding economy;

Whereas an immediate reduction in taxes is urgently needed to provide capital for industrial expansion, to stimulate consumption, to restore confidence, and to spur a lagging economy; and

Whereas fiscal responsibility requires that any reduction in taxation must be accompanied by a reduction in governmental expenditures: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that the President should recommend and the Congress should approve an immediate overall reduction in Federal taxes amounting in the aggregate to not less than $10,000,000,000, and that the President should initiate such measures as may be required to reduce Government expenditures during the fiscal year commencing on July 1, 1962, by not less than $15,000,000,000.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that statements in connection with the morning hour be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I desire recognition.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

LEGISLATION IN 1ST SESSION OF 87TH CONGRESS

Mr. MANSFIELD. Mr. President, the news that a number of business leaders and publicists are "seriously concerned" over the administration's domestic policies is unsettling indeed. It is comparable in novelty to news that former President Truman supports the Democratic, and not the Republican, Party. A close look at the names of some who have expressed their disappointment over the President's program reveals that they were disappointed with Candidate Kennedy's proposals as well; and indeed some of these names are associated with disappointment with Governor Stevenson, President Truman, President Roosevelt, and possibly with Gov. Al Smith. Fundamentally, it appears, they are disappointed that President Kennedy has not embraced a profoundly conservative economic position, but has remained a moderate, a progressive, concerned more with reviving a flagging economy than with doctrinaire posturing.

If these disappointed sources were not already committed to an economic view not shared by the President, nor by the majority of Americans, they would have a difficult time finding anything remotely resembling an antibusiness attitude in the President's domestic program. On the contrary, the record of this Congress, in adopting many of the President's proposals in the economic field, is a balanced, progressive record of assistance to business and industry.

These disappointed people should talk to businessmen in the home construction industry about the Housing Act of 1961. They should talk to businessmen in distressed areas about the hopes they have for a revival of their cities and towns under the Area Redevelopment Act. They should talk to merchants about the increased minimum wages of their customers. They should ask themselves about the wisdom of the Manpower Training Act, which can help many men avoid the worst effects of automation. They should consider the merits of the President's farm bill, particularly since it proposes to reduce the cost of the farm program to the American taxpayers. They should ask themselves whether the investment incentive contained in the current tax bill is antibusiness. They should determine whether we ought to trade with the new Common Market in Europe, as the President proposes we should.

When they have thought about these programs, Mr. President, my judgment is that they will still be disappointed—not because they can honestly say that the present administration is antibusiness, socialistic, or the like; but because it is operated by men whose political persuasion differs from their own. And this, I submit, is not exactly front-page news.

I ask unanimous consent that a list of measures in the domestic field, passed by the Congress last year, be printed at this point in the RECORD, together with a column by Mr. James Reston appearing in today's New York Times. I may add that Mr. Reston, while calling on the President to take his case to the people, points out that the President is being blamed for precisely those economic conditions that the most solidly conservative commentators have felt were inevitable. Mr. Reston says:

The irony of it is that the very people who voted against him on the ground that he was for inflation are now blaming him for putting an end to inflated prices in the market.

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

ECONOMIC AREA

Agriculture

Omnibus farm bill: Enacted a major farm bill to reduce wheat and feed grain surpluses; authorized Secretary to consult with farmers, farm organizations, and other groups to develop new farm programs; extended the Agricultural Trade and Development Act to December 31, 1964; consolidated and modernized the Farmers Home Administration; extended the Wool Act for 4 years to March 31, 1965; extended Great Plains conservation program to December 31, 1971; authorized a 5-year extension of the school milk program to be paid by direct appropriations; and extended the Veterans' Administration and Armed Services milk program to 1964, with CCC furnishing the funds. Public Law 87-128.

Feed grains: Authorized a 1-year emergency price support for the 1961 crop of corn at $1.20 a bushel with the other feed grains to be supported at fair and reasonable levels in relation to corn, in an effort to raise the incomes of feed-grain producers and to reduce the mounting surpluses of feed grains in Government hands. Public Law 87-5.

Drought relief: Enacted a temporary 1-year program authorizing the sale of Government surplus corn and feed grains to needy farmers and ranchers in drought areas at 75 percent of Government price-support levels and permitting grazing of livestock on grasslands idled by the soil bank and other conservation programs, or moving hay on these lands in or near drought areas. Public Law 87-127.

Farm loans: Increased proportion of appropriated farm loan funds available for individual farms with debt over $10,000 from 10 to 25 percent to help meet the rapid and increased cost of farming. Public Law 87-8.

Mexican farm labor: Extended and revised the Mexican farm labor program for 2 years, to December 31, 1963; prohibited infringement upon the rights of domestic workers. Public Law 87-345.

Cotton farmers' relief: Authorized emergency relief to cotton farmers where floods have made it impossible to plant. Public Law 87-37.

Farm credit: Liberalized farm credit laws to: permit installment payments on Federal land bank loans to be scheduled more frequently than semiannually if desirable to the borrower; permit Federal land bank loans to be made to corporations set up by farming families (now restricted to persons); extend from 5 to 7 years the permissible maturity of intermediate-term loans; require in applying the earnings at the end of each fiscal year that one-half of 1 percent of the loans outstanding be held in reserve up to the accumulation of 3½ percent of the outstanding loans. Public Law 87-343.

General economy

Federal unemployment compensation: Authorized Federal advances to permit the States to extend unemployment benefits up to an additional 13 weeks for workers who have exhausted their regular benefits during the recession, thus providing an unemployed worker with benefits up to a total of 39 weeks—in an effort to ease the unemployment problem throughout the country. Public Law 87-62.

Aid to dependent children: Authorized a 14-month program, from May 1, 1961, through June 1962 of aid to dependent children, permitting States to aid needy unemployed parents and their children who are not now eligible for aid in which the Federal Government participates; and increased by $3 the minimum amount to which the Federal Government will participate on a matching basis in State programs carrying out the special medical care provision for recipients of old-age assistance. Public Law 87-31.

Railroad unemployment compensation: Approved benefits of a similar nature for unemployed railroad workers under the Railroad Unemployment Insurance Act. Public Law 87-7.

Railroad retirees: To bring the railroad retirees in line with the beneficiaries of social security, this amendment to the Railroad Retirement Act permits men without 30 years service to receive reduced annuities upon reaching age 62; and reduces from 3 to 1 year the required time which must elapse after marriage before a wife or husband, otherwise qualified, may receive the annuity. Public Law 87-285.

Minimum wage: Increased minimum wage to $1.25 (from $1) and extended coverage to 3.6 million additional workers. Public Law 87-30.

Area redevelopment: Established the Area Redevelopment Administration in the Department of Commerce, and authorized a 4-year program of $300 million in loans and $94 million in grants for industrial plants and public facilities in economically distressed areas. Public Law 87-27.

Social security: Increased minimum old-age insurance benefits and benefits to widows under the Social Security Act; provided reduced benefits to men at 62; liberalized disability provisions; increased tax for workers and employers by one-eighth of 1 percent; increased (for 1 year) the amount of public assistance payments for old-age assistance, aid to the blind, and aid to the permanently and totally disabled. Public Law 87-64.

Manpower Training Act of 1961: Authorizes a 4-year, $655 million manpower training program to help alleviate the unemployment problem by enabling workers whose skills are obsolete to receive training which will qualify them to obtain and hold jobs, with priority to unemployed persons including those in farm families with a net income of less than $1,200 a year (S. 1991).

Housing Act of 1961: Enacted a housing program, authorizing $4.9 billion in new funds. The act provides for a new 2-year experimental plan of low-interest rate, 35-year mortgage loans for middle-income housing (except in hardship cases the mortgages may be extended to 40 years); requires a 3-percent downpayment on low-income housing, with a permissive inclusion of settlement costs; authorizes $75 million for mass transportation systems, and $50 million for "open space" grants; and includes a reauthorization of approximately 100,000 public housing units. Public Law 87-70.

FHA: Increased by $1 billion the mortgage insurance authorization of FHA. Public Law 87-38.

Veterans' home loans: Extended direct and guaranteed home loan programs for World War II veterans to July 26, 1967, and for Korean conflict veterans to February 1, 1975; authorized an additional $1.2 billion for direct loan program through fiscal 1967. Public Law 87-84.

Federal Aid Highway Act: Enacted the Federal Aid Highway Act of 1961, revising the original estimated authorization for 41,000-mile, 13-year program of interstate highways by increasing the Federal Government's share from $25 billion to $37 billion; extended for 2 years the incentive bonus for States to enter into agreements for billboard controls. Public Law 87-61.

Federal Airport Act extension: Extended the Federal Airport Act for 3 years to June 30, 1964, and authorized a total appropriation of $225 million, or $75 million annually. Public Law 87-255.

Small business loans: Increased by $20 million the amount that the Small Business Administration may commit for loans under their regular business loan program, which will enable SBA to continue its loan program without interruption for approximately 1 month. Public Law 87-198.

Small business amendments: Increased SBA's revolving fund by $105 million which, in addition to the $20 million approved in Public Law 87-198, increases the total SBA revolving fund to $1,125 million. Public Law 87-305.

Small Business Investment Act: Increased limit on amounts Small Business Administration may lend small business investment corporations and on latter's investments in individual enterprises. Public Law 87-341.

ICC loans: Extended for 27 months (to June 30, 1963) authority of Interstate Commerce Commission to make loans to help ease the credit difficulties of railroads. Public Law 87-16.

Small towns and rural counties: Established a 20-member bipartisan Commission on Problems of Small Towns and Rural Counties to study and investigate Federal policies and programs relating to the economic needs and problems of these areas (S. 1869).

Water pollution control: Authorized an additional $270 million to help communities construct sewage treatment plants to control water pollution, thus raising the annual limit on grants from $50 million yearly to $80 million for fiscal 1962, $90 million for fiscal 1963, $100 million for fiscal 1964, through and including 1967. In addition, this measure increased from $3 to $5 million the annual Federal matching grants to States to administer water pollution control programs and extended the program through June 30, 1968, and authorized $5 million a year for the Secretary to use to develop demonstration program to treat sewage, to measure pollutants, and to evaluate the effects of sewage treatment. Public Law 87-88.

Debt limit: Increased the public debt limit by $13 billion to $298 billion through June 30, 1962. Public Law 87-69.

Lead-zinc subsidy: Aided the domestic lead-zinc industry by authorizing a 4-year program of stabilization payments for small mineowners—75 percent for lead and 55 percent for zinc of the difference between 14½ cents a pound and the market price whenever the market falls below 14½ cents. Public Law 87-347.

Mid-State reclamation project, Nebraska: Authorized construction of the Mid-State reclamation project in Nebraska and provided for its inclusion in the Missouri River basin project. Estimated cost is $81,467,000, repayable within the 40-year contract period (S. 970).

San Juan-Chama: Authorized $221 million in appropriation to construct the Navajo

Indian irrigation project and the San Juan-Chama project, to irrigate land and help stabilize the economy of the water deficient Rio Grande and Canadian basins (S. 107).

Illinois River: Authorized a $58 million project to improve and deepen the channel of the Kaskaskia River in Illinois to enable coal producers to transport coal by barges at reduced rates to permit competitive market pricing (S. 520).

Trade and communications economy

Foreign trade: Expands Commerce Department services to importers and exporters and accelerates programs to promote foreign trade (S. 1729).

Ship trade-ins: Liberalized the law regarding obsolete trade-ins by authorizing the Federal Maritime Commission to take trade-ins either when the owner signs the contract for construction or purchase of a new vessel or (at the owner's option) within 5 days of the delivery date of the new vessel. Public Law 87-401.

Dual-rate shipping: Permanently legalized the operation of steamship conferences and dual systems of contracts for shippers and strengthened the antimonopoly provisions. Public Law 87-34.

Steamship operators: Authorized steamship operators under subsidy contracts to use part of their required reserve for research and planning. Public Law 87-271.

Broadcasting: Liberalized antitrust law to validate certain contracts for television broadcasting of professional sports games. Public Law 87-331.

Civil antitrust investigations: Authorized the Attorney General to compel the production of documents required as evidence in civil antitrust investigations. (S. 167.)

Duty-free allowance: Reduced the duty-free exemption from $500 to $100 through June 30, 1963, to counter our unfavorable balance of payments. Public Law 87-132.

AEC sales: Accelerated property sales to stimulate the economic growth of atomic energy communities. Public Law 87-174.

Metal scrap: Extended to June 30, 1962, the existing suspension of import duties on metal scrap. Public Law 87-110.

Corporate excise extension: Extended for an additional year, the existing 52 percent corporate income tax rate, excise tax rates on automobiles, liquor and tobacco, and taxes on local telephone calls and passenger transportation, thus preventing a loss of revenue of some $2.5 billion. Public Law 87-72.

Clay and shale—tax treatment: Permits miners of clay and shale to include as a depletion allowance the process of manufacturing brick and tile. Public Law 87-312.

Income-tax returns: Curbed tax evasion by assigning identifying numbers to all taxpayers. Public Law 87-397.

Unemployment tax credits: Prevented double taxation in the case of Federal and State unemployment taxes arising as a result of a technical deficiency in the Federal tax law. Public Law 87-321.

Federal savings and loan: Strengthened the Federal Home Loan Bank Act and the National Housing Act by increasing the reserves and cutting the overcapitalization of the Federal Savings and Loan Insurance Corporation created as a reserve credit facility for savings and home mortgage credit institutions. Public Law 87-210.

Veterans' aid

Disabled veterans' compensation increase: Provided increases in rates of service-connected disability compensation (to reflect cost-of-living increases since last compensation raise in 1957) ranging from 2.6 to 16.7 percent, depending upon degree of disability; restores for 2 years after January 1, 1962, the eligibility of veterans who served between October 8, 1940, and April 24, 1951, to apply for national service life insurance (H.R. 879).

Disability benefit: Increased weekly disability benefits for longshoremen and harbor workers to $70 (from $54); provided comparable increases in death cases from $81 to $105; and increased statutory maximum compensation payable for all injuries other than cases of permanent total disability or death from $17,280 to $24,000. Public Law 87-87.

Veterans' widows: Increased payments to veterans' widows. Public Law 87-268.

WELFARE AND GENERAL GOVERNMENT AREAS

Education and training

Aid to education: Enacted a $2,550-million 3-year Federal-aid-to-education program for school construction and increasing teachers salaries. (S. 1021.)

Impacted areas—National Defense Education Act extensions: Enacted bill which extends for 2 years, until June 30, 1963, Federal assistance to help build schools in districts burdened with substantial increases in their school memberships due to Federal activities, and authorizes an additional $20 million for this purpose. Also, extended for 2 years, until June 30, 1964, the provisions of the National Defense Education Act, passed in 1958, to stimulate a nationwide effort to strengthen instruction in science, mathematics, and modern foreign languages. Public Law 87-344.

College housing: Increased the loan authorization by $300 million for each of the 4 years beginning July 1, 1961, through 1964. Public Law 87-70.

Educational TV: Authorized Federal grants up to $1 million for any State to purchase TV transmission equipment for educational purposes, providing the State or sponsoring agency furnish the land, building, and guarantee to operate and maintain the channel (S. 205—H.R. 132).

Educational opportunities for migratory farm families: Authorized a 5-year program to aid in educating children of migratory workers. The Federal Government is to pay 100 percent of the program the first 2 years and the States and Federal Government will match costs for the next 3 years (S. 1124).

Freedmen's Hospital: Transfers Freedmen's Hospital to Howard University as its teaching hospital. Public Law 87-262.

Juvenile delinquency: Authorized a program of Federal grants to communities and nonprofit agencies of $10 million a year for 3 years to aid in financing projects to combat juvenile delinquency. Public Law 87-274.

Geodetic Survey: Improved and expanded the Coast and Geodetic Survey Act of 1948 to induce qualified scientists and mathematicians to join the service. Public Law 87-233.

Nurses scholarships: Extended for 4 years (to June 30, 1965), $5 million a year program for grants and scholarships for training of practical nurses under Vocational Education Act. Public Law 87-22.

Vocational teacher training: Authorized two 1-year programs of Federal grants for training teachers of the deaf, and advanced training of speech pathologists and audiologists. Public Law 87-276.

Health and social problems

Migratory health services: Authorized $3 million annually in Federal grants to public or nonprofit agencies and organizations for paying part of the cost of establishing and operating family health clinics and special health projects for domestic migratory farm families (S. 1130).

National Advisory Council on Migratory Labor: Established a 15-member Council to advise the President and Congress on the operation of Federal law, regulations, programs, policies, and all other matters relating to migratory agricultural labor to provide a better understanding of conditions, needs, and long-range solutions of this problem (S. 1132).

Public facility loans: Provided eligibility to Indian tribes for assistance under the public facility loan program, title II of the Housing Amendments of 1955. Under present law, eligibility for loans under the public facility loan program is limited to "municipalities and other political subdivisions and instrumentalities of States." This provision has been interpreted as not including Indian tribes which resulted not only in discrimination but an inconsistency since all tribes are eligible for low-rent public housing, housing for the elderly, and assistance under the Area Redevelopment Act (S. 2454).

Major disasters: Authorized assistance to be given by the Federal Government to Guam, American Samoa, and the Trust Territory of the Pacific Islands in case of a national disaster (S. 1742).

Community health services: Expanded and improved community health services and facilities for the health care of the aged, construction of nursing homes, and training of public health personnel. Public Law 87-395.

Mass transit: Authorized a new $75 million program to help overcome commuting problems in cities; $25 million is authorized for demonstration grants (covering up to two-thirds of project cost) for projects to explore ways of overcoming mass transit problems; $50 million is authorized for low-interest loans to public bodies for acquiring, constructing, and improving transportation facilities and equipment. Public Law 87-70.

Resource buildup

Saline water conversion program: Extended the saline water conversion program, enacted in 1952, from 1962 through 1967 and authorized a total appropriation of $75 million, but does not limit the annual appropriation to a pro rata share of the total amount. Public Law 87-295.

Air pollution: Extended air pollution control authorization to June 30, 1966, provided for public hearings, and authorized $5 million a year to finance the studies (S. 455).

Shoreline areas: Authorized the Department of Interior to study means and costs of acquiring and preserving 14 ocean, lake, and river shoreline areas appropriate for recreational parks. Authorized the Department of Agriculture to study appropriate shorelines within the Nation's 186 million acres of national forests. Each department is to report its findings and recommendations within 2 years. Authorized $400,000 for each survey and a grand total of $25 million of matching funds to assist the States in acquiring State shoreline areas (S. 543).

Wilderness bill: Established a National Wilderness Preservation System providing that any time within 10 years, the President may recommend to Congress the permanent inclusion within the wilderness system areas totaling approximately 54 million acres (S. 174).

Point Reyes National Seashore: Authorized an appropriation of $14 million to acquire land to preserve, for public recreational purposes, Point Reyes National Seashore in California (S. 476).

National fuels study: Approved a resolution authorizing the Senate Interior Committee to make an investigation and study of the current and prospective Government policies, to determine changes for an effective national fuels policy. Report of the findings to be submitted by January 31, 1961 (S. Res. 105).

Oceanography: Established a national 10-year program of oceanographic and Great Lakes research to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources and to enhance the public health and general welfare (S. 901).

Wabash River Commission: Established a Wabash Basin Interagency Water Resources Commission to coordinate Federal, State, and local plans for developing the water and

land resources in the Wabash River Basin (S. 811).

Cape Cod Park: Established Cape Cod National Seashore Park to preserve for public enjoyment the scenic, scientific, and historic features of the cape. Public Law 87-126.

Migratory waterfowl conservation: Authorized a 7-year migratory waterfowl conservation program permitting advances to States to purchase necessary lands. Public Law 87-383.

[From the New York Times, June 15, 1962]

HOW TO BLAME KENNEDY FOR EVERYTHING

(By James Reston)

WASHINGTON, June 14.—All of a sudden, President Kennedy has more troubles than Casey Stengel. At his press conference today he was questioned as if he were personally responsible for the Wall Street slump, the cold war, the population explosion, and all the troubles of Asia, Africa, and Latin America.

Somehow in the last few weeks the whole political dialog has gotten out of focus, partly because the news has been dominated by the developments in the market, partly because every disaster has to have a scapegoat, and partly because the President himself has not been keeping the larger economic picture constantly before the public.

The truth of the matter is that the business community has been living in a dreamworld for the last couple of years and is now sore at Kennedy for waking it up. Admittedly, he shook the boys hard at the time of the steel rise, but the root of the trouble is not personal but economic and historic.

Over 2 years ago, when Kennedy was still running around the country trying to win primary elections, Per Jacobsson, managing director of the International Monetary Fund and probably the most widely acknowledged expert in this field today, was telling the world to wake up to what everybody is now just beginning to sense.

END OF INFLATION

The era of postwar inflation, Jacobsson told the Economic and Social Council of the United Nations, is coming to an end, and "one of the most important tasks is to learn how to live without inflation."

"Considering that the experience of businessmen and labor leaders over the last 20 years has been gained under conditions of an inflationary rise in prices," he added, "there is need for a readjustment in attitudes and behavior that may not always be easy."

Just how difficult this adjustment has proved to be is now apparent, for neither the speculators on Wall Street, nor the construction workers, nor the flight engineers who are threatening to paralyze the transportation system of the country have adjusted to it yet.

Even before George Humphrey left here as President Eisenhower's Secretary of the Treasury, he was fond of talking about the great awakening that was coming in this country. For many years, he noted, we had been able to sell almost anything anywhere in the world at almost any price.

War and the consequences of war had kept our economy booming. We were for a long time the major, even the sole source of goods desperately needed by most of the devastated and hungry nations. But that, Humphrey insisted was coming to an end, and we could no longer compete if wages and prices kept going up at the expense of the consumer.

To blame Kennedy for all this is like blaming the fireman for the fire. He may or may not be antibusiness, but business is certainly anti-Kennedy, and the irony of it is that the very people who voted against him on the ground that he was for inflation are now blaming him for putting an end to the inflated prices in the market.

Meanwhile, there is so much gloomy talk about Wall Street that the slumping market is getting confused with a fairly healthy economy. The business reports for April showed record rates of industrial activity, retail sales and personal income.

In the first 5 months of this year, dealers sold 2,835,000 new domestic passenger automobiles, 28 percent more than in the same months of 1961, and the prospect for the whole year is 6,600,000 cars, the second best on record.

It is true that there is genuine concern here about some slippage in the economy in the last quarter of this year and the first of next year, and the adjustment to the end of the postwar inflation and the new competition from abroad is just beginning. But this adjustment can gradually and perhaps painfully be made, unless the country insists on talking itself into a recession.

WALL STREET AND MAIN STREET

Here the President himself has an opportunity to take the lead. He has been preoccupied with foreign affairs. He has talked increasingly abount the economy in the last few weeks, but usually in the wrong forum and at the wrong time.

The press conference and the commencement platform are not adequate to the intricate problems he has to explain. He has been telling the businessmen every hour on the hour that he loves them dearly but they obviously don't believe him.

His only recourse in this, therefore, as in getting support for his legislative program, lies with the people. Wall Street is confusing Main Street. The President is asking some good questions but giving no answers. He is calling for a national debate, but he isn't leading it.

MINIMUM WAGES FOR SUGAR WORKERS

Mr. FONG. Mr. President, within the near future the Senate will face the task of amending and extending the Sugar Act, which is due to expire June 30. As a friend of this longstanding program and as one who comes from a State with a vital interest in its continuation, I want to discuss briefly a little-known feature of the present act which deserves critical review before a long-range extension is enacted.

The provision to which I refer is section 301(c)(1), embodied in the Sugar Act since 1937. On its face this provision assures the more than 200,000 field hands employed by the sugar industry "fair and reasonable" wage rates.

If this is so, why is it necessary to examine this provision at a time when the predominant concern of those interested in the Sugar Act runs to such questions as a larger portion of our sugar bowl for domestic producers, or how and where to reallocate the Cuban quota?

These are certainly significant issues, calling for diligent consideration and due deliberation. But certainly the well-being of the sugar workers deserves equal, if not greater, consideration. If their well-being is not being served, then the Sugar Act has failed one of its primary objectives: to protect the interests of the sugar workers.

As the Sugar Act is administered, the term "fair and reasonable" wages has proven exceedingly elastic. It stretches from the 36-cent-an-hour minimum wage in Puerto Rico, to the 50-cent-an-hour minimum in the Virgin Islands, to the 60 cents in Louisiana, to the 95 cents in the western beet area, to the $1.46 an hour paid sugar workers in Hawaii.

Of these, only the Hawaii rate falls in line with what I would term a commonsense understanding of "fair and reasonable." This rate is used by the Department of Agriculture as the minimum for Hawaii because it is the lowest scale in the collective bargaining contract between the International Longshoremen's & Warehousemen's Union, representing the entire labor force and the industry.

The very much lower rates I have cited also carry a Government seal of approval as "fair and reasonable." Indeed, the sugar workers are told that their employers are in good standing with the Department of Agriculture, eligible for compliance payments of from 30 to 80 cents a hundred pounds of sugar produced, so long as these so-called fair and reasonable wages are paid.

It is astonishing, but true, that many Mexican nationals imported to work in U.S. farm fields are better treated than most sugar workers. Braceros used in the lettuce fields of California and Arizona are now guaranteed a minimum of $1 per hour. That tops all sugar wage rates except that for Hawaii.

For hourly wage rates of 36 cents minimum and 50 cents minimum and 60 cents minimum to bear a Government stamp of approval as "fair and reasonable" contradicts U.S. Government policy pertaining to the overwhelming majority of American workers in other industries. Last year Congress declared by law that $1.15 is the legal minimum wage in interstate commerce. Agriculture workers are not covered by the act. But we know they and their families must eat, must have clothing, shelter, schooling, and other necessities of life as all the rest of us must.

Within the context of the Fair Labor Standards Act, the $1.15 rate is related to a "minimum standard of living necessary for health, efficiency, and general well-being."

The existence of the Agriculture Department's substandard wage orders for sugar workers therefore offers a strange spectacle. Here we see an arm of the executive saying to thousands of sugar workers that they must live on a wage less than that declared by Congress as necessary to sustain a person in health, efficiency, and general well-being.

The sugar industry is a unique segment of agriculture. It has enjoyed since 1934—and rightly so—special protection through a quota system and other Government controls. That program is a national one and is designed to guard the welfare of the consumer, the producer, and other elements of the industry.

Except for the fieldworkers, this program has operated well. It has operated so well that consumers find ample supplies in the markets at tolerable prices and growers throughout the country are seeking the opportunity to expand domestic production. Both industry and Government administrators have come to accept the Sugar Act as a national institution and unitedly seek its continuation.

Under the Sugar Act, Department of Agriculture figures reveal an amazing improvement in productivity for all areas. From 1946 to 1960, for example, man-hours per ton of sugar produced have been more than halved. In Louisiana the total dropped from around 117 to some 48. In the beet area the comparable figures are 46 man-hours per ton in 1946 and just under 23 in 1960.

This is outstanding progress for which the industry can be justly proud. But it seems hardly to have figured in the determinations of "fair and reasonable" wage rates. Relatively few sugar workers have shared proportionately in the industry's increased productivity. Thousands of them continue to receive meager pay.

It is plain that something is wrong, grievously wrong, either with the Sugar Act or with its administration by the Department of Agriculture. I am not here concerned with placing the blame. I am raising the issue, which has been largely ignored up to now, so as to alert the Congress to this opportunity to rectify a wrong now that our sugar policy is undergoing its first serious reappraisal since adoption of the Sugar Act in 1934.

For more than a year, discussions have proceeded on a number of fundamental features of our Sugar Act, particularly the readjustment of domestic and foreign quotas. These discussions involved the Administration, industry leaders, and many Members of Congress. To my knowledge, the administration has not proposed to alter the minimum wage program for sugar either by administrative action or by request for legislation. Whether the committees of Congress considering the sugar bill will recommend remedial legislation remains to be seen.

Meanwhile, the deadline for a new Sugar Act—a 5-year extension—rapidly approaches. I am speaking out today to urge the Congress to make the "fair and reasonable" wage provision of the act meaningful and in consonance with the declared policies of Congress regarding nonagricultural workers.

Corrective action is a must in a new long-term act with the purpose of protecting the welfare of the consumer, the grower, the processor, the worker, and our foreign suppliers.

Nor is the hour too late for the U.S. Department of Agriculture to step forward and offer constructive suggestions on how to assure the sugar workers a decent livelihood.

For those who wonder why a Senator from Hawaii should concern himself with sugar wage minimums when workers in his State receive wages higher than the $1.15 nationwide minimum hourly rate set by the Congress in the Fair Labor Standards Act for interstate commerce, I hasten to explain my reasons.

Obviously, Hawaii sugar cannot compete with Louisiana sugar or Puerto Rican sugar in price when the Louisiana minimum wage is 60 cents an hour, when the Virgin Island minimum is 50 cents, when the Puerto Rico minimum is 36 cents. Those are hardly living wage rates.

So we in Hawaii are concerned not only from the standpoint of competition but also from the standpoint of humanitarianism.

Last March the State Legislature of Hawaii adopted a memorial petitioning Congress to amend the Sugar Act so that all persons employed on farms receive wages not less than the minimum set by Congress in the Fair Labor Standards Act. I ask unanimous consent that the memorial be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. FONG. Just a few days ago, on June 6, the Board of Supervisors of the County of Hawaii adopted a resolution requesting the Congress to amend the Sugar Act by incorporating provisions assuring fair and reasonable wages to sugar workers in accord with the minimum set under the Fair Labor Standards Act. I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. FONG. So this is very much a matter of live concern to us in Hawaii. In the name of justice, of fair play, of humanity, I urge the Congress to raise the minimum wage rates for sugar workers.

EXHIBIT 1

RESOLUTION 544 OF COUNTY OF HAWAII, STATE OF HAWAII

Whereas the Sugar Act now being scrutinized by Congress has successfully enabled the domestic sugar industry to prosper through the establishment of a protected market, price control, tariff and quota restrictions and compliance payments; and

Whereas these protective mechanisms administered under the said Sugar Act have resulted in substantial benefits to growers, processors, industrial users and the small consumer; and

Whereas the basic objectives and purposes of the said Sugar Act will have been achieved but for the maladministration or neglect of that provision of said Sugar Act which provides for the establishment of fair and reasonable wages for sugar workers; and

Whereas the failure of the Department of Agriculture to follow the mandates of the Fair Labor Standards Act has led to its establishment and approval of wages as low as 60 cents per hour in Louisiana and 50 cents per hour in the Virgin Islands; and

Whereas the continued payment of these substandard wage rates in the United States is not only in direct conflict with the minimum wage rates set under the Fair Labor Standards Act and detrimental to the welfare of the entire Nation but also unjustly and inequitably enables the growers and processors paying said substandard wages to receive as much, if not more subsidy payments from the U.S. Government as that received by others in the sugar industry complying with the Fair Labor Standards Act: Now, therefore, be it

Resolved by the Board of Supervisors in and for the county of Hawaii, That it does hereby request the Congress of the United States of America to consider the equity of amending the Sugar Act to incorporate provisions assuring the payment of fair and reasonable wages to sugar workers in accord with the minimum set under the Fair Labor Standards Act; and be it further

Resolved, That the county clerk be and is hereby directed to send copies of this resolution to the Honorable Orville L. Freeman, Secretary, Department of Agriculture; the Honorable HAROLD D. COOLEY, chairman, Committee on Agriculture; the Honorable HIRAM L. FONG and the Honorable OREN E. LONG, U.S. Senators from Hawaii; and to the Honorable DANIEL K. INOUYE, Representative to the Congress of the United States from Hawaii.

Dated at Hilo, Hawaii, this 6th day of June 1962.

THOMAS K. COOK,
Chairman and Executive Officer, County of Hawaii.
IKUO HISAOKA,
SHERWOOD R. H. GREENWELL,
HELENE H. HALE,
ELROY OSORIO,
WING KONG CHONG,
Supervisors, County of Hawaii.

EXHIBIT 2

Whereas the highest wages in domestic sugar production are paid in the State of Hawaii; and

Whereas the high wages were the result of the right of the sugar workers, including fieldworkers, to organize and bargain collectively; and

Whereas the foregoing has enabled the sugar workers to enjoy a standard of living which is compatible with the American way of life; and

Whereas all workers, including agricultural workers, should be paid reasonable wages so that they can enjoy a standard of living which is compatible with the American way of life; and

Whereas the sugar industry in the State of Hawaii must compete with producers and processors of sugar in other areas whose employees labor for wages as low as 60 cents per hour and whose conditions of employment otherwise are, under American standards, substandard; and

Whereas fairness and justice demand that sugar workers in the United States be paid according to wage rates which are not less than the minimum established for nonagricultural workers under the Fair Labor Standards Act of 1938, as amended; and

Whereas fairness and justice to the people and sugar industry of Hawaii require that such a minimum wage be set for sugar workers all over the United States so that competion among the different domestic sugar producing areas shall be on fair and equitable terms; now, therefore, be it

Resolved by the House of Representatives of the First Legislature, State of Hawaii, budget session of 1962 (the Senate concurring), That the Congress of the United States be and it is hereby respectfully requested to amend the Sugar Act of 1948, as amended, to provide:

1. That payment to all persons employed on a sugar farm of wages not less than the minimum wage as set by the Fair Labor Standards Act of 1938, as amended, and as it may further be amended from time to time, shall be a condition for receiving a Federal payment by the producers: *Provided, however,* That the Secretary of Agriculture shall be authorized to hold hearings to determine temporary exclusion and amounts of payments to be authorized for producers so excluded temporarily.

2. That there shall be no reduction in the base rate of sugar compliance payments of 80 cents per 100 pounds of sugar for any sugar farm which pays to all persons employed thereon wages at rates not less than the minimum wage established by the Fair Labor Standards Act of 1938, as amended, and as may be further amended from time to time, irrespective of production; and be it further

Resolved, That duly authenticated copies of this concurrent resolution be forwarded to the President of the Senate, Speaker of

the House of Representatives of the Congress of the United States, to the Secretary of Agriculture, to the Senators from the State of Hawaii, the Honorable HIRAM L. FONG, and the Honorable OREN E. LONG, and the Honorable DANIEL K. INOUYE, Representative from the State of Hawaii.

ELMER F. CRAVALHO,
Speaker, House of Representatives.
W. H. HILL,
Clerk, House of Representatives.
———,
President of the Senate.
———,
Assistant Clerk of the Senate.

JUNE 14: ARMY DAY AND FLAG DAY

Mr. CANNON. Mr. President, I had intended to make these remarks yesterday, but was unable to do so. I therefore take this occasion to make a few observations in regard to the commemoration of two historical events.

It seems fitting and appropriate that we pause in the Senate business at hand and give tribute to two significant historical events which are commemorated annually on the 14th of June.

Yesterday marked the 185th anniversary of the adoption of our Nation's flag. On this day we also celebrate the birthday of the U.S. Army, our senior military service, which is two years older than the flag it so proudly flies and serves at home and in the far reaches of the world.

Two years to the day after the Army was authorized, the Continental Congress adopted the following resolution:

> That the flag of the United States shall be 13 stripes, alternate red and white, with a union of 13 stars of white on a blue field, representing a new constellation.

The design of our flag has altered from time to time, as our Nation expanded. Its status as a symbol of our Nation and the freedom we hold so dear has remained.

Like our flag, the form of our Army has changed many times, but the purpose for which it was created—the defense of our freedom—remains the same.

During the past 187 years wherever a peril or danger challenged America, there you would find the Army—unfaltering. We can reflect on its long chronicle of service with pride.

In mid-June of 1775—187 years ago—the Revolutionary War had been underway for nearly 2 months. Earlier, in April, "the shot heard round the world" had been fired. And, Lexington and Concord were already a part of our splendid heritage.

The men who were part of that colonial militia opposing the British were Americans willing to fight and die for liberty. But regardless of their spirit, courage, and initial successes, they saw the need for a truly national Army to provide the unity of effort needed for the long struggle which lay ahead.

To answer that need, the Second Continental Congress authorized 10 companies of infantry to serve—not under State authority, but under the Congress of the yet-to-be-created Nation.

With that authorization on June 14, 1775, our Army was born. And this newly created Army—reinforced by volunteer militia—was the major source of strength which enabled this Nation to emerge from the War of Independence. The U.S. Army, born to protect the flame of independence and baptized in its own red blood of devotion to America, has demonstrated to every generation that it has but one purpose—to defend the Constitution against all enemies.

In a thousand clashes across the globe, the Army has stood tall for our Nation. We cannot speak a word about our national heritage unless we include the sacrifices made by our Army at Valley Forge, New Orleans, Gettysburg, in the Philippines and China, and in Europe.

Nor can we forget the men of the Army, no matter the day or age. Presidents and farmers, storekeepers and scientists, all made their sacrifices and their contributions, as soldiers, to insure their country's progress.

We should not lose sight of contributions made by the Army to the general welfare of our citizens. Among its notable deeds in the medical field have been the conquering of yellow and typhoid fever, developing of water chlorination, blood plasma substitute, improved leukemia and other cancer treatments, and skin tissue banks. Other significant Army-sponsored developments include new plastics and adhesives, miniaturization, transistors, flameproof fabrics, electronic computers, missile and rocket fuels, new alloys and improved lubricants. The long and varied list clearly establishes that the U.S. Army during its 187 years has not only helped to guarantee freedom for all Americans but has contributed immeasurably to making our American way of life the fullest in the history of men.

The Army has been touched by many events since its last birthday. During the past year it has progressed to a high state of preparedness. Today our Army is prepared for any kind of warfare—general or limited, conventional or unconventional. And I take satisfaction from the knowledge that, as the Army stands ready to fulfill its wartime and cold war missions, it serves also as a powerful deterrent in the face of worldwide Communist threats and challenges.

Mr. President, the Soviets have never ceased to make plain their ultimate objective is victory over us and the entire free world. Although Mr. Khrushchev has apparently ruled out the inevitability of a general nuclear war, it is clear that the Communists will continue—indeed, intensify—the cold war tactics of subversion, insurgency, and guerrilla warfare, to name but a few. We need but look to southeast Asia, today, to witness such aggressive actions.

From the Communist activities in Greece in 1947 to Vietnam and Laos, this moment, we have learned that a tremendous nuclear capability is not the final answer. "Massive retaliation," does not deter everything. Accordingly, we have seen during the past months a reemphasizing of our Nation's conventional forces, with no deemphasizing of our nuclear retaliatory forces. The decision to enhance our conventional power has had its principal impact upon the Army, for the good reason that the Army, because of its versatility is the keystone of our conventional capability.

In this connection, the Army has made great advances in improving and procuring new weapons and equipment—from rifles to long-range missiles. Coupling modern equipment and the new ROAD division with the reorganization of the highest levels of the Department of the Army demonstrates a viable, vigorous ground force which recognizes its key position in the Military Establishment.

We can all be proud of the Army's rapid progress this past year in achieving a strength posture in keeping with its global missions. The number of combat-ready divisions has grown from 11 to 16 and the number of ready to go divisions in strategic reserve from three to eight. Army forces in Europe have been strengthened with reinforcements totaling some 40,000 men. The STRIKE Command which combines elements of the U.S. Air Force Tactical Command with the highly flexible U.S. Army Strategic Army Corps has been formed. In all, approximately 40 percent of the Army is serving overseas in areas vital to the defense of the free world. This includes not only combat units and support elements, but also the military assistance advisory groups and military missions.

In addition to reinforcing our deployments and enlarging our strategic forces, the Army has enlarged its special warfare capability—which includes guerrilla and counterguerrilla operations, counterinsurgency and psychological warfare. Army versatility and know-how which can be applied to special warfare come not only from its magnificently trained special forces groups, but also from its regular units which have received training in special warfare tactics, techniques, and skills, along with their more conventional type training.

As members of an American mission in a host country which has requested assistance in counterinsurgency operations, Army personnel—from special forces, as well as from regular units—can expertly contribute to a many-pronged attack on communism. In addition to furnishing military training, technical, and logistical assistance, their talents can be used in social and economic development projects such as improvements in communication, road construction, and pest control. These measures mean better health and better living standards for the people and build up their will to resist the blandishments as well as the attacks of the Communist forces who seek to spread disorder and destruction.

Today, special forces and other Army elements are actively engaged in the defense of the free world by providing expert training and technical assistance not only to the hard-pressed Vietnamese in the jungle war against infiltrating Viet-Cong forces in South Vietnam but elsewhere in the Far East.

The Army also plays a big part in the air defense of this Nation. More than 200 Nike batteries are deployed at operational sites to safeguard our strategic installations, industrial complexes, and population centers. It is significant that, although more than half of these batteries are manned by Active Army

personnel, the remainder—including all Nike Ajax batteries—are manned by Army National Guard units. Moreover, the National Guard is being gradually worked into the Nike-Hercules network, and by 1965 will be manning these batteries in 17 States. This is a fine example of the one-Army concept which recognizes the Active Army, the Army National Guard, and the Army Reserve as indispensable components—thinking, planning, and working together with a singleness of purpose.

Mr. President, at this point I want to say a special word about our Reserve components. Their value to our mobilization base continues to be vital to the country. In short, I want to emphasize the fact that a trained, ready Army National Guard and Army Reserve continue to be essential to our capability to meet large-scale crisis or full mobilization.

This became abundantly clear last July. For they loyally supplied the required strength to meet the Berlin crisis and they are still supplying the required strength while the two new Regular Army divisions are being formed and trained to fill the gap. And the spirit in which the vast majority of our citizen soldiers have served has been superb.

In closing, I remind my distinguished colleagues that, while old in tradition, the Army is as ready as ever to fulfill its essential role in our Nation's defense. As we join in saluting our flag and our Army on their birthday let us do so with the firm conviction that they will continue to provide inspiration and service through the uncertain years ahead.

AMERICAN CONSTITUTIONAL LIBERTY—WILLIAM H. WHITE MEMORIAL LECTURE BY JUDGE STERLING HUTCHESON

Mr. ROBERTSON. Mr. President, Judge Sterling Hutcheson, a retired U.S. district judge for the eastern district of Virginia, recently delivered the William H. White Memorial lecture before the Law School of the University of Virginia. In his lecture, Judge Hutcheson talked about the expansion of Federal control over the activities of the individual. He commented particularly upon judicial action in this area.

Mr. President, Judge Hutcheson spoke about an issue of nationwide concern. We have long witnessed an increase of Federal control over the rights of individuals that has been precipitant and even unwarranted in all too many cases. All too frequently our courts have failed to follow the sound reasoning of Mr. Justice Holmes:

> The relations of the United States and the courts of the United States to the States and the courts of the States is a very delicate matter that has occupied the thoughts of statesmen and judges for a hundred years and cannot be disposed of by a summary statement that justice requires me to cut redtape and intervene.

Such precipitant and even unwarranted Federal actions have run directly contrary to the principle of constitutional government established by the Founding Fathers. It was Thomas Jefferson who said:

> I consider the foundation of the Constitution as laid on this ground: That "all powers not delegated to the United States, by the Constitution, nor prohibited by it to the States, are reserved to the States or to the people."

As Judge Hutcheson pointed out in his lecture, the trend away from Jefferson's concept of constitutional government toward Federal control has accelerated over the last generation. Judge Hutcheson indicated, in fact, that recent cases relating to interpretations of the commerce clause "involving control of the individual by the central government are accepted today as commonplace and attract little attention. Until the last 25 or 30 years such jurisdiction in this country was inconceivable except by a handful of people with scant following."

I have, myself, on various occasions, referred to the duties as well as the privileges inherent in constitutional government. I have emphasized the need for toleration, discretion, and self-restraint by the States, the courts, and the individual in exercising their constitutional responsibilities and privileges. I have enumerated some of the consequences which may arise from failing to exercise proper self-restraint or from failing to act at all. Failure to enact State legislation to meet public demands, for example, may give rise to pressures for Federal intervention, however inappropriate that may seem to be.

In these respects, Judge Hutcheson, in his lecture, underlined the following specific issue:

> There is yet another problem which I suggest is of importance at this time if we are to survive as a nation of free people under our Federal Government. That is, whether we are to continue the system under which the Central Government is concerned with matters generally affecting the Nation, and in affairs not affecting the Nation, the activities of the citizen are controlled by the States, or are we to have one all-powerful Central Government supervising all affairs of society.

With regard to judicial action in this matter, Judge Hutcheson discussed at length the trend toward greater Federal intervention in individual activities. This trend, he pointed out, has been accompanied by the following tendency:

> In our system of government by law we have reached the place where members of the judiciary have applied different sets of rules or principles of law to litigants falling into different categories based upon the character, motives, and standing of the litigants as determined by the courts.

The tendency to which Judge Hutcheson referred has become widespread. He noted that in following it "the Federal courts have probably demonstrated their greatest versatility" in the field of race relations. Judge Hutcheson then made reference "to the actions of some of the lower courts in going far beyond anything contained in the opinion in Brown and related cases." Judge Hutcheson said that—

> In case after case the lower courts, both trial and appellate, have not been content with prohibiting discriminatory acts. They have affirmatively directed local authorities to perform specified acts.

He particularly cited the Prince Edward case as an example of how far this practice has gone.

Basically, responsibility for allowing an increase in Federal control over individual matters rests with all Americans. As Judge Hutcheson commented:

> In the last analysis it is the people themselves who have permitted this situation to come about.

The conclusion of Judge Hutcheson's lecture should serve, therefore, as an important reminder to all readers who cherish and seek to preserve individual freedom. He said to the members of the University of Virginia Law School:

> In conclusion you may determine that the Government devised by the young, liberal-minded men of the late 18th century is impracticable. Before you abandon the high hopes of those who would maintain our way of life (with freedom of action of the individual of prime consideration) and conclude that it is wise to follow the present-day reactionary trend to the establishment of one all-powerful Central Government (a more easy conquest of the seeker after special privilege), I hope you will explore all possible alternatives and consider the consequences.

With these considerations in mind, I ask unanimous consent to have printed in the RECORD at the conclusion of my comments some excerpts from Judge Hutcheson's lecture, which I commend to all my colleagues.

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

EXCERPTS FROM "THE EXPANSION OF THE FEDERAL GOVERNMENT'S CONTROL OVER THE ACTIVITIES OF THE INDIVIDUAL—SOME COMMENTS CONCERNING JUDICIAL ACTION IN THIS AREA," WILLIAM H. WHITE MEMORIAL LECTURE DELIVERED BEFORE THE LAW SCHOOL OF THE UNIVERSITY OF VIRGINIA ON MARCH 23, 1961, BY STERLING HUTCHESON, U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA

> You, members of the University of Virginia Law School as you prepare to perform your role in the life of the Nation, come upon the scene at an interesting period in our history. It is not unlikely, I believe, that the historian of the future will record the next decade or so as the time of arrival at one of the most important crossroads in the life of the Nation.
>
> Although the United States of America have been a nation less than 200 years, an almost negligible time in the history of a people, we are acknowledged the greatest and most powerful among our contemporaries; but we are told that we face the most serious threats to our very existence. Of course the more spectacular ones relate to external dangers brought about by quick transportation and the development of instruments of destruction. There are others dealing with our economic situation, both at home and abroad, which are equally in need of attention. The two go hand in hand.
>
> There is yet another problem which I suggest is of importance at this time if we are to survive as a nation of free people under our Federal Government. That is, whether we are to continue the system under which the Central Government is concerned with matters generally affecting the Nation, and in affairs not affecting the Nation the activities of the citizen are controlled by the States, or are we to have one all-powerful Central Government supervising all affairs of society?

I suggest that it can be stated as simply as that. The question is as old as the Nation. The answer is not so simple, but it is one which must be found before it is too late. I fear that too little thought is being given this problem, bemused as we are with more exciting occurrences. It is interesting to speculate as to how the historian of the future will relate them.

It is a truism to say that power once acquired is rarely voluntarily surrendered. That is as true of the head of a bureau in Washington as it is of the head of a foreign state. It is as true as the fact that a tax measure adopted to meet an emergency is almost never repealed.

I need not remind you that the totalitarian form of government cannot exist unless invested with complete authority over the individual. Nor do I need remind you that this fact was uppermost in the minds of those who framed the Constitution of the United States. It was in the minds of those who advocated its adoption and of those who opposed ratification.

The Federalist papers probably throw more light than any other documents upon the considerations surrounding the adoption of the Constitution. As I consider those papers, they were devoted to reassuring the American people that the rights and liberties of the individual were protected against invasion by the Central Government. I do not recall any criticism of a possible weakness on the part of that Government. The American people had been through a long and painful war brought about by their grievances against an all-powerful government albeit as viewed historically in terms of government it was a relatively mild monarchy.

They were determined to establish in its place a system of powers divided under law and controlling upon the men charged with administering the law. Even under a division of powers of the Central Government itself they insisted upon a limitation upon that Government in its control of the ordinary, everyday affairs of the people. Under the Government so constituted the Nation has reached its present position.

Unquestionably we are in a rapidly changing world, and many changes are necessary to meet changing conditions. The question is, Can and will we continue to operate within our present framework? There are those who firmly believe it can be done. Obviously there are those who believe either, that it cannot be done or that it should not be done. I do not presume to offer you a ready-made answer, but I do hope to direct your attention to some developments which I believe merit consideration in determining the path to be followed in the future.

I believe it safe to say that in the last quarter of a century there has been more intrusion by the Federal Government into the affairs of the individual than during the entire past life of the Nation.

Many of these changes in the relations between the Central Government and the individual have been brought about by Congress, much by the Executive and some by the courts.

Having spent a lifetime in the atmosphere of the courts I feel somewhat qualified to discuss the part that branch has played in the extension of this control.

Among the first steps [of the Federal courts] was the modern interpretation of the commerce clause. What has been done in the way of regulating interstate commerce is marvelous to behold. Of course you will understand that Congress has made its contributions.

Under a statute regulating commerce between the States, an individual who steals an automobile in Virginia and transports it to one of the adjoining States has violated a Federal statute. Now, with our system of rapid transportation it is obvious that the States cannot separately deal with law violators who move from one to the other. Consequently, the maintenance of some central agency to participate in the apprehension of these persons is necessary. No one can question the wisdom and propriety of such laws.

However, when he is brought to trial the offender is usually tried in the Federal court, not for the offense of larceny of the automobile, a violation of a law of the State, but for violating a law relating to interstate commerce, which is essentially a matter for the civil courts as contrasted with those having criminal jurisdiction, although of course penal sanctions are not improper. The end result, though, is that the Federal courts are burdened with many cases which should be heard by the State courts.

Furthermore, it would seem more appropriate that an offender should be tried for an offense malum in se rather than an offense malum prohibitum.

This illustration is only one of many which might be cited. The same observations apply to the recent kidnaping trial in Baltimore of a defendant charged additionally with two murders in Virginia and a like number in Maryland.

Under other statutes passed pursuant to the commerce clause a man engaged in cutting pulpwood in an old field pine forest in Virginia or Georgia at a stipulated price per cord is engaged in interstate commerce. If he is assisted by his son or any other person under a specified age he is guilty of violating a criminal statute of the United States.

The workmen who drove the new Chesapeake and Ohio tunnel through the mountain at Afton were engaged in interstate commerce. There is a Federal statute requiring one engaged in participating in a lottery to first purchase a license from the Internal Revenue Service. Such cases as I have mentioned involving control of the individual by the Central Government are accepted today as commonplace and attract little attention. Until the last 25 or 30 years such jurisdiction in this country was inconceivable except by a handful of people with scant following. It is not my purpose to argue the wisdom of this course. My hope is to stimulate your thoughts in appraising it.

Of course we are all familiar with certain decisions of the Supreme Court which have been greatly publicized. I refer to the assumption of jurisdiction in such cases as those involving the qualifications of a teacher employed in a school operated by the State of New York, the determination of the suitability of persons licensed to practice law in courts established and maintained by the several States, such as the California and New Mexico cases, and the case declaring in violation of the 14th amendment to the Constitution Stephen Girard's will which was probated before the amendment was adopted.

Then there is the doctrine of preemption laid down in the Steven Nelson case. You will recall that in that case the principle stated is that when the Federal Congress has legislated in a certain field, the States are precluded from passing legislation in that area of political activity. There the Supreme Court affirmed a decision of the Pennsylvania court. If this doctrine should be applied to the power to tax, the outcome might be far reaching indeed.

Then the Reina case, decided no later than last December, contains an important pronouncement. As I understand that case the Supreme Court held that immunity of an individual to prosecution in the Federal courts for violation of a Federal law carries with it immunity from prosecution in the State court for violation of a State law covering the same set of facts. It is worth noting that again in this case we have the Federal courts exercising jurisdiction in the enforcement of a license requirement assertedly aimed at suppressing a greater evil. It involved traffic in narcotic drugs which is essentially an offense falling within the police power of the States.

My references thus far (including references to the cases of *Stefanelli* v. *Minard*, *Cooper* v. *Aaron*, *Bartkus* v. *People of the State of Illinois*, and *Sacco-Vanzetti*) have been to pronouncements of the Supreme Court, and of course it is there that the responsibility rests for the ultimate and final decision of any question which may reach it. Burdened as it is, that Court can consider only an infinitesimal number of cases which are tried in the Federal courts. Among those so tried are many cases decided by the appellate courts of the various circuits which become the law of the circuit unless reversed by the Supreme Court, and there are many cases decided by the district courts which are not appealed and thus become persuasive in that particular district. Developments in this area seem to have been overlooked or perhaps neglected in the controversy revolving around the decisions of the Supreme Court.

In concert with such pronouncements of the Supreme Court the lower courts have made their contributions. Lord Bacon's observations concerning judicial innovations and the removal of landmarks seem to have lost some standing. Those landmarks have been considered important for a long time and are mentioned in the books of Deuteronomy, Job, and Proverbs.

While writing an opinion a few years ago I had occasion to review decisions in which the lower courts assumed jurisdiction only to be later reversed.

I came up with the somewhat surprising conclusion that some of those courts have been and are more prone to assert an extended jurisdiction than is the Supreme Court. I also concluded that without the restraining influence of the Supreme Court we should now have reached a point in the extension of Federal power beyond anything advocated by the most ardent Federalist despite the fact that more than once the Supreme Court has criticized in somewhat strong language the inferior courts for attempting to anticipate what they considered foreshadowing trends, as aptly expressed in the Spector Motor Co. case.

In *Chance* v. *Lambeth* the appellate court disregarded what some 2 or 3 years earlier in *Day* v. *Atlantic Greyhound* it had declared to be law too well established to be questioned concerning seating arrangements on common carriers engaged in the transportation of passengers. It is true that one case involved a bus and the other a railroad train. The court, faced with its decision in the bus case, turned to the commerce clause and in the "strong light—thrown by the decisions of the Supreme Court, some of recent date" declared a regulation requiring separation of passengers by race on common carriers moving in interstate commerce an unlawful burden upon commerce.

Then we have a line of cases dealing with the burden of proof in criminal cases involving defendants charged with fraud relating to income tax and others who are believed to be what is known as racketeers. These cases arose as a result of what appeared a serious and determined effort on the part of the Justice Department to engraft onto the law a rule of evidence to be applied in cases of a certain type which, in effect, would result in placing upon the defendant the burden of proving his innocence. This is particularly applicable so far as the tax cases are concerned.

There is another case which has intrigued my interest and the course of which I have

followed in the press. That is the so-called Apalachin case involving Joe Barbara and a group of men who visited his private home.

According to press dispatches at the time, the case was hailed by the prosecution as one of the greatest victories in law enforcement during many years. It was said that the precedent signed the death knell of organized crime. In due course the appellate court reversed the convictions.

Considering the jealousy of the press where its freedom is concerned, I was somewhat surprised by the reaction of some of the members who deplored the action of the appellate court. Certainly I hold no brief for a group of gangsters, but consider the possibility of placing in the hands of police officers such a weapon.

However, the Apalachin case is a logical sequel to a case involving the rights of police officers to enter a private home under the guise of ascertaining whether there are unsanitary conditions. That was the rat-catching case from Baltimore.

If our homes may be entered without a search warrant duly issued, what is so startling about the right to interrogate individuals as to occurrences in private homes?

In our system of government by law we have reached the place where members of the judiciary have applied different sets of rules or principles of law to litigants falling into different categories based upon the character, motives, and standing of the litigants as determined by the courts.

So far as I am informed the germ of this line of reasoning made its first appearance in a footnote to a majority opinion of the Supreme Court in 1938, where it was intimated that consideration of the constitutional questions in certain types of cases may call for "more searching judicial inquiry" than other litigation.

It is in the field of race relations that the Federal courts have probably demonstrated their greatest versatility. The subject has been of keen concern to me personally since long before the current controversy, but I shall not undertake to discuss it except to point to the actions of some of the lower courts in going far beyond anything contained in the opinion in Brown and related cases. These cases merely prohibit discrimination based upon race and direct that the district courts supervise the actions of local authorities in effecting an orderly transition from what repeatedly has been declared law into compliance with the new doctrine.

In case after case the lower courts, both trial and appellate, have not been content with prohibiting discriminatory acts. They have affirmatively directed local authorities to perform specified acts. Incidentally the last opinion and mandate in the Prince Edward case is interesting. You must remember that that case involved only secondary schools, which are well recognized as high schools as contrasted with elementary schools. There is no litigant in that case affected by the operation of elementary schools and the record does not show that such schools are or ever were operated by the county.

Nonetheless, the appellate court specifically directed certain actions concerning elementary schools as distinguished from high schools. Thus we have a case in which the court granted to nonexistent parties relief which has been sought by no one. Although this was pointed out in a petition to rehear, which was summarily denied, in a brief the Supreme Court declined to review.

Unquestionably a part of the responsibility for these conditions rests upon the States for their willingness to pass on to the Central Government the task of meeting State needs and their acceptance of the inevitable controls which follow. For about a quarter of a century we have seen those charged with conducting the affairs of various States looking to Washington for financial help. With such assistance there is always control. Our own money comes back to us less a costly deduction for administration and subject to conditions as to how we may spend it. Each time there is some extension of authority and quite likely an increase in personnel of some bureau based in Washington.

The same situation prevails between the States and the localities. When we are faced with an extra burden we head for the State capital with outstretched hands. In each instance the result is the same. We seek and obtain free tax money to develop one project and naturally we return for assistance with another. Gradually our condition of mendicity regarding that which is ours becomes more tolerable.

In the last analysis it is the people themselves who have permitted this situation to come about. It may be that it what the American public wants, or, and I suspect that this is the main reason, it is attributable to indifference or unawareness on the part of a vast majority as to what is going on until they are faced with an accomplished fact having a personal impact.

An examination of the line of cases to which I have referred reveals that the obvious purpose of the writers of the opinions is to deal out what they personally believe to be justice in the particular case before them. No one can quarrel with such humanitarian motives nor indulge in harsh criticism of the possessor, however much we may question the wisdom of the conclusions reached and fear the consequences of the precedent set.

An illustration in point is *Scarborough* v. *Atlantic Coast Line*. There the Court, to grant relief in a seemingly hard case, announced a new rule of law to relieve from the statutory limitation the right to sue and in the process appears to have revised the rules of evidence theretofore applying to the proof required to sustain a charge of fraud.

Similar observations might be made concerning motives of many of those in other branches of the Government who advocate increased control of the affairs of the individual.

One seeking or granted power to exercise discretion seldom entertains doubt as to his qualifications to do so properly. The trouble is that his opinion as to the proper exercise may not be the wise one. Even if it is wise, benevolent dictators are not always followed by others like them.

Furthermore, I regret that my observations lead to the conclusion that the seeker after power is not always inspired by altruistic motives. Thirst for personal power is a characteristic too well known to need discussion.

No one having even a slight familiarity with current events can fail to be aware of a sharp difference of equally honest opinion concerning such developments of recent years. Many of these are at variance with the often repeated theory of our Government expressed by wise statesmen as set out in the Federalist, by other able students of government, both ancient and modern, and in soundly considered opinions of the Supreme Court.

Many of them have been adopted under the stress of emergencies to be met without mature and deliberate consideration of consequences.

There are few emergencies so urgent as to require immediate solution. Full consideration frequently discloses that many of them are not emergencies after all. The clear light of tomorrow's sun usually dispels the shadows, but when we have acted hastily in imperfect light we often find that we have entered into a contract which bodes us no good.

In conclusion you may determine that the Government devised by the young, liberal-minded men of the late 18th century is impracticable. Before you abandon the high hopes of those who would maintain our way of life (with freedom of action of the individual of prime consideration) and conclude that it is wise to follow the present day reactionary trend to the establishment of one all-powerful Central Government (a more easy conquest of the seeker after special privilege) I hope you will explore all possible alternatives and consider the consequences.

It is probable that the decision will be yours to make. In history it will be a momentous one.

REEDUCATION BY KENNEDY ADMINISTRATION IN THE FIELD OF ECONOMICS

Mr. GOLDWATER. Mr. President, I discovered yesterday by reading an article by the Columnist Walter Lippmann that we are in the process of being reeducated by the Kennedy administration in the field of economics. The process apparently was begun at Yale, where the President appealed for sophisticated answers and accused his critics of clogging the lines of communication with myths and legends and the cliches of our forebears.

Mr. Lippmann apparently subscribes to the President's contention that the complexities of economics in the 1960's are understood only by the White House and its advisors. He seems to be telling us that the American people and even Members of Congress have not reached the level of sophistication where they can understand the administration's more mature view of budgets and deficits and the causes of inflation. He tells us that President Eisenhower and Senator HARRY F. BYRD talk as if they never read a book on economic matters that has been written since the great depression of 1929.

Mr. Lippmann to the contrary, Mr. President, I would like to say that Mr. Eisenhower has come to grips with budgetmaking and government fiscal policy in a much closer way than any newspaper columnist is ever likely to do. And I would be willing to bet that the esteemed chairman of the Senate Finance Committee has read more books on economics than either the President or Mr. Lippmann. He certainly has a greater grasp of where this country is headed under the irresponsible spending policies of the New Frontier than any other Member of the Congress. And it will take a lot more than the belittling efforts of Mr. Lippmann to detract from the great service he has performed over the years through his steadfast devotion to fiscal integrity and a sound economy.

This reeducation that Mr. Lippmann speaks about intrigues me, Mr. President. Are we to understand that the American people and the political leaders of the Nation are to be "brainwashed" into thinking that everything the administration proposes is right? Are we going to be reeducated into thinking that black is white; that balanced budgets are dangerous in these complex times; that deficit financing does not lead to inflation;

that the national debt is not increasing at a dangerous rate?

If this is the purpose of the administration's massive attempt at economic reeducation, Mr. President, I can only say that it is doomed to miserable failure in advance. The trouble with it is that the mere fact that we now find ourselves in the 1960's and that conditions are changing does not destroy the need for fiscal responsibility. Education or reeducation must be based on truth, or it will not "take." In this case it is based on fallacy and political expediency. It assays high in only one ingredient and that is executive arrogance.

Mr. President, it is important for us to remember that the administration which complains so much about old arguments and old cliches has offered absolutely nothing new in the economic field. It is still offering us the same old remedies that were tried in the 1930's and which failed to correct the economic problems of that time. Actually, it took World War II to bring us out of the great depression. The New Deal's answers were unequal to the task.

We do not need reeducating, Mr. President, to know that the policies offered by the New Frontier are not only hoary with age but they also are robbing us of the confidence and optimism needed for a flourishing economy.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I yield.

Mr. CLARK. Is not the Senator going to put Mr. Lippmann's column in the RECORD? I should be happy to do so, if he is not.

Mr. GOLDWATER. I thought the Senator from Pennsylvania might object. I am happy to ask unanimous consent to include Mr. Lippmann's column in the RECORD.

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

THE PRESIDENT AT YALE

(By Walter Lippmann)

At Yale on Monday the President made a most important address—for the domestic economy the most significant, it seems to me, since he was inaugurated. In it he described, as he has never before done so explicitly, what it is that is new in the New Frontier.

Unlike Franklin Roosevelt's New Deal, the Kennedy administration is not working for a change in the balance of social forces within the country. Roosevelt used the power of the Federal Government to increase the influence of agriculture and of labor, as compared with the influence of business, and of the underdeveloped South and West as compared with the Northeast.

The battles of the New Deal era were in the classic pattern of social struggle, of the have-nots against the haves.

These battles were won by Roosevelt and a new balance of forces was firmly established. This was proved during the 8 years of President Eisenhower when there was no attempt to repeal and undo the New Deal.

The Kennedy administration begins where Eisenhower left off. It is not seeking another change in the structure of American society but on the contrary, to make more efficient the existing balance of forces.

It is confronted, however, with a cultural gap, that is to say with popular beliefs about the economy that are a generation out of date.

With rare exceptions the leaders of both parties hold to economic doctrines that have long since been abandoned as antiquated by all the progressive and advanced countries of the world.

Governor Rockefeller understands modern economic doctrine, but men like General Eisenhower and Senator BYRD talk as if they had never read a book on economic matters that has been written since the great depression of 1929.

If President Kennedy is to fulfill his promises, if he is to raise the American economy from the creeping stagnation that has come upon it in the second half of the fifties, if he is to recover the industrial preeminence that we once had and have now lost, the administration will have to do a mighty job of public reeducation.

If our leaders do not learn to understand modern economics, we shall not be able to operate successfully the modern economy.

It is this work of reeducation that the President began at Yale. It was a very good beginning. But, of course, one speech will not do what needs to be done—which is to close the cultural gap and put American public opinion and American political debate in touch with the realities of the modern age.

This reeducation is not a fight between good men and bad men, between rich men and poor men, between Republicans and Democrats. It is, like all education, a search for enlightenment in which all who participate bravely will be the winners.

CHEAP NATIONAL PUBLICITY AT THE EXPENSE OF THE FOREST SERVICE

Mr. GOLDWATER. Mr. President, I have one more short order of business which I think will be of interest to the present occupant of the chair [Mr. BURDICK], who comes from a Western State.

Very recently in the press around the country we saw criticism of the Forest Service for allowing two establishments to exist in national forests. I believe one was in the State of Idaho, and the other was in my own State of Arizona.

If this is the kind of misinformation which the New Frontier press agents are going to give to the American people, I think the Senate did a wise thing the other day by disallowing the 16 New Frontiersmen to the Department of the Interior for these purposes.

The criticism directed at my State of Arizona concerned the so-called sporting house located at a place we call Top-of-the-World, near the city of Miami, Ariz., between Phoenix and Globe, Ariz.

The Forest Service knew of the existence of this house. The Forest Service tried to get the Federal authorities to stop it. They tried to get the State and local authorities to stop it, as early as 1955 or 1956. It was not until one of the forest rangers went to the State's largest newspaper, the Arizona Republic, and "tipped them off," that pressure through the newspaper was brought to bear. Then the house was closed in 1957.

Mr. President, that was some 5 or 6 years ago. Recently the General Accounting Office and the Department of the Interior have raised all manner of "ned" with the Forest Service for allowing this place to exist. It did exist. It existed in the forest. The Forest Service tried long ago to close it, and the Forest Service was unable to get cooperation either from the local authorities or from the Federal authorities.

I rise today merely to defend the Forest Service for having done its duty as it saw it, and to criticize those agencies who refused to give the Forest Service cooperation in the middle 1950's.

If the suggestion is that Smokey Bear should now lead a vice raid, the administration need not worry about sending Smokey Bear into Arizona for this purpose, because that house of iniquity has long since been closed and the customers diverted elsewhere. [Laughter.]

SUCCESSFUL COAL MINING INDUSTRY OF WYOMING

Mr. McGEE. Mr. President, in the past decade we have seen in periodicals and on television and have heard on radio many nostalgic tributes to the passing of the steam locomotive from the national scene. While there is much to stir the memory in the recollection of these romantic behemoths, my State and much of the West has marked their passing with more than nostalgia. For this aspect of the continual technological progress of our era has created a depression in one of our vital industries—coal mining.

The extensive coal mines that once provided the fuel for the locomotives, which pulled their long string of cars across the high plains and over the Rockies, now—one by one—have been closing down. As a result, unemployment and the vicious circle of economic distress which it generates have decimated many once prosperous mining towns.

But I am not speaking to ask for pity or to plead for the return to an era that exists no longer. Rather, I would like to point out that the West—which has a history of self-reliance in the face of serious obstacles—is rising to meet this challenge to our economic well-being.

Two recent developments give notice that our mines may once again contribute their full share to the economy and may even surpass their previous production standards.

The first of these is the development by the FMC of a new process of making metallurgical coking coal from low-grade coal deposits. This development, which represents a significant breakthrough in mining technology, was announced last weekend at the Wyoming Mining Association convention at Jackson, Wyo. Josiah Work, manager of the Kemmerer Coke division of FMC said that a pilot plant using the new process now is producing 250 tons of coke a day, using coal mined in Kemmerer.

To realize the significance of this development you must understand that at the present time there are no merchant coke producers between the Mississippi and the west coast and the two existing western coking plants—at Pueblo, Colo., and Provo, Utah—are forced to rely on coal shipped at high cost from the East. Yet, much of the West is underlain with mammoth coal reserves. Wyoming has

an estimated 120 billion tons. These reserves represent a potential for economic development which could bring increased prosperity to my State and the West, if satisfactory methods of utilizing this grade of coal can be found.

Mr. Work estimates that the FMC process may be sufficiently developed within 6 to 9 months for release on a royalty basis. In the Interior Department appropriation bill passed by this body Tuesday evening, is an item which I requested, and in which the Senate concurred, for $50,000 for research into coking coal development from western low-grade coal. When this research is underway, it will represent another approach to this problem. I think it extremely important to pursue this matter from every angle, for not only the West but many other areas in the world—now unable to obtain coking coal—would find immediate economic gains from a successful coke development process.

The research contemplated under this grant would investigate which of the many types of western coal are best suited for conversion into coke.

I wish to commend FMC for their success in this field. Their work exemplifies western determination to make progress in the face of adversity.

A second factor which points toward an economic upturn for the State's coal industry is the increasing use of coal for generating electric power. The West, with its many hydroelectric projects, is discovering that coal also is an excellent source of energy and that the two types of generation can be welded into an effective source of vitally needed power.

In the special mining issue of the Riverton Ranger, an excellent newspaper in my State, there is a story on the Kemmerer Coal Co. This company's mines once provided much of the fuel for western railroads. This article points out that the mines' most productive year was 1918 when 834,000 tons were produced. And yet, even with the elimination of the steam locomotive, this company anticipates producing almost a million tons in 1963.

The coal will go to the Utah Power & Light Co.'s new steam generation plant, now under construction near Kemmerer, and to the FMC coke plant mentioned previously. In addition to increase in coal production, Kemmerer Coal plans to almost double its work force to 400 men in 1963.

These two developments are indications that western coal can be utilized for economic gain. But the brightness of the future does not entirely eliminate the gloom of the present. Wyoming's coal mining industry is still in a depressed state, but there is life in that industry—and where life is, there is hope.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the special mining edition of the Riverton Ranger, which aptly illustrates present conditions in Wyoming's mining industry and the promise of the future.

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

MINING GROWS AT FASTEST RATE IN WYOMING ECONOMY

Mining is Wyoming's second largest industry surpassed only by production of petroleum.

The gigantic mining industry and the affiliated mills and plants which supplement it employ almost 6,000 people in the State. Supporting the industry are many hundreds of other people in the supply, service, and contractual side of mining and milling.

In mining itself there are 3,202 persons employed and another 2,350 are employed in the milling and plant side of the industry.

The uranium industry is the largest single mining employer. According to Atomic Energy Commission estimates there are over 1,200 persons employed in mining and milling of uranium.

CONTINUOUS GROWTH

The industry is enjoying continuous growth. This year, for instance, the taconite iron ore project of United States Steel at Atlantic City will come into full production and will probably employ an additional 400 men over the 150 now on full-time employment at the mine and beneficiating plant.

The coal industry will enjoy increased employment during the next few years. This will be especially true at Kemmerer as the Kemmerer Coal Co. begins supplying coal for the Utah Power & Light steam generating plant. Pacific Power & Light will increase its employment at the Dave Johnston plant and mine near Glenrock as the $25 million expansion there is completed.

Coal production in the Hanna and northeastern Wyoming areas is also showing some increase.

There is possibility for further expansion in the trona industry near Green River. Stauffer Chemical Co. of Wyoming, a new power in this industry, increased its payroll this spring which is not included in the 1961 figures quoted.

So did Petrotomics, Inc., when it started up Wyoming's sixth uranium mill in the Shirley Basin in April 1962.

There are many other developments on the horizon. Vipont Mining Co. continues its efforts to develop gypsum deposits on the Wind River Indian Reservation of Fremont.

PHOSPHATE DEVELOPMENT

Susquehanna-Western, Inc., is trying to secure prospecting permits for phosphate deposits known to exist in the Wind River Range near Lander, but which present information indicates are not commercially workable.

Susquehanna-Western is working on the difficult metallurgical problem of separating lime from the phosphate, and if prospecting permits are granted will launch a major exploration program yet this summer.

Titaniferous iron ores near Laramie loom on the horizon for future development. So do the coal deposits near Lake De Smet with Union Carbide continuing interest. Reynolds Metals still holds property near Lake De Smet which some day may lead to an aluminum industry.

One of the most successful "new starts" in Wyoming last year was the Big Horn Gypsum Co. of Cody which began the mining of gypsum and manufacture of plasterboard last year.

There are those optimists who say that if the price of gold goes up, Wyoming gold mining industry would bloom again.

TOTAL TONS—7,730,217

Mining in Wyoming produced 7,730,217 tons of a variety of ores and minerals according to the 1961 annual report of the State inspector of mines.

There were more tons of coal mined than any other minable product. In 1961, 20 mines in 9 counties of the State mined 2,520,258 tons of coal, an increase of 516,111 tons over 1960. Most of the increase came from Pacific Power & Light.

But the outlook for coal continues to be good in areas near present or future steam generating powerplants.

Uranium was the second most-mined ore. There were 1,550,849 tons of uranium ores mined in Wyoming last year. Largest single miner of uranium ore was Western Nuclear with 269,775 tons.

Trona production from Intermountain Chemical's big underground mine near Green River was 859,821 tons, which placed trona in third place.

MANY OTHER ORES

Amounts of other ores mined were bentonite, 606,283 tons; gypsum, 42,034 tons; iron ore 632,291 tons from Colorado Fuel & Iron (United States Steel will mine over a million tons a year at South Pass when it gets into operation, possibly as high as a million and a half tons a year); limestone, mainly for use in the sugarbeet refining industry, 367,413 tons; magnetite ore, 85,701 tons; phosphate (San Francisco Chemical at Leefe, Wyo.), 97,391 tons; 1,500 tons of sodium sulfate west of Casper; and a few ounces of gold from near Buffalo.

There were 166,697 tons of gravel mined and Gilpatrick Construction Co. of Riverton was the biggest producer with 91,312 tons of gravel.

Stone mining of various types for use as ballast and crushed rock amounted to 401,772 tons.

Wyoming has an unlimited potential in mining. The state is literally loaded with low-grade ores. New metallurgical and chemical processes are making possible the economic development of such ores, and United States Steel's taconite plant is the most pointed example.

And Wyoming's mining people have firmly accepted their responsibility as citizens in the State, many of them holding key positions in local, county, and State affairs.

BLITZKRIEG IN THE BAY STATE

Mr. WILLIAMS of Delaware. Mr. President, in today's issue of the New York Herald Tribune appears an interesting editorial entitled "Blitzkrieg in the Bay State."

Recognizing that the President no longer has access to this important newspaper, and in the hope that the insertion of this editorial will not result in any cancellations, I ask unanimous consent that the editorial may be printed in the RECORD.

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

BLITZKRIEG IN THE BAY STATE

No one will ever say that Edward M. Kennedy was drafted for the Democratic nomination for the Senate in Massachusetts any more than his brother John was elevated to the Presidential nomination by popular acclamation of his party. In each case it was a self-propelled blitzkrieg. In each case the convention prize was sought, fought for, and captured with some of the most coldly powerful weapons known to the politician.

This is not to suggest that power politics is anything new, or that ruthless elbowing in a man-seeks-office effort is any particular monopoly of the Kennedys. We have seen the game of pressure and patronage played before, but where the Kennedys outshine so many of their contemporaries—and pred-

ecessors—is in the thoroughness of their organization and the relentlessness of the squeeze put on the delegates.

Something else, unhappily, puts the victory of Ted Kennedy over Massachusetts Attorny General Edward J. McCormack in a class by itself. It is Kennedy's monumental lack of qualifications for senatorial duty. Neither demonstrated performance nor discernible aptitude commends him. Aside from a distinguished name and a king-sized ambition, the credentials of the 30-year-old brother of the President are limited to his role as junior lieutenant in his brother's campaign.

To be sure, the McCormacks are not exactly an obscure family in the Bay State either. If the 38-year-old Edward were not the nephew of the Speaker of the House of Representatives he might not be his State's Attorney General. Here endeth the similarity, however, for McCormack can point to a solid record of achievement in municipal and State government. He has served his apprenticeship. He has the seasoning young Kennedy lacks.

It is good that Mr. McCormack is so outraged by the Kennedy steamroller that flattened him at the convention that he has vowed to take his case to all the Democrats in a September primary. He knows that Kennedy resources will have multiplied by that time, but he is hoping also for a multiplication of the number of people who, unintimidated by convention pressures, will make a sober comparison between his record and talents and those of Ted Kennedy.

Whether the Democrats can go on to win in November is another question. Corruption has been casting dark shadows over the party's leadership, and the Republicans could show some unusual strength with George Lodge as their candidate. When Democrats make private concessions about their chances, Republicans have a right to harbor some hope. But the point in the Kennedy-McCormack squabble is the extent of the Democratic Party's concern with the caliber of talent it asks the people to support.

Anyone who takes the U.S. Senate seriously has a right to raise questions about Ted Kennedy's qualifications for membership therein.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GOLDWATER. I did not quite hear what the Senator asked unanimous consent to have printed in the RECORD. Was it an article from the Herald Tribune?

Mr. WILLIAMS of Delaware. Yes.

Mr. GOLDWATER. The article was from the New York Herald Tribune?

Mr. WILLIAMS of Delaware. Yes.

Mr. GOLDWATER. Does not the Senator realize that this might mean the cancellation of 22 copies of the CONGRESSIONAL RECORD going to the White House every day?

Mr. WILLIAMS of Delaware. I expressed the hope that my request would not result in any cancellation of the CONGRESSIONAL RECORD.

Mr. GOLDWATER. I am glad that the Senator thought of that point.

Mr. WILLIAMS of Delaware. I believe that even the President would be interested in the editorial.

DEDUCTION AS BUSINESS EXPENSE OF SALARIES OF CONSULTANTS TO GOVERNMENT

Mr. WILLIAMS of Delaware. Mr. President, the administration's tax revision bill is before the Committee on Finance. As a part of that tax revision bill the administration is asking for a tighter enforcement provision in regard to the deductibility of expenses of officials of corporations when those officials are engaged in any activities which may in any way be interpreted as lobbying.

The administration has questioned the right of corporations to charge off as necessary business expense the salaries and expenses of these officials when they are assigned to the task of lobbying for or against proposed legislation which does not directly involve their industry.

In this connection I called to the attention of the Secretary of the Treasury the fact that the services of three representatives of private industry have been enlisted by the administration and that these men have been assigned offices at the White House for the sole purpose of lobbying for the administration's proposed trade bill.

I may find myself in agreement with the administration's trade bill, but that is not the question. The salaries of the men while they were working for the administration in the promotion of the pending trade bill would be paid by the companies involved, and great emphasis has been placed upon the fact that their services would not cost the Government anything. My question to the Secretary of the Treasury was, Could the companies who are paying the salaries of these officials who were being loaned to the Government for the sole purpose of propagandizing and lobbying for the trade bill deduct their salaries as necessary and normal business expenses? I asked that the Treasury Department furnish a ruling on this particular case.

I have a letter containing this ruling signed by Mr. Stanley S. Surrey, Assistant Secretary, which I ask unanimous consent to have printed in the RECORD.

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

TREASURY DEPARTMENT,
Washington.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This is in further reference to the matter of the three White House consultants from private industry now working on the trade expansion bill.

We are advised by one of the principals in the negotiations which led to the appointment of the three consultants that the individuals selected for the positions were not selected because of their connections with firms having interests in the trade expansion bill. We are told that the individuals were picked solely because of their recognized talents and experience in matters of public relations and information. A public relations society in Washington was consulted for suggestions as to qualified individuals. Also, a number of companies were contacted without regard to their views on the administration's proposals on trade expansion.

We are informed that the three organizations from which the consultants were drawn, namely, Schenley Industries, Air Transport Association, and Englehard Industries have mixed interests in the bill; whereas certain aspects of their operations might be benefited from the easing of tariff restrictions others are likely to be adversely affected.

With regard to the duties of the consultants we have been informed that they work directly under Mr. Howard Petersen, special assistant to the President on trade policy. Their duties are strictly informational and do not involve any policy responsibilities. In fact, policy formulations had all been completed prior to the arrival of these consultants. Generally speaking, their duties are the same as those of any Government agency public information officer.

We are advised that these employees are not being compensated for any services currently rendered to their former employers nor for any benefit, direct or indirect, that the latter may be receiving or may expect to receive in connection with the services that the consultants are now performing for the Government. On the basis of the facts as related to us, it would appear that it is proper for the payers of the consultants' salaries to continue to deduct the salaries as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

I.T. 3417, 1940-2 C.B. 64, which has been cited with approval in a number of court decisions, presents a helpful analogy. This ruling holds that salaries paid by employers during the continuance of World War II to employees absent in the Armed Services or who were serving the Government in other ways at a nominal compensation, but who intended to return at the conclusion of the war, were deductible business expenditures. The justification for allowing the deductions was found in the fact that the compensation was paid to induce the absent employee to return to his employment or for services to be rendered upon returning to work.

Our attention has been called to a letter from the Office of Legal Counsel in the Attorney General's Office concerning the conflict-of-interest problem in connection with these consultants. This letter stated that in the absence of any indication that the leave-with-pay arrangement is intended to constitute payment to the individual for his services to the Government or is in anticipation of benefits to be derived by the organizations making the payments, there would appear to be no objection to the arrangement from the point of view of the conflict-of-interest statutes. In general, this letter supports our own findings and conclusions with regard to the deductibility of the consultants' salaries.

The question whether these consultants in the course of their duties for the United States have come within the provisions of 18 U.S.C. 1913, pertaining to lobbying with appropriated funds, is a matter falling within the jurisdiction of the Department of Justice. We understand, however, that, in the light of prior opinions of that Department, on the facts given to us, no activity contrary to that provision is involved. This question, however, as indicated above would not appear under the facts related to us to be relevant to the deductibility of the salaries.

If you should have any further questions on this matter I shall be glad to hear from you.

Sincerely yours,
STANLEY S. SURREY,
Assistant Secretary.

Mr. WILLIAMS of Delaware. I invite attention of the Senate to the fact that Mr. Surrey, on behalf of the Department, has ruled that under such circumstances—

It would appear that it is proper for the payers of the consultants' salaries to continue to deduct the salaries as ordinary and necessary business expenses under section 162 of the Internal Revenue Code.

Thus, based upon this ruling, salaries and expenses of officials of corporations engaged in such activities are ruled to be deductible by the corporations as ordinary and necessary business expenses.

A question in which I am likewise interested is as follows: In cases where companies are opposed to the administration's program and wish to assign some of their top officials to Washington offices for the purpose of lobbying or propagandizing against the administration's legislative programs, would it likewise be ruled that their salaries could be deductible as ordinary and necessary business expenses? Certainly we cannot have dual rulings where they are only deductible when a company supports the administration and not deductible when it opposes.

CONFORMITY TO SENATE RULES

Mr. CLARK. Mr. President, I should like to note for the RECORD that practically without exception every speaker during the morning hour this morning violated the 3-minute rule. I held a watch on the speakers. I did not object. I thought the Acting President pro tempore was most gracious in not enforcing the rule. It merely calls to public attention the fact that we make unanimous-consent requests with no intention whatever to keep within them. I suggest that it would be far better if we would reform the rules of the Senate and put them in understandable form to conform with our invariable practice.

I hope that my friend will observe the time fuse, because I wish to speak on two or three other subjects, and I may not be able to present them in complete form.

I should like to call to the attention of the Senate the fact that my friend, the distinguished Senator from Arizona [Mr. GOLDWATER], talked for somewhat more than 3 minutes in criticism of an excellent column by Walter Lippmann which appeared in the Washington Post on the 14th of June. I concur in everything that Mr. Lippmann said. I find myself in complete disagreement with the criticism of my friend from Arizona. I urge my colleagues to read the column carefully, because I think it points the way to that new day in that better and finer America toward which America is headed.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CLARK. Mr. President, I am happy to yield, though I do not know that I have sufficient time available.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Senator from Pennsylvania may have as much time as he desires.

Mr. PASTORE. Mr. President, reserving the right to object, I suggest that other Senators are waiting to speak.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the Senator may have 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GOLDWATER. I am not at all surprised that the Senator from Pennsylvania is opposed to my position, because I find myself in opposition to his position.

Mr. CLARK. We would be very unhappy if we agreed.

Mr. GOLDWATER. I think the country would be very happy if the Senator from Pennsylvania would agree with me.

Mr. CLARK. And vice versa.

Mr. GOLDWATER. I doubt it.

SOVIET DEPORTATION OF LITHUANIANS, LATVIANS, AND ESTONIANS

Mr. CLARK. Mr. President, there have been dark chapters in human history but none darker than one which began 22 years ago in the Baltic States of Lithuania, Latvia, and Estonia. It was on June 15, 1940, that these countries were forcibly annexed to the Soviet Union and many hundreds of thousands of their inhabitants uprooted from their homes and deported to Siberia. These helpless victims of this unwarranted aggression are still suffering in exile, far away from their homeland.

Since those fateful days, we in the free world have heard practically nothing about them except what we have learned from those few who have had the extraordinary luck to escape. And the fate of millions of Lithuanians, Latvians and Estonians in their homeland under Communist tyranny is probably not much better than those who still suffer in exile.

In recent years, we have learned that the native population of the coastal areas in these countries were moved to other parts of the Soviet Union in order to make room for the Asiatic people who were transported there. This means that years after the deportations of 1940 there were additional deportations by the tens of thousands. All this was done to speed up the communization of these countries, once the home of rising democracies. Fortunately, however, these people are schooled and hardened in adversity, and are not easily swayed even under the most oppressive of tyrannical regimes. They still cling to their ideals of freedom and independence, and let us all hope that they will attain their goals.

CONSTRUCTION OF THE SAN JUAN-CHAMA RECLAMATION PROJECT AND THE NAVAJO IRRIGATION PROJECT

Mr. ANDERSON. Mr. President, on June 13, the President signed S. 107, a bill which authorizes the Secretary of the Interior to construct the San Juan-Chama reclamation project and the Navajo irrigation project. I am particularly happy because on the same day the House of Representatives passed a bill authorizing the Fryingpan-Arkansas project, which is of great importance to the congressional Members from the State of Colorado and, in my opinion, is one of the finest projects to come before Congress this year.

I ask unanimous consent that the statement of the President on signing S. 107, which it was my honor to sponsor, be printed at this point in the RECORD, and that also the statement of Secretary of the Interior Udall on the passage and signing of the bill be printed at this point in the RECORD.

REMARKS OF THE PRESIDENT UPON THE SIGNING OF S. 107 IN THE PRESIDENT'S OFFICE

Today I have signed S. 107, a bill to authorize the Secretary of Interior to construct the San Juan-Chama reclamation project, and the Navajo irrigation project. By my natural resources and conservation message, I emphasized the importance of water resources development to the Nation, and expressed this administration's commitment to a sound and orderly program of new projects to meet accumulated needs.

The projects authorized in S. 107 were included among the major western water resource developments recommended in my conservation message as part of this program. These projects will provide major benefits to the West, and to the Nation as well as to the communities directly involved.

The Navajo Indian irrigation project will assist the Navajo people in making full use of their own resources to achieve a higher standard of living by providing employment opportunities in irrigation farming.

The San Juan-Chama reclamation project will provide water supplies needed to permit continued economic growth and development and stabilize an existing agricultural economy in the Rio Grande Basin of New Mexico.

These developments represent investments in the Nation's future that will provide major dividends in the years to come. I am especially pleased to approve this bill because I regard this legislation as the forerunner of additional authorization for western water resources development now pending in the Congress.

We are particularly glad to have the chairman of the Navajo Indian Tribe here representing the Navajo Tribe.

[Press release from the U.S. Department of the Interior, June 13, 1962]

CONSTRUCTION OF TWO NEW MEXICO WATER PROJECTS AUTHORIZED IN BILL SIGNED BY THE PRESIDENT

The Navajo Indian irrigation project and the initial stage of the San Juan-Chama reclamation project, authorized in a bill passed by the Congress and signed into law by the President, will provide economic assistance to the Navajo Indians and will enable New Mexico to put to use a major portion of the water of the Upper Colorado River system to which it is entitled under two interstate compacts.

The authorizing legislation (S. 107) provides that the two projects will be constructed, operated and maintained as participating projects of the five-State Colorado River storage project, now under construction in the mountain West.

"I am extremely pleased that the bureaus of the Department of the Interior can now get moving on the construction of these very worthwhile resource development projects," said Secretary of the Interior Stewart L. Udall. "Both projects provide opportunity for a resource program investment today that will return manifold dividends in the future years. The developments not only fit the pattern for wise and beneficial development of natural resources, as laid down by President Kennedy in his conservation messages to the Congress, but they also will provide economic opportunity for depressed areas."

Secretary Udall, a native of the neighboring State of Arizona, indicated that he was especially pleased at the prospects of building facilities to deliver a dependable supply of irrigation water to the Navajo tribal lands in New Mexico.

"For many years the Federal Government has been trying to cope with the problem of

bettering the economic conditions of the rapidly increasing Navajo population, now numbering about 85,000," he said. "The Navajo Indian irrigation project will provide a real economic shot in the arm for these people, who have been beset by drought, reduced return from marginal livestock operations, and lack of employment opportunities. Irrigation agriculture and its associated and allied industries can provide an economic livelihood for a large segment of the tribal population."

The Navajo Indian irrigation project contemplates the construction of distribution facilities to deliver water to approximately 110,000 acres of land within and adjacent to the Navajo Indian Reservation. The lands involved are located in two large areas on an elevated plain south of the San Juan River in San Juan County. An average of 508,000 acre-feet of water would be diverted annually from the San Juan River at the Navajo Dam and Reservoir, now nearing completion by the Bureau of Reclamation at a site on the San Juan River and would be conveyed some 150 miles across reservation lands.

The Bureau of Indian Affairs estimated that some 14 years will be required to complete planning on the $135 million project and to complete the canals and laterals, tunnels, siphons, and pumping plants required. Delivery of water to the first of the project lands, however, could be accomplished within 5 years. The project is planned to supply irrigation water but is adaptable to serve municipal and industrial water users if the need arises in the future.

The initial stage development of the Bureau of Reclamation's San Juan-Chama project contemplates an average annual diversion of about 110,000 acre-feet from the upper tributaries of the San Juan River for utilization in the Rio Grande Basin in New Mexico. The $86 million project would provide needed municipal and industrial water for the city of Albuquerque and also would yield a full and supplemental irrigation water supply for about 120,000 acres of farming land in the Rio Grande Basin in New Mexico.

Recreation and the conservation and development of fish and wildlife resources which would be built over a period of about 5 years also would be purposes of the San Juan-Chama project.

THE FRYINGPAN-ARKANSAS PROJECT IN COLORADO

Mr. ANDERSON. Mr. President, the House of Representatives on Wednesday passed authorization for the $170 million Fryingpan-Arkansas project in Colorado. It has been before Congress since 1954, but never previously had reached the House floor.

The bill now comes to the Senate, which has passed similar measures three times in past sessions.

Senator ALLOTT was quoted by the Associated Press on Thursday as saying:

> With a little more luck it should be just a matter of days now before the Fryingpan is through the Senate and in the hands of the President.

Senator CARROLL also praised the House action.

The Fryingpan-Arkansas bill would authorize the Reclamation Bureau to build dams to impound Colorado River tributary waters west of the Rocky Mountains and deliver them through a tunnel under the Continental Divide to farms and towns on the eastern slope. The water would be used for irrigation, power generation, flood control, and municipal purposes by a dozen towns and cities.

It would be one of the biggest reclamation projects authorized by the present Congress.

The Fryingpan project is strongly endorsed by President Kennedy, as it was previously by President Eisenhower.

The Fryingpan River now flows into the Roaring Fork River, which rises above Aspen, Colo. The Roaring Fork, in turn, flows into the Colorado River, which enters the Pacific by way of Mexico and the Gulf of California. The project would dam the Fryingpan above the town of Basalt and divert a large part of its water through a 6-mile tunnel, ultimately into the Arkansas River.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS: A REPORT ON ITS FIRST 2 YEARS

Mr. MUSKIE. Mr. President, Members of the Senate will recall that in 1959 the Congress enacted Public Law 86–380 which established an Advisory Commission on Intergovernmental Relations.

The Commission, as constituted by Congress, has seven basic purposes:

First. To bring together representatives of the Federal, State, and local governments for the consideration of common problems.

Second. To provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation.

Third. To give critical attention to the conditions and controls involved in the administration of Federal grant programs.

Fourth. To make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system.

Fifth. To encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation.

Sixth. To recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government.

Seventh. To recommend methods of coordinating and symplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

In carrying out its responsibilities the Commission has been composed of representatives from each level of government and from the legislative and executive branches thereof.

I was honored to be one of the principal sponsors of the legislation establishing the Commission, and it has been my pleasure to serve as a member of the Commission since its establishment. My colleagues, the senior Senator from North Carolina [Mr. ERVIN] and the senior Senator from South Dakota [Mr. MUNDT], have also served on the Commission since its inception. On the House side, Mr. FOUNTAIN, of North Carolina, the chairman of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations and the original sponsor of the bill creating the Commission, has served continuously as has his colleague on the subcommittee, the gentlewoman from New Jersey [Mrs. DWYER]. Mr. KEOGH, of New York, is the other House Member of the Commission.

Two years have now elapsed since the Commission began its work. I think it appropriate to report to the Senate on how the Commission has been progressing, and the extent to which it has been measuring up to the responsibilities placed upon it by the statute. I will give today an overall report on the Commission's work; subsequent reports on particular subjects will be placed in the RECORD by my colleagues from the Congress or myself, depending upon the subject matter involved and our respective interests in it.

At the outset, I should like to pay tribute to the very able Chairman under which the Commission has proceeded—Mr. Frank Bane, of Virginia, a man known to many of you for his lifetime of work and leadership in Federal, State, and local governments. He was appointed as the first Chairman of the Commission by President Eisenhower and this year was reappointed for a second term as Chairman by President Kennedy.

The Commission, in addition to the six Members from the Congress, has three members from the executive branch—the Secretaries of the Treasury, Labor, and Health, Education, and Welfare. Its other membership includes four Governors, three mayors, three State legislative leaders, and three elected county officials. Finally, in addition to the Chairman, the general public is represented on the Commission by two other members.

It has been a privilege and pleasure to me to work with the distinguished people who have served on the Commission and to discuss and debate major questions of Federal-State-local relations with them.

The first meeting of the Commission was held on December 14, 1959. The second meeting on February 10, 1960, saw the appointment by the Commission of an Executive Director. The Executive Director reported for duty on April 1, 1960. We have been very fortunate in the able and dedicated work of Mr. William G. Colman, Executive Director, and his staff in carrying out our assignments.

The third meeting of the Commission was held on May 25, 1960, and concerned itself with considering and finally approving an initial work program. At that time we concluded that the major concerns of the Commission fell into three general areas—taxation and finance; metropolitan areas; and the general structure of State and local governments, their relationships with one another and with the National Government.

At its meeting on January 18 and 19, 1961, the Commission began its consideration of substantive issues of

intergovernmental relations, and adopted three Commission reports. Subsequent meetings of the Commission held in April, June, and September, 1961, were concerned with consideration and action on seven additional reports. These reports are as follows:

First. Coordination of Federal and State Inheritance, Estate, and Gift Taxes;

Second. Modification of Federal Grants-in-Aid for Public Health Services;

Third. Investment of Idle Cash Balances by State and Local Governments;

Fourth. Intergovernmental Responsibilities for Mass Transportation Facilities and Services in Metropolitan Areas;

Fifth. Governmental Structure, Organization, and Planning in Metropolitan Areas;

Sixth. State and Local Taxation of Privately Owned Property Located on Federal Areas;

Seventh. Intergovernmental Cooperation in Tax Administration: Some Principles and Possibilities;

Eighth. Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments;

Ninth. Local Nonproperty Taxes and the Coordinating Role of the State;

Tenth. State Constitutional and Statutory Restrictions on Local Government Debt.

On the whole, the Commission's report has met with favorable response from Federal, State, and local legislative and administrative officials and from the professional, business, and academic communities. Three of the reports have already had to be reprinted to meet the demand.

I am sure Senators will be interested in what is taking place as a result of the Commission's reports. The Commission decided very early in its life that its claim to permanence could not be justified on the mere issuance of reports; rather it had to devote considerable attention to following through in behalf of its recommendations in terms of legislative or administrative action. Allow me to summarize briefly what is happening with regard to its recommendations for legislative action at the Federal and State levels.

Of 11 recommendations for congressional action, 4 coincided with provisions incorporated into the Housing Act of 1961. These are expanded financial support to metropolitan planning agencies, Federal technical assistance to State and local urban planning, congressional consent in advance to interstate compacts for metropolitan area planning, and Federal financial assistance for mass transportation.

The remaining items for congressional action are: First, review of Federal grant-in-aid applications by metropolitan planning agencies; second, continued financial support to such planning agencies; third, revision of the Federal estate tax credit for taxes paid to States; fourth, authorizing transfers of funds among public health categorical grants; fifth, provision of a standard allocation formula for such grants; sixth, provisions for retrocession of exclusive Federal jurisdiction over various Government lands and properties; seventh, authorizing the Internal Revenue Service to perform services for State tax agencies on a reimbursement basis; and, eighth, providing uniform congressional policy and procedure under which all new grants-in-aid would be reexamined periodically.

Bills to carry out the various recommendations have been introduced and referred to the appropriate committees. Considerable support has been developed for the estate tax credit and public health bills and we hope for favorable action in the present session.

Of the 22 recommendations for State legislative action, 7 have been developed into draft bills, all of which were approved by the Council of State Governments for inclusion in the council's 1962 legislative program. These bills cover the following subjects: First, authorization for local governments to invest idle cash balances; second, authorization for interlocal contracting for joint performance of urban services; third, authorization for creation of metropolitan service corporations for mass transportation and for other functions; fourth, authorization for voluntary transfer of functions between cities and counties; fifth, establishment of a State unit for continuing attention and assistance to metropolitan areas; and, sixth, authorization for State and local governments to secure and preserve open land.

Resolutions endorsing all or most of these bills have been passed by the American Municipal Association and the National Association of County Officials. Additionally, the Governors' conference endorsed the principle involved in the draft bill on the investment of idle cash balances.

The Commission has also made several recommendations for broadening the scope of administrative cooperation at Federal and State levels, and consultations are proceeding between the Commission staff and Federal and State officials with regard to these matters.

In summary, I am happy to report that in its first 2 years the Commission has demonstrated its ability to do three things: First, focus its attention on selected issues, avoiding thereby the dissipation of its limited resources into broad or fruitless endeavors; second, to face up to and take definite positions on intergovernmental issues of considerable controversy and to enunciate such positions clearly and forcefully through the medium of printed Commission reports; and, third, to secure interest in and support of its recommendations from important organizations, such as the Governors' conference; American Municipal Association; Association of State Budget Officers; National Association of County Officials; National Association of State Auditors, Treasurers and Comptrollers; National Association of Tax Administrators; and the National Tax Association.

Although dealing with a variety of controversial issues, the Commission has managed to avoid either internal or external repercussions and recriminations. Especially the members of the Commission have avoided splintering into a group of blocs in considering the issues with which it has been confronted. No organized pattern of majority and minority voting associated with the levels of government has emerged.

Although intergovernmental problems are not separable into isolated compartments, the Commission so far has concerned itself somewhat more with State-local relations than with Federal-State relations. This takes account of the fact that several major problems of Federal-State relations are being handled elsewhere—namely, civil rights, by a separate commission; Federal oversight of interstate compact operations by the Federal courts; Federal aid to education and State taxation of income derived from interstate commerce, both under exhaustive consideration by the Congress.

The major theme of the Commission's recommendations so far has been directed toward improving the effectiveness of State and local governments on the assumption that these local units of government must adequately discharge their responsibility if unnecessary future centralization is to be avoided.

I think Senators will agree that the foregoing constitutes a commendable record for the initial work of the Advisory Commission on Intergovernmental Relations. I predict that its effectiveness will continue to grow.

President Kennedy expressed recently his strong interest and support for the work of the Commission. I ask unanimous consent that the letter from the President be printed in the RECORD at this point.

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

THE WHITE HOUSE,
Washington, February 26, 1962.

Hon. FRANK BANE,
Chairman, Advisory Commission on Intergovernmental Relations, Washington, D.C.

DEAR MR. CHAIRMAN: On the occasion of the reconstitution of the Advisory Commission on Intergovernmental Relations, I wish to express my appreciation to those members who have served so well during the first 2-year term of the Commission's existence. I should like also to convey to those members, both old and new, who will carry forward the Commission's work my deep personal interest in the problems which will have the attention and collective experience and judgment of the Commission membership.

The relationships existing among the various levels of Government in this country are more complex and more important than at any other time in our Nation's history. It is obvious that the Federal, State, and local governments will be able to discharge their responsibilities more effectively if there is fuller understanding of the proper roles that each can and should perform.

Problems resulting from the rapid growth of our metropolitan areas—including both the central city and the surrounding suburban area—require special attention. Studies already undertaken by the Commission on the subject contain valuable proposals identifying the proper responsibilities of each level of government and recommending the most effective use of the combined resources of our cities, States, and National Government. You have properly called attention to the fact that State and

local leadership, as well as national leadership, is essential to meet the needs of our growing urban population.

The rising cost of Government at all levels, coupled with the growing interdependence of national life, has called new attention to the strains placed on traditional governmental taxing practices. We must improve Federal, State, and local coordination of tax and fiscal practices and policies to achieve equitable taxation, increase administrative efficiency, and make it possible for our taxpayers to pay their taxes with a minimum of confusion and administrative burden. Equitable and reasonable intergovernmental tax policies will facilitate the free flow of trade among our States and will contribute to our economic growth.

I am confident the Commission will address itself to these and other important problems of intergovernmental relationships. You have my sincere wishes that your efforts will help strengthen and improve our system of cooperative federalism.

Sincerely,

JOHN F. KENNEDY.

WHERE COMMUNISM GOES, HUNGER FOLLOWS

Mr. PROXMIRE. Mr. President, every day it becomes increasingly apparent that the decisive advantage that the free nations of the world have over the Communist world is in the production of food. Our farmers have accomplished economic marvels. The No. 1 success story of this century is in agriculture. The debate which we had recently on Public Law 480 assistance to Poland and Yugoslavia highlighted this fact.

We should recognize that within the past few months it has become clearly apparent that in Communist China the government has been very much weakened because of a dismal Communist farm failure. Many millions of Chinese are starving. In Russia itself, Premier Khrushchev has found it necessary in the past few weeks to raise the price of butter to $1.80 a pound and the price of meat to $2 a pound, in order to shift people from agriculture into armament production and to cut down on the consumption of agricultural products in the Soviet Union.

Yesterday the New York Times carried two articles related to this subject. The first article was headlined "Food Crisis Stirs German Red Plea." The subhead states: "Residents of Cities Are Told To Raise Chickens and Pigs in Backyards." The article goes on to state:

An article in the Communist newspaper Neues Deutschland obviously inspired by the Government, did not mention food rationing, which is believed to be imminent. The article said farmers had been called upon to produce more eggs and poultry to make up for shortages of pork and other meat.

I ask unanimous consent that the article may be printed in the RECORD, at this point.

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

FOOD CRISIS STIRS GERMAN RED PLEA—RESIDENTS OF CITIES ARE TOLD TO RAISE CHICKENS AND PIGS IN BACKYARDS

BERLIN, June 13.—East Germans were told today to raise chickens and pigs in their backyards to help overcome a shortage of food.

An article in the Communist newspaper Neues Deutschland, obviously inspired by the Government, did not mention food rationing, which is believed to be imminent. The article said farmers had been called upon to produce more eggs and poultry to make up for shortages of pork and other meat.

Neues Deutschland acknowledged that meat, sausages, eggs, milk, and milk products had been in short supply since May. East Germany is unable to resume imports of foods, the paper added, because the regime lacks goods to export in payment.

This public acknowledgment of food difficulties coincided with new attacks on the West and renewal of the threat to sign a separate peace treaty by which, it was said, "the Western occupiers" would lose their right to be in Berlin.

"The clock of the peace treaty is running and its hands cannot be stopped," Paul Verner, the head of the local party organization, said at an East Berlin party gathering. Walter Ulbricht, the East German leader was present at the party conference, according to A.D.N., the official East German press agency.

Herr Verner, who is an alternate member of the Politburo, described West Berlin as a "hotbed of crises constantly carrying in itself the dangers of military clashes." He renewed Communist demands for the transformation of West Berlin into a demilitarized free city.

"If the Western Powers stick to their present stand and reject every sensible proposal, then the peace treaty will have to be concluded between the German Democratic Republic and those countries willing to do so. The Western occupiers will then once and for all lose their right to remain at the banks of the Spree River," Herr Verner declared.

Herr Verner was also reported by A.D.N. to have said that anyone who believed East Germany would yield as much as an inch on its demands was the victim of "false speculation."

His statements and the acknowledgment of the food shortages led observers to conclude that the Communist regime has abandoned its plan to seek credits from West Germany and instead was preparing the East Germans for new difficulties.

According to reliable Western reports East Germany has not renewed its bid for credits from West Germany in trade talks here.

Neues Deutschland declared twice last week that East Germany was not willing to let itself be "blackmailed" into paying a political price for economic aid from West Germany.

There were no reports today of new escapes across the Berlin wall. Estimates of the number of refugees who escaped over the weekend ranged from 31 to 45.

A young West Berliner confirmed that he and five friends had dug a tunnel to East Berlin to get his fiance and their 4-month-old baby to the West. The building of the Communist wall last August had separated the young couple, preventing their marriage.

The West Berliner, Peter Scholz, who is 20 years old, said the underground route led from the basement of a restaurant on the border to a secret entrance in an East Berlin house. Six women, two men and three children crept through the tunnel.

"The most difficult part was to get the baby through," Herr Scholz said. She was given a light sleeping pill, placed in a wash basin and pulled through with a rope.

Mr. PROXMIRE. Mr. President, the other article in the New York Times states that Cuba is in serious trouble. The article states:

The food allotments are being met, although it is not unusual for certain foods to arrive late at stores. Most Cubans, however, receive monthly a chicken, five eggs, and 2 ounces of butter.

More and more throughout the world it is becoming apparent that where communism goes, hunger follows.

I ask unanimous consent that this article may be printed in the RECORD, at this point in my remarks.

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

HAVANA IS EATING, BUT NOT TOO WELL—CUBA MEETS FOOD ALLOTMENTS—LINES AT STORES REMAIN

HAVANA, June 13.—No one starves in Cuba these days, 3 months after Premier Fidel Castro announced food rationing, but the lack of choice makes shopping lists obsolete.

The food allotments are being met, although it is not unusual for certain foods to arrive late at stores. Most Cubans, however, receive monthly a chicken, five eggs, and 2 ounces of butter.

Other rations include, in the Havana area, 2 pounds of lard or oil, 6 pounds of rice, one bar of yellow soap, one bar of bath soap, and one medium-sized box of detergent a month. Beef is rationed at 12 ounces a week.

Although Premier Castro promised that the new rationing system would eliminate food lines, housewives continue to spend considerable time waiting for their share of potatoes, yams, and other vegetables.

A visit to a grocery store showed that the only foods sold without a ration book were tomato extract and puree, brown sugar, honey, bread, crackers, salt and spices, Worcestershire and chili sauces.

Available in other sections were shoe polish, insecticides, wax candles, light bulbs, rum, Russian vodka, papaya wine, hair curlers and minor household goods.

Items that were once common, such as lobster, crab, and pork, were unavailable.

RESTAURANT PRICES HIGH

Still, additional food can be had, at a price. Hungry Havana residents can sit down in selected restaurants and choose their fare from a small but, under the circumstances, tempting menu.

A meal may cost 10 pesos or more. The official rate of exchange puts the peso on a par with the U.S. dollar.

A 4-ounce steak, when available, can be had for 6 pesos. Moro crab, a Havana specialty, is served with mayonnaise and two olives for 5 pesos. Black bean soup is 1 peso.

Despite the shortages, many residents are experiencing waistline problems, a fact some physicians attribute to the high starch diet.

The most generously rationed items are rice and beans. Eaten separately or mixed, these seem to be the only dishes available at all times in cafeterias and lower priced restaurants.

Sweets and pastry, much-loved snacks in Cuba, are not rationed and are available all over Havana. There is also no visible shortage of bread, although its quality has been markedly lower of late.

A drought has cut dairy production. Only infants or families of more than five members receive fresh milk. In other cases each adult is entitled to six cans of condensed milk every month.

REGIME CITES NEW DEMAND

The Government says rationing is necessary because more people are earning higher wages than ever before and production has not met the increase in demand

Maj. Ernesto Guevera, Minister of Industry, acknowledged this month that there were still 250,000 unemployed persons in Cuba. But many foreign observers believe the lowest classes of the island's population now enjoys a somewhat more comfortable standard of living.

However, at least 250,000 Cubans have left the island. These comprise most of the upper and upper middle classes, which had the highest purchasing power.

Despite stern warnings from the Government, a black market offers the well-endowed Cuban some items his palate misses.

Eggs are available for as much as 15 cents each and pork can be bought for 2.50 pesos a pound. But buyers seeking bootleg food in rural areas run the risk of being checked by highway patrolmen.

When the Havana resident ceases to grumble about shortages, he takes the rationing in stride. In movie theaters scenes depicting actors feasting on mouth-watering meals draw nervous giggles. When the monthly chicken seems scrawny, the housewife smilingly gives it the name of a well-known and properly slim ballet dancer.

WILL TAX CUTS DO THE JOB?

Mr. PROXMIRE. Mr. President, the Wall Street Journal in a leading front page article published yesterday stated:

Most consumers say they'd save money, hindering Kennedy aim.

This suggests that a tax reduction might not result in increased and effective demand, or the additional purchasing its proponents argue it would.

I ask unanimous consent that the article may be printed at this point in my remarks.

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

TAX CUT IMPACT: MOST CONSUMERS SAY THEY'D SAVE MONEY, HINDERING KENNEDY AIM—SURVEY SHOWS FEW PLAN BIG PURCHASES THAT COULD GIVE STIMULUS TO THE ECONOMY—MORE SPENDING ON TRAVEL?

Consumers may throw a monkey wrench into the administration's plans for giving a lift to the economy by cutting income taxes next year.

The idea behind the tax reduction proposal, which President Kennedy last week promised to send to Congress this summer, is to stimulate consumer spending and thereby inject new zip into business. But of several hundred people interviewed by Wall Street Journal reporters in a score of cities around the country, only a handful appear to be in a frame of mind to go on a spending spree with the extra dollars a tax cut might give them.

Most people believe a tax cut would have no significant impact on their buying. Many feel it would be dribbled away on routine living expenses instead of going toward major purchases. Others say a tax windfall would simply help them pay off present debts. And a surprisingly large number of people—at least half those who had definite ideas on where the additional money would go—maintain they would save it.

Says Margaret Hughes, a sales clerk at the Jordan Marsh Co. department store in Boston: "I think I'd put any extra income in the bank. I don't suppose the President would like that very well, would he?"

Of those who say they would spend the additional funds, a large proportion indicate travel, more nights out and other recreational activities are high on their list of wants. Only a smaller number say a tax reduction would prompt them to buy an appliance, auto or other items in the hard goods category.

WHITE HOUSE PLANNING

Though Congress will not get around to acting on the administration tax cut proposal till next year, President Kennedy said he would ask that the across-the-board reductions in individual and corporate income taxes be retroactive to January 1, 1963. The White House is said to have reached no final decisions on the size of the cuts it will seek. But some officials are talking of net tax reductions of as much as $6 billion a year. There have been suggestions that the highest individual income tax rate be slashed from the present 91 to 65 percent and that the lowest rate be reduced from 20 to 15 percent.

If the final proposal turns out to be roughly in line with these suggestions, which would mean tax cuts of about 25 percent for most people, here's what the measure would do in two hypothetical cases:

A married man with two children earns an annual salary of $10,000 and claims a flat deduction of $1,000 on a return filed jointly with his wife. He now pays $1,372 in Federal income taxes. With a 25 percent tax reduction, he would pay $343 less.

A married man has taxable income of $100,000 a year, after allowing for dependency exemptions and itemized deductions. At present he owes Federal income taxes of $53,640. A 25 percent cut would save him $13,410.

Though the man in the latter example could put a couple of new Cadillacs in the garage with his tax saving, the feeling is widespread among rank-and-file wage earners that tax cuts of the size now being talked about wouldn't be sufficient to cause them to make important purchases they wouldn't have made otherwise.

A COUPLE OF EXTRA DOLLARS

"It would probably mean we'd have a couple of extra dollars a week that would be swallowed up by food and housekeeping expenses," comments Mrs. Russell White, young housewife in Pasadena, Calif. William P. Cunnane, a Philadelphia office equipment salesman, says if he received all his tax saving for a year in a lump sum, he'd probably spend it for an appliance or some other substantial purchase. But with the money coming in weekly installments, "it will probably be spent on bills I already have."

Some savings-minded consumers are motivated by uncertainty about the course of the economy and a desire to have a cash reserve for bad times. "I'd save any tax reduction for a rainy day," says Ruth Dubuque, a San Francisco secretary. But most appear to be putting money aside to meet burdensome future family expenses.

"I would handle it like I didn't even get it," declares Peter Katsfanas, a Pittsburgh sales engineer. "I'd put anything I get right into the bank toward the education of my two kids."

SURFEITED CONSUMERS

In still another category are savers who feel no pressing need for such things as appliances and cars. "I have just about everything I need," says Charles Burley, who runs a meat market in Boston. "Chances are that a tax cut would mean I'll put that much more in the bank."

In the fairly sizable group which would spend the money from a tax cut on recreation is Lon Estes, a New Mexico schoolteacher. "I'd probably enjoy a few more recreational activities—golf, boating, and skiing," says Mr. Estes.

A Cleveland social worker says the first thing he would do if he received a few hundred dollars extra would be to treat his wife to a "long overdue vacation."

A number of people who say they would spend their tax savings promptly mention home improvements as a likely use for the funds.

Henry A. Compton, owner of a bill collection agency in Glendale, Calif., is one of the few consumers interviewed who feel a tax reduction would spur them to step up spending on hard goods. "I need a new stove, a new refrigerator, and a new car," reports Mr. Compton. He's reluctant to buy on time, but suggests that a tax cut might enable him to pay cash for at least some of the items, "so I'd probably get them sooner than I would the way things look now."

ZEIDLER CALLS FOR INTENSIVE STUDY TO HELP PREVENT WAR

Mr. PROXMIRE. Mr. President, the former mayor of Milwaukee, Frank P. Zeidler, delivered an outstanding Memorial Day address, on May 30 in Milwaukee. He urged that a drive be made to establish, as the former mayor said, "a new kind of memorial for these honored dead and for all the veterans of our national effort to survive. He added:

As a permanent memorial tribute to them, we should establish in our great universities in this city, whether under public or private endowment a new institute for advanced sociological resea ch. The purpose of such an institute would be to study the origins of human conduct and the disorders of human society in order to reduce and lessen the possibility of mortal conflicts between people and nations in the future.

I think this is an excellent suggestion that the former mayor of Milwaukee has made. I call attention to the fact that Dr. Jonas Salk is the head of a foundation which intends to make studies in the same field, from the standpoint of the biological and behavioral sciences.

It is my thought that Congress should give serious consideration to Federal action to encourage and assist this kind of constructive and positive approach toward discovering the basic causes of war. I ask unanimous consent that the former mayor's address be printed in the RECORD following my remarks.

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

REMARKS BY HON. FRANK P. ZEIDLER, MEMORIAL DAY SERVICES, WOOD, WIS., MAY 30, 1962

We are gathered to remember in public services those individuals who have made the sacrifice of their lives to preserve the life of this Nation. We now remember in public recognition the individual persons whom we often think about in our private thoughts and memories. By this annual observance we hope to keep ever fresh the memory of those who lived as we do now, who walked among us, who took counsel with us, and who, in the inexplicable workings of human society, died that our National Government might continue to exist.

Time, however, also takes its toll from among the living. While we have pledged ourselves to remember those who died to preserve this Nation, the mere passage of time has made the record of who they are ever more fragmentary. We endeavor to preserve this history in our communities by edifices and monuments, but in this elementary type of memorial we often fail to achieve something of lasting worth. We even fail to preserve the written record and documents of the lists of those who have given their lives in the Nation's struggles.

As a citizen of this community, I note with satisfaction that there is a commemorative plaque of the dead of the Second World War and the Korean war to be found at the art center, but the principal monument to those who lost their lives in the First World War is a flagpole at North 2d and Wells Streets.

Perhaps more serious than this inadequate commemoration of the dead is the fact that the records of those who have thus lost their lives in Milwaukee County is fragmentary, incomplete, and inadequate for all the wars. In some research done for me by members of the Milwaukee Public Library staff, it was revealed that the information available to this library on war casualties in Milwaukee County residents is inadequate and fragmentary for all the wars, beginning with the Civil War.

I am hopeful that this lack of properly compiled lists and records will be promptly remedied by civic organizations supporting the necessary scholars to make an adequate compilation and to publish an adequate record of this type.

We should note on this occasion too, that the process of lives being claimed for the protection of the nation has not ceased. There are now millions of men and women of this Nation under military discipline, and among these there are daily casualties, which are the price of our national protection. These citizens, too, we should honor on this occasion.

How best then shall we remember the heroic dead? As we think of the individuals that we have known in our lifetime who have made the sacrifice, we know that they would find such public observances as this at Wood well pleasing, for they themselves participated in such ceremonies. But for us, the living, we should not be content merely with commemorative ceremonies once or twice a year. Neither should the further and required effort by us to provide suitable memorial edifices for them where lacking be considered enough. We must have a memorial in the way of a living and continuing activity that will result in the lessened possibility of future conflicts and that will lead to greater knowledge and understanding of human life, human goals, and human aspirations in conformity with the will of our Creator.

On the occasion of this Memorial Day of 1962, I can think of nothing more appropriate than for the citizens of our community to establish a new kind of memorial for these honored dead and for all the veterans of our national effort to survive. As a permanent memorial tribute to them, we should establish in our great universities in this city, whether under public and private endowment a new institute for advanced sociological research. The purpose of such an institute would be to study the origins of human conduct and the disorders of human society in order to reduce and lessen the possibility of mortal conflicts between people and nations in the future.

It is not enough on this occasion to mourn, as we have done in the past, our losses. It should be our resolve here to reduce the chance and prospect of even greater losses of our human resources in the future. We can best achieve this end by systematic, scientific and even prayerful study into the nature of human conduct and human society, so as to be able to remedy the diseases of social origin even as we remedy the diseases of physical origin in our great veterans hospitals as we are getting at every moment on this very ground by the efforts of Mr. D. C. Ferrari.

As scholars look back on the history of our past conflicts which costs the Nation its finest human stock as well as its treasure, they become aware of crucial actions which might have been taken to reduce the possibility of the conflicts. Even today the scientific study of the origins of conduct among our professed enemies can lead to our reducing their threats by the proper application of social, psychological and moral forces on their societies. In fact such action is as necessary for our survival as is military preparation.

Let therefore this day of mourning be not one of vain lament. Let it, instead be a day of resolve. We shall work to preserve the peace. We shall pledge that the best talents and best minds of our society shall study the disorders of human society with a view of prevention of further loss of human life when nations settle their differences.

In this way we shall retain our leadership and constructively serve mankind, even those inside of the nations who have professed their animosity. Our sacrifices in this effort will prove pleasing to our God and Creator.

BUREAU OF RECLAMATION OBSERVES 60TH BIRTHDAY—SIXTY YEARS OF PROGRESS IN THE WEST

Mr. YARBOROUGH. Mr. President, one of the things our country needs is a full realization of the magnitude of the water resources development task before it and a dedication to advance planning on projects essential to national progress. On Sunday, June 17, 1962, the U.S. Bureau of Reclamation will observe its 60th anniversary. The Bureau of Reclamation has projects in every Western State and is deserving of highest recognition for its efforts.

I have recently received a letter from Mr. J. E. Sturrock, general manager of water conservation of Texas, in which he said in part:

In our own State of Texas, energetic efforts will be required to meet the rapidly mounting demands for irrigation, municipal, and industrial water resulting from the phenomenal growth of the State in recent years. Bureau of Reclamation projects now under construction in Texas include the Canadian River project on the High Plains and the San Angelo project. Rehabilitation projects include the La Feria, Mercedes, and El Paso water districts on the Rio Grande. Rehabilitation projects under the Federal Small Projects Act include the Harlingen and Donna water districts in the Lower Rio Grande Valley. The Columbus Bend project on the Colorado River is now before Congress for authorization. The Bureau's comprehensive Texas Basins project for meeting Texas' long-range water needs will soon be before the Congress. Another potential project of major importance to the State is the Valley Gravity project in the Lower Rio Grande Valley. Realization of the multipurpose benefits of these projects will extend far beyond the State of Texas and their implementation will require the united support of our friends throughout the West, both in and out of the Congress.

I ask unanimous consent to have printed in the RECORD an article entitled "Reclamation Celebrates Its 60th Birthday," from Texas Water, the official publication of the Texas Water Conservation Association of Texas.

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

RECLAMATION CELEBRATES ITS 60TH BIRTHDAY

On June 17, 1962, the U.S. Bureau of Reclamation celebrates its 60th birthday.

The Bureau was established by the Reclamation Act of June 17, 1902, under the administration of President Theodore Roosevelt and has been a significant force over the past six decades in the development of the 17 Western States. The Reclamation Act originated in the vision and vigor of a President who saw clearly the need to use the waters of these States more effectively to support their settlement and economic growth and who was determined that their need would be met.

Some preliminary effort had been made to assist early western settlement by the Desert Land Acts of 1877 and 1891 and the Carey Act of 1894. None of these, however, provided the means for large-scale Federal investments, which were necessary to bring water to the land and cities in an orderly and organized manner.

Early reclamation projects were primarily for irrigation development. In keeping with the times and the more complicated functions water now serves, reclamation projects become multiple-purpose in concept, embracing not only irrigation but municipal and industrial water supplies, hydro-electrical power, flood control, fish and wildlife conservation, recreation, and other purposes.

The Bureau of Reclamation has projects in every Western State. Throughout the West, the Bureau has developed over 100 major water supply projects that, in many areas, are the bulwark of the economy they serve.

Some notable engineering achievements are represented by reclamation developments including such structures as Hoover, Grand Coulee, Friant, Shasta, Marshall Ford (Mansfield), Elephant Butte, and Hungry Horse Dams. To a considerable extent, the Bureau of Reclamation pioneered the modern-day mass-concrete dam of great size. Hoover Dam in many ways served as a vast reasearch project on problems then unexplored with respect to construction of great dams with mass concrete.

In 1955 Hoover Dam was chosen by the American Society of Civil Engineers as one of the seven modern engineering wonders of the world. Also chosen by the American Society of Civil Engineers as one of the seven modern engineering wonders, was the Columbia Basin project on the Columbia River, of which the key structure is Grand Coulee Dam.

Throughout the Western States, Bureau projects serve 8 million acres of irrigation, whose crop values last year exceeded $1 billion. Last year, 200 cities and major industrial centers were supplied consequent portions of their water needs. Currently, 42 powerplants constructed in connection with reclamation projects have a name-plate capacity of 5.2 million kilowatts. In 1961, 26 million visitors took advantage of the recreational opportunities provided by reclamation reservoirs.

The Bureau has always strongly supported the principle of reimbursability on the conviction that it safeguards the Federal investment in water resource developments and provides a sound and equitable basis for Federal, State, and local cooperation in development of western water resources. In this regard, the reclamation program occurs in the circumstance that 92 percent of its cost is reimbursable. No other Federal program dealing with water conservation and development approaches this level of repayment of the Federal investment. On its 60th birthday, approximately $4 billion will have been invested in western reclamation projects.

The first reclamation project serving Texas—the Rio Grande project—was started in 1905. It is serving New Mexico and Texas today. The project has been an outstanding financial success and is a fundamental factor in the economy of the El Paso area. In the midthirties the Bureau designed and supervised construction of Marshall Ford Dam for the Lower Colorado River Authority and rebuilt portions of the Balmorhea irrigation system near Pecos.

Currently, the Bureau of Reclamation has approximately $152 million of works under construction throughout Texas, including the San Angelo and the Canadian River projects—both multiple purpose—and several irrigation projects in the lower Rio

Grande Valley. The Columbus Bend project, also multiple purpose, designed by the Bureau for the Lower Colorado River Authority, is now before the Congress for authorization for construction.

Projects now in design status and being readied for the Congress include the Cuero project on the Guadalupe River and the Palmetto Bend project on the Lavaca and Navidad Rivers in Jackson County. Both are multiple purpose with the basic aim of providing municipal and industrial water supplies of substantial magnitude. Also in design stage is the Valley Gravity Canal, which will divert the American share of Rio Grande water from the river and make direct water delivery to all valley cities and irrigation districts.

Over the past 7 years, at the request of the Congress, the Austin office of the Bureau has made an exhaustive series of studies of the overall Texas water problem to determine the probable scope of future Federal water programs in the State and their national economic impact. Data gathered by the Bureau in this regard were given to the U.S. Study Commission-Texas and to a considerable extent were incorporated in the report of that Commission. In cooperation with the Texas Water Commission, the Soil Conservation Service, and the Corps of Engineers, the Bureau helped apportion the overall project recommendations of the study commission as between Federal and State agencies. The Bureau will report to the Congress on its portion of the contemplated program in 1964.

Overall activities, operation and maintenance, project construction, and project investigations for Texas come under the jurisdiction of the Bureau's region 5. The regional headquarters are at Amarillo; Leon W. Hill is regional director. Region 5 embraces all of Texas, Oklahoma, and major portions of Kansas, Colorado, and New Mexico. Reclamation project investigations in Texas are under the direction of the area office in Austin.

The Bureau of Reclamation has served the West and the Nation well. It is appropriate that its 60th anniversary be recognized. This will be done by various offices of the Bureau of Reclamation throughout the following year.

The Texas Water Conservation Association congratulates the Bureau of Reclamation on the nature of its effort in Texas. The association extends its congratulations first, because of the full cooperation it has offered every level of government as well as the public in Texas, and secondly, because the Bureau, recognizing that Texas land and water law diverges considerably from that of other Western States, has adopted its policies and programs to the special requirements of the State.

Mr. YARBOROUGH. Mr. President, it was on June 17, 1902, during the administration of President Theodore Roosevelt, that the Bureau of Reclamation was established. One of the first projects undertaken by the Bureau of Reclamation was the Rio Grande project of 1905, under which the Elephant Butte Dam was constructed, which gave the city of El Paso its first water supply. That city has become the fifth largest city in Texas, and the largest city along the United States-Mexican boundary on the United States side. It grew out of what reclamation did. Reclamation has done similar things for towns and cities throughout the Nation. The West really began to grow with the establishment of the Bureau of Reclamation. We have had 60 years of progress under that Bureau.

INVESTIGATION EXPANDED IN SLANTED OIL DRILLING IN EAST TEXAS OILFIELD—DEVICES FOR OIL THEFT NOTED

Mr. YARBOROUGH. Mr. President, in order to bring to the attention of the Congress the expanding investigation into slanted oil well drilling in the east Texas oilfield, I ask unanimous consent to have printed in the RECORD an article of the Associated Press from the Abilene, Tex., Reporter-News of Wednesday, June 13, 1962, written by Bob Rooker.

The article points out some of the difficulties of going in and finding out whether a well has been drilled crooked or slanted down under someone else's land in order to steal oil.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may proceed for an additional minute and a half.

The ACTING PRESIDENT pro tempore. Without objection, the Senator may proceed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. GORE. Does the Senator contend or is there evidence to support the conclusion that drilling has been done deliberately at an angle?

Mr. YARBOROUGH. Yes. I pointed out earlier, on 3 separate days this week, that under the Connally Hot Oil Act the Federal Government has jurisdiction. Where the well is deliberately slanted, illegal oil is produced—"hot" oil, in common parlance—and under the Connally Act of 1935, the Federal Government has jurisdiction to step in and stop it, because that oil cannot be shipped across State lines or international boundaries without violating Federal law.

As is pointed out in the article, the lowest estimate of the amount of oil which has been illegally produced is $10 million worth a year. The estimate according to last Sunday's Dallas Times Herald is that $72 million worth of stolen oil has been produced. This is a monumental scandal and fraud.

Mr. GORE. It is hardly comparable, then, to the reprehensible act, prevalent in pioneer days, of milking one's neighbor's cow through a crack in the fence, is it?

Mr. YARBOROUGH. It might be comparable to that, but on a more extensive scale.

Mr. GORE. The stolen oil has more value.

Mr. YARBOROUGH. It has more value. Since the Senator from Tennessee has raised the question, I should like to point out some of the devices used. One of the devices used for producing oil illegally is to hook up several low-producing or nonproductive wells to an illegally slanted well. If there are two or three played-out wells, wells which do not produce oil any more, which can be hooked up with a well having a quota, those wells can be made to appear to produce. Several nonproductive wells are hooked to a producing well to make it appear that oil is coming from all of them. Pumps are connected to wells which are not producing, and the quota for, say, four wells, is filled by taking oil from someone else's well.

Mr. GORE. Four pumps are pumping oil from a well that belongs to a neighbor?

Mr. YARBOROUGH. Yes.

The ACTING PRESIDENT pro tempore. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that my time be extended for 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YARBOROUGH. On one lease, it was found by an investigator that a maze of buried plastic pipe was connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground. Plastic pipe was used because investigators could not find it with mine detectors, as would be the case if metal pipe were used. Those who diverted the oil knew of the use of mine detectors; that was why they used plastic pipe.

A railroad commissioner, in a separate survey, said:

> It's like going into someone else's kitchen to bake a cake. It takes a little longer to find out just where the salt and sugar and flour are.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the RECORD.

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

PROBE EXTENDED ON SLANTED HOLES

(By Bob Rooker)

AUSTIN, TEX.—The Texas Railroad Commission extended for 30 days Tuesday its order forbidding operators in the East Texas oilfield to plug their wells and thus interfere with the massive oil-stealing probe.

The commission's original 15-day order would have expired this week. It was extended at the request of the attorney general's office which has hired private crews to survey suspected wells.

The action came after Assistant Attorney General Houghton Brownlee told the Associated Press that the first round of surveys to find crooked wells in the rich field might not be completed by the tentative deadline of Saturday.

Attorney General Will Wilson said originally that he hoped the first round of directional surveys in the field would be finished this week.

However, Brownlee said Tuesday, "It's not going as fast as we originally thought. We might finish by the end of the week, but it looks doubtful now."

Railroad Commission Chairman W. J. Murray said recently that the surveys were going slower than planned because of unfamiliarity with some of the well hookups.

"It's like going into someone else's kitchen to bake a cake," he said. "It takes a little longer to find out just where the salt and sugar and flour are."

The private crews hired by the State to do the directional surveys completed number 21 Monday and scheduled 6 more for Tuesday. Wilson said that directional surveys are not being done unless inclination surveys first show that a well has been ille-

gally deviated—slanted or curved—to siphon oil from nearby leases.

The relatively quick and inexpensive inclination surveys by the railroad commission show if a well is illegally deviated. However, the more time-consuming and costly—about $800—directional surveys must then be run to find out exactly how much slant there is.

Brownlee said that investigators are running into elaborate devices to disguise illegal operations in the field.

One of the devices, he said, is to hook up several low-producing or non-productive wells to an illegally slanted well and make it appear that oil is coming from all of them.

On one lease, Brownlee said, an investigator found a maze of buried plastic pipe connected to a buried electric switch which turned on and started oil flowing from dummy wells when someone kicked a rock on the surface of the ground.

The plastic pipe was used instead of metal pipe, he said, so that investigators could not find it with mine detectors.

Along with the attorney general's office and commission, probers from the State Department of Public Safety and Federal Petroleum Board are cooperating in the investigation.

Estimates have ranged from $10 million to $72 million a year on the amount of "hot oil" pumped through illegal wells in the field.

The attorney general's office has obtained court orders prohibiting operators on 28 leases from interfering with the investigation. Also, the commission has issued an order prohibiting the plugging of wells to keep the crews from making their surveys.

About 50 Texas Rangers and highway patrolmen are standing duty in shifts to back up the court and commission orders.

U.S. ACTIVITIES IN SOUTHEAST ASIA

Mr. MILLER. Mr. President, Walter Winchell has written an article entitled "Of Men, Women, and War," which was published in the New York Mirror of Tuesday, May 22, 1962. In the article he refers to the action now being taken by the United States in southeast Asia, and says that the men of the Flying Tigers-14th Air Force might well ask, "Is this action necessary?"

Then he goes on to quote the words of Gen. Claire Chennault, who led American fliers in China in World War II, with respect to the threat of Communist China. General Chennault said, many years ago:

A complete Communist victory in China will channelize the undercurrents of native unrest already swirling through Burma, India, Malaya, and Indonesia into another rising tide of Communist victories. The ring of Red bases can be stretched from Siberia to Saigon. Then the stage will be set for the explosion of world war III.

Mr. President, I ask unanimous consent that the entire article, which develops General Chennault's thesis, be printed at this point in the RECORD.

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

OF MEN, WOMEN, AND WAR

(By Walter Winchell)

It was Valley Forge in the steaming Asiatic jungles 20 years ago, and the fighting Americans who survived the deadly malarial mosquitoes, the Jap bullets and the Pentagon bungling are meeting in Washington this week. The Flying Tigers-14th Air Force gathering has the deepest and most painful historic significance. Significant because for all practical purposes another country, Laos, is lost. Significant, because the 7th Fleet is under battle orders in the South China Sea and American troops and marines are landing in Thailand. The men of the Flying Tigers-14th Air Force might well ask, "Is this action necessary?" Because, had the advice of their great leader, Gen. Claire Chennault, been taken, we would not have had to fight the Korean war, China would be free and the Marines wouldn't be at 24-hour battle stations.

General Chennault's warning to Washington (written immediately after the war) is more than fateful prophecy. It was then, and it is now, the handwriting on the wall. General Chennault said: "A complete Communist victory in China will channelize the undercurrents of native unrest already swirling through Burma, India, Malaya, and Indonesia into another rising tide of Communist victories. The ring of Red bases can be stretched from Siberia to Saigon. Then the stage will be set for the explosion of world war III."

General Chennault's advice was not only ignored; he was pilloried as no man since Gen. Billy Mitchell for stating the truth. Today the very chain of Red bases he predicted are operational. Today American forces are in the field, trying to stem the Red tide. Why? Because the eggheads of Washington (7,000 miles from the action) kept insisting that the huge Chinese Red route armies were "agrarian reformers." And did the "agrarian reformers" ask for plows and tractors? No, they wanted the whole captured arsenal of the Japanese. Enough, in fact, to conquer China, and our dunderheads gave it to them. For his public service General Chennault was subjected to one of the most brutal Red propaganda attacks in American history. This reporter remembers it well because it was a tossup whether he or his friend, General Chennault, was target No. 1 of the "Red paper machine." For backing General Chennault's warning, for stating that our country would face 50 Pearl Harbors, for declaring 18 months in advance the exact week the Reds would unveil their atomic bomb, this writer was called irresponsible by an American President, hysterical by two Secretaries of State, and a warmonger by the Red dupes in the United States of America.

As early as November 1941 General Chennault reported to Washington (and this newsman reported to the Nation) that heaviest units of the Japanese fleet were proceeding south under forced draft and in battle formation—just 1 week before Pearl Harbor. And what were we called? Alarmists. In any event, the present world map tells the story and so does a magnificent new book on the stands this week: "A Thousand Springs," by Anna Chennault.

All the world knows that Gen. Claire Chennault, his Flying Tigers, and his 14th Air Force won an epic war in Asia. General Chennault won not only a war, he won the heart and hand of one of the most beautiful women of China. For the general, their romance was a tremendous harmony of the Stars and Stripes Forever, with September Song in counterpoint, but the very real percussion instruments were the snare-drum machineguns, the crackling conflagrations of burning cities, and the bass of enemy blockbusters.

For his young wife it was a snatched melody, a few bars of music in a Chinese garden, a few blissful hours in parenthesis in the chapter of daily war, each all the more precious because both knew each parting might be the last. * * * But love is sacrifice, and every soldier's wife knows she must sacrifice her heart to her husband and his rank. She is first among women but second to his command. In line of duty the men who entrust him with their lives come even before the woman who trusts him with her heart. General Chennault never failed either trust. Mrs. Chennault understood this. To paraphrase, he could not have loved her half as much had he not loved his cause and his command more. She adopted not only his loves but his country. She and her daughters are American citizens. "A Thousand Springs" she calls her book; it is taken from a Chinese love poem. But the title suggests the condition of its readers' eyes after reading it; for a grander, sadder, brighter story has yet to come out of the war.

It's a woman's story, but what gives it a man's punch is that Anna Chennault is a first-class reporter. She captures the tenseness of the command headquarters, the top-level action and underneath the tremendous surging strength of the Chinese people who had to use heart power instead of bulldozers in maintaining the flying fields of the fighter command. General Chennault's dangers from the enemy were great, but the wounds that cut most deeply came from the knives in his back from Washington and London.

And so the Flying Tigers-14th Air Force will go out to Arlington this week to lay five wreaths on General Chennault's grave. He is beyond the power of politicians now—and history has already rendered its verdict. For these men General Chennault is the great American saint because he brought about a military miracle. With his brain and their hearts these Americans drove the Japs out of southeast Asia by cutting their supply lines. Chennault invented the wing-man formation. He was the first to discover that militarily two are four times stronger than one. While Washington was wringing its hands because the Jap Zeros could climb quicker and turn sharper, Chennault found American planes could climb higher and powerdive far faster than the Japs. Result: For every American plane shot down, 10 Jap planes fell in flames.

General Chennault's place in history is beyond anyone's power to add or subtract. When the honor roll of place-names is called, as long as a fife and drum beats in this land, schoolchildren will learn that as Washington at Monmouth Field, as Hull on the decks of the *Constitution*, as Crockett at the Alamo, as the Second Division at Belleau Wood, Chennault held the bridge at Salween Gorge. As Wayne charged the slopes at Stony Point, as the Marines cleared the heights of the Meuse and Iwo Jima, as Patton's Third Armored smashed the walls of Fortress Europe, Chennault's Flying Tigers-14th Air Force swept the Burma skies and China's. It is not their past deeds for which the Nation honors these men; it is for their living example that a great American never asks the odds. Indeed, that is Runyon's definition of a champion: "The man who can get up off the canvas and go on to win."

So there will be wreaths on the grave of a champion American general. Five wreaths symbolic of the wreaths he tried to save on the graves of his beloved fellow-Americans. If, somewhere far off, there are tears in General Chennault's eyes, they will be for the 33,000 wreaths of the American men who fell in Korea. Because if his advice had been taken, the Korean war (and the developing war in southeast Asia) would never have had to be fought.

THE ADMINISTRATION'S FARM BILL

Mr. MILLER. Mr. President, the lead editorial of the Cedar Rapids, Iowa, Gazette of June 7, 1962, entitled "Freeman Bill Not the Answer," discusses the controversy over the administration's farm bill. I believe the editorial merits the

attention of the readers of the CONGRESSIONAL RECORD; therefore, I ask unanimous consent that it be printed at this point in the RECORD.

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

FREEMAN BILL NOT THE ANSWER

The administration is using all of its considerable political pressure to get its wheat and feed grain programs through Congress. Already the Senate has restored the teeth in the program, which had been extracted by its Agriculture Committee, and has passed the bill. By a one-vote margin, quite patently obtained by political pressure, the House Agriculture Committee has reported the bill for action on the floor.

The avowed purpose of the bill is to bring wheat and feed grain producers under Government control. In a recent news conference, Secretary of Agriculture Orville L. Freeman and his chief economic adviser, Dr. Willard Cochrane, admitted the plan would mean putting farmers under Government franchise.

Even its supporters grant that the primary purpose of the legislation is to reduce the cost of farm programs. Increased income to farmers is a secondary consideration which they say will be achieved once supply and demand are brought into balance.

The commercial feed grain areas stand to lose if the bill is passed and if the program is approved in a referendum. Producers of less than 25 acres of feed grains may elect to stay out of the program. An amendment adopted by the Senate would allow the Secretary of Agriculture to void cutbacks in feed grain acreage in areas he determined were deficient in production. This move was obviously to allay southerners' fears that controls would limit the expansion of their livestock industry.

One-third of the Nation's feed grain production is in these deficit areas. Of the two-thirds that is produced in the commercial areas, less than half of the producers are interested in feed grains as a cash crop. The bulk of the grain is fed on the farm.

COMPULSORY

If the bill is passed and approved by two-thirds of the eligible producers voting in a referendum, participation would become compulsory. Each farm would be given a corn allotment, based on a percentage of the 1959-60 acreage. Excess production would be subject to a penalty of 65 percent of the parity price of the grain grown. Farmers who stayed within their allotments to avoid the penalty would be eligible for price supports at 65 percent to 90 percent of parity, as determined by the secretary.

One feature of the bill often overlooked is the declining rate of production payments on idled acres. In 1963, if the program is approved in the referendum, farmers will get 50 percent of the normal production at the support price as rental. This will be cut to 40 percent in 1964 and to 30 percent in 1965.

Farmers will be given the choice between this program, of almost complete regimentation and Government control, and what amounts to no program at all—no acreage limitations, price supports at zero to 50 percent of parity at the secretary's discretion and the threat of having up to 10 million tons of Government-owned feed grains dumped on the market to break prices.

The administration's bill does not offer a long-range solution to the Nation's pressing farm problem. It will freeze American agriculture into its current pattern, it will limit the opportunities of farmers to make best use of their technical skills and business judgment and it will capitalize the right to produce into the price of land.

As one astute farm economist observed recently: "The administration's farm program has neither administrative nor economic feasibility."

GREATEST ASSET

This country's efficient agriculture is one of its greatest assets in a troubled world. Its rate of production growth has far exceeded that of the nonfarm economy. Americans eat the best and most varied diets at the lowest real cost in history.

This vast, efficient, dynamic agricultural industry deserves more than the hobbles of bureaucratic Government control. On the other hand, the very abundance of its production, often stimulated by unwise Government policies in the past, makes necessary some kind of Government adjustment aid.

The so-called emergency feed grain programs of 1961 and 1962 have worked fairly well. The increase in farm surpluses during recent years has been largely the result of unusually favorable weather conditions, which are unlikely to continue for long.

Increased demand of a growing population, more normal crop seasons, and other factors show promise of bringing better balance to agriculture and a decrease in surpluses. Why not continue the present voluntary program until this occurs—or, at least, until a better plan than the administration's program can be devised?

Mr. MILLER. Mr. President, on the same subject, the lead editorial in Wallace's Farmer of June 2, 1962, entitled "All-Out Push for Mandatory Grain Plan," warns that we cannot accept the idea that a mandatory control program for feed grains should be rushed into law at this time.

The editorial then proceeds to give the reasons, one of them being that costs really will not be reduced, but will be merely shifted; that although the claim is made that the cost of the program to the taxpayers will be $1 billion less, the increased price for farm commodities, which the program is supposed to achieve, will be passed on to the consumers, who are the taxpayers.

Another reason is that it is expected, if the bill shall be passed, that a two-thirds referendum vote by the farmers will not be achieved. As a result, it is forecast that there will be more corn in the 65- to 70-cent area in the Corn Belt, and that this will result in distress to farmers. There would also be a flood of cheap feed which, in turn, would play havoc with the present market.

It is pointed out that if perchance two-thirds of the farmers should approve the program, the problem of enforcement of the program would be exceedingly difficult, leading to the employment of a large number of additional Federal personnel, and probably, eventually, to the imposition of controls upon the livestock market.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

ALL-OUT PUSH FOR MANDATORY GRAIN PLAN

Administration forces have intensified their efforts to get a compulsory feed grain control program enacted into law this year. The program was approved by the House Agriculture Committee by a narrow 18-to-17 margin. But the general feeling is that the bill is likely to be passed by the entire House.

The battle is now focused in the Senate. Senator PROXMIRE, Democrat, of Wisconsin, managed to get the mandatory feed grain provision tossed out in the Agriculture Committee, although other features of the administration program were approved. PROXMIRE proposed an amendment to continue the present voluntary feed grain program for 1 year. It was adopted by a one-vote margin.

The administration seems to be basing its entire stand for the mandatory program on costs—Treasury costs. A background statement sent to Senators compares Government costs of alternative programs. It puts the cost of the voluntary plan at $556 million more than the mandatory one for 1963. Diversion payments under the voluntary plan would be $495 million more, for a total difference of more than $1 billion a year.

We grant that costs can be reduced when you substitute a "club" for a "carrot." No doubt slavery provides a cheaper source of manpower than our wage-incentive system, too. And we also grant that it may be necessary to put our feed grain-livestock production system under some kind of controls someday.

But we cannot accept the idea that we should rush a mandatory control program for feed grains into law at this time. Here's why.

First, if farm income is maintained or improved, as the administration claims, will costs really be lowered with a mandatory program? No, they will merely be shifted from the taxpayer to the consumer—in many cases the same person. Restricted production will bring higher prices to farmers, and to consumers in their food purchases.

The only real savings that can be had are in reduced costs in acquiring and storing surpluses. This can be accomplished by either program. Our feed grain production last year was cut 15 million tons—more than 9 percent—below 1960, in spite of record yields per acre. An economist figures production this year will be around 23 million tons below 1960, if we have average yields.

Second, feed grain producers are almost certain to reject the mandatory program in a referendum this summer. In the amended bill, this would do away with all voluntary restrictions on planting, and drop supports to 50 percent of parity—80 cents a bushel. This means corn in the 65- to 70-cent area in Iowa.

A flood of cheap corn would soon play havoc with livestock prices, too. Because of the inelastic demand for livestock products, the prices of eggs, hogs, and in time, beef cattle, would soon be pushed below the cost of production—even with cheap corn. Does the Kennedy administration really want to push through a program that will throw Corn Belt farmers into bankruptcy?

Third, things could be in just as big a mess if feed-grain producers approved a mandatory program by the required two-thirds majority. We're afraid those in Washington who are pushing feed-grain controls don't fully recognize the nature of our feed-livestock economy, and of our Corn Belt farmers. About 80 percent of our feed grains don't go through a marketplace. The job of policing reluctant participants who feed all their grain would be tremendous.

Farmers would shift to high-roughage rations to beat the program. They could afford to buy expensive processing and pelleting equipment to stretch their reduced grain supply. A real fiasco could result—a scandal that would bring a sudden end to all farm programs.

So the administration's mandatory feed-grain plan, if passed by Congress, would raise cain with Corn Belt agriculture, as we see it. This would be true whether producers turned down or approved the measure in the referendum. It just isn't practical or feasible to put strict mandatory controls on feed grains in the current situation.

If feed-grain producers don't speak up right now, however, we may be headed for real trouble. President Kennedy seems determined to cut farm-program costs sharply, regardless of the political and economic effects of such a move.

The time is here to write your Representative and Senators urging that the present voluntary feed-grain program be continued. We'd like to see it continued for 3 years, but we may have to settle for a 1-year extension at this time.

THE WEST POINT BILL

Mr. LONG of Louisiana. Mr. President, the Senate Committee on Armed Services recently favorably reported to the Senate, with amendments, the bill H.R. 7913. This bill was described as a bill to augment the strength of the service academies. The committee's amendments were designed in part to make sure that the bill was really for that purpose, instead of a bill to augment the strength of the football teams at the academies.

During the committee's consideration of the bill, I testified to the effect that there is evidence of a substantial degree of abuse involved in the entire system of appointments to the service academies. My research into this matter has largely been confined to the situation at West Point, the Military Academy. However, I do not mean to confer any mantle of innocence on the other services, for I suspect that they are equally guilty.

The law requires that a Member of Congress nominate for selection by the academies only young men from his district or, in the case of Senators, his State. It seems clear to me that this law is being violated, sometimes very flagrantly.

I informed the committee of this fact. It seems to me that Senators should be made aware of it. This is one of the ways by which the academies obtain their football players.

Here is the way it works: A Member of Congress will be approached by officials associated with the Academy who will submit to him the name of an athlete they are desirous of getting. They will tell the Member, "If you will make him your third alternate, we can get him in." Often the Member will comply, reasoning that he is thereby getting an additional appointment, and that his district is losing nothing. Often the boy so appointed will be from the district or State of the appointing Member. But sometimes he will not be. In some cases, the Member will not know where the boy is from.

When I brought this matter to the attention of the Armed Services Committee, the distinguished chairman told me that he did not see how a Member of Congress could afford to appoint someone from outside his own district or State, for fear of losing votes of his constituents.

The answer to that observation of my good friend is here in my hand. This is a copy of a letter which I wrote to the Adjutant General of the Army. It requests a list of the Academic Board's appointees to the Military Academy for the years 1958 to the present. I asked that this list show the name of the Member of Congress who appointed each of these men.

Here, Mr. President, is the response:

Certain of the information you desire cannot be provided because of a longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy. The release of such information is left invariably to the discretion of the congressional nominating authority concerned.

I ask that the complete text of my letter and the Army's response be included in the RECORD at this point in my remarks.

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

MAY 31, 1962.

Maj. Gen. J. C. LAMBERT,
Office of the Adjutant General,
Department of the Army,
Washington, D.C.

DEAR GENERAL LAMBERT: On January 31, 1962, you were good enough to send me a list of the Academic Board selections to the U.S. Military Academy for the years 1950 through 1961.

Would you be able to furnish me with some further information? Specifically, I would like to have for the years 1958 to the present a list of the Academic Board selections which shows: (1) the name of the appointing Member of Congress (or other source); (2) whether the boy was a first, second, or third alternate; (3) the hometown of the boy; (4) whether the boy went out for football at the Military Academy.

I would also like to be informed as to how many boys arrive at the Military Academy yearly without having taken a competitive examination in connection with their application for appointment.

With every good wish, I am,
Sincerely yours,

_____.

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE ADJUTANT GENERAL,
Washington, D.C., May 31, 1962.

Hon. RUSSELL B. LONG,
U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: This is in reply to your letter requesting detailed information concerning qualified alternates admitted to the Military Academy since 1958.

Certain of the information you desire cannot be provided because of a longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy. The release of such information is left invariably to the discretion of the congressional nominating authority concerned.

Aside from the names of qualified candidates admitted to the Military Academy from 1958 through 1961, which were provided in my letter of January 31, 1962, a breakdown of the nominations is shown below:

Alternate designation

Year	1st	2d	3d	Competitive	Total
1958	17	23	30		70
1959	20	34	32	1	87
1960	33	23	41	2	99
1961	35	27	40	1	103

Concerning your question regarding whether the qualified alternates in question went out for football, it will interest you to know that all cadets are encouraged to turn out for football. At West Point all cadets are required to participate in sports, either at the corps squad level or in the intramural program. Young men who show promise in a particular sport will more than likely gain a position on the corps squad while all others will be required to participate in intramural competition. Whether the cadet remains on the corps squad depends, of course, on his proficiency in the sport, his success in other fields of training, and his academic standing. There is no record to show which cadets turned out for football or any other sport at West Point.

The Department is unable to provide you with information regarding competitive examinations which may be required for Military Academy applicants. The bulk of the applications flow directly to Members of Congress who may or may not require a competitive examination prior to nomination. However, to gain admission to the Military Academy all candidates are required to show proficiency in the entrance examination, and I assure you, no exception is made for any candidate in this circumstance.

With every good wish, I am,
Sincerely yours,

JULIAN A. WILSON,
Major General, U.S. Army,
Acting the Adjutant General.

Mr. LONG of Louisiana. Mr. President, this is an outrage. The Army is deliberately suppressing this information, which certainly should be a matter of public record.

The ACTING PRESIDENT pro tempore. The time available to the Senator from Louisiana, under the 3-minute limitation, has expired.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that I may proceed for an additional 4 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, here, then, is the answer to the chairman's observation. Members of Congress can afford to appoint anyone they please, even in violation of the law, as long as the Army will help them keep the secret.

It is an outrage for the U.S. Army, having recruited a football coach who had 4 years to run on a 5-year contract with another university, to now proceed on a nationwide recruiting drive to get men who have already signed grants-in-aid to break those contracts.

As if this were not outrage enough, they now go to the unpardonable lengths of seeking to withhold the names of the Members of Congress who are appointing those contract breakers.

I have asked the staff of the Armed Services Committee to undertake to help me get this information. If Senators will consult the two letters I have inserted in the RECORD, they will see that the Army has also refused to furnish other information I requested. I asked them for the names of Academic Board appointees who went out for football at the Academy. They tell me there is no record of this. Can any Member of the Senate believe that this is true?

They could have easily enough provided me with the information I requested. I refer Senators to the CONGRESSIONAL RECORD, volume 104, part 11, page 14443, where the late Representative from Louisiana, Overton Brooks, inserted in the RECORD just such information as I have been denied. Where

did Representative Brooks get this information, Mr. President, if, as is stated here, there is a "longstanding policy which precludes revealing to one Member of Congress the name and address of another Member's appointee to the Military Academy"?

The deeper I have gotten into this subject, Mr. President, the greater has been my feeling that many matters here would not stand the clear light of day. The response I received to my inquiry bears me out. What are they afraid of? What is it that they are trying to hide?

Mr. President, I demand that these matters be cleared up. I want to know the name, for example, of the Member of Congress who is appointing the young man who has already signed a grant-in-aid contract with Clemson College. This is a boy, Mr. President, who, according to his mother, had no interest at all in the Army until the football recruiters arrived on the scene. Senators should ask themselves if this is the kind of Army officer we need.

I ask that two articles be printed in the RECORD at this point.

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

DIETZEL A SALESMAN WITH SENSE OF HUMOR ON ARMY FOOTBALL

(By Dave Brady)

These dogwood days in the bosky precincts of West Point are deceptive.

To the unsuspecting tourist sopping up the tradition of the Military Academy, there is a secure feeling although the rest of the world is in flux.

That's because the office of Army's new commander in chief of the football forces is off limits.

There precisely calculated upheaval has been the order of the day since Paul Dietzel was hired last January to give football a nuclear charge.

The rumblings have been felt in Congress, Baton Rouge, and Colorado Springs.

Louisiana State University boosters voiced their indignation to Congress when it became apparent that Dietzel was forsaking them. There were mutterings about the sanctity of a coach's contract.

Now Congress is deliberating on legislation to appoint an additional 50 cadets to the Army and Air Force Academies. There have been charges that it is a "West Point football bill."

It may have been coincidence, but a couple of weeks ago Dietzel was saying in West Point that Tulane never landed a top football prospect in the State of Louisiana after his second year as coach at L.S.U. "That's what wins," he said, "yet they fired the coaches at Tulane."

Asked to compare Dietzel and Red Blaik, former Army coach, an old hand at the Academy said:

"If Blaik heard about a prospect like Glenn Davis or Doc Blanchard, he wouldn't rest until he got him.

"But Dietzel would know about them before anyone told him. Blaik was a two-fisted tough guy. Dietzel is a salesman with a sense of humor."

Dietzel has projected that impression on national TV shows such as "Today." Washington Touchdown Club banquet guests have seen how fast he is on his feet while sparring with witty toastmaster Morrie Frank, of Houston.

Dietzel may have been concerned only with spreading the gospel of the three-platoon system when he conducted the first football clinic in West Point's history for 400 high school coaches.

But rival coaches suspect Dietzel expects schoolboy players will hear it as their patriotic duty to help Army.

Sports Publicity Director Joe Cahill, called coach by Dietzel, says Paul is organizing a 14-man coaching staff, but Syracuse Coach Ben Schwartzwalder said he counted 16 at Army's intrasquad game.

"Join the Army staff and see the country," is Dietzel's slogan. The onetime prospective engineer has drafted a map of the United States, which he has divided by color schemes to indicate the responsibilities of each assistant coach. Dietzel defends the plan as the proper concern of a national school, such as Army.

Another sample of Dietzel's engineering experience is a professional-looking blueprint he drew up to completely make over the austere office where Blaik, and later Dale Hall, used to plot. He even designed the new furniture.

The first nongraduate coach in 50 years said:

"I won't get the athletes here. I did not take over until February so I lost a season of recruiting. The varsity and the freshman team are less than great. There is no Bob Kyasky, Gil Stephenson, Bob Mischak, or Pete Vann. And I've inherited 20 seniors.

"If a boy can pass our mental test. Yile (Yale) or Hahvad may get him. Then there's the physical. Many a good football player might not pass it. After that is a stiff medical examination.

"If we find a fine prospect who can pass all three tests, somebody probably has told him in junior high school that he would have a great future as a pro at another college.

"But 22,000 high-type boys tried for 750 openings here last year," Dietzel said with a wink. "And coaching is mostly organizing anyhow. I'll go along with Paul Brown, of Cleveland, on that.

"We'll have a great team here within 4 years, when my freshmen are juniors, or we never will. And I plan to be here 20 years," the World War II bomber pilot declared.

Although he has installed a pro-type slot T formation, Dietzel may be the first coach not to promise to pass more. Someone mentioned that a cadet team looked good in a couple of losing games last season.

"I don't want any players who 'look good losing'," Dietzel interrupted. "There are a lot of coaches selling apples who 'looked good losing.'

"I remember one. The day he was let go an alumnus said, 'So-and-so might not have won but he sure had a spectacular offense.'

"Well, Woody Hayes may have had a 'dull' offense at Ohio State, as they say, but nobody there finds winning so dull that he hesitates to wedge himself in among 80,000 fans.

"Louisiana State University was drawing about 16,000 a game when I went there. When I left, the average was about 55,000; the season ticket sale 35,000."

An old friend noted that Louisiana State University boosters installed a swimming pool in Dietzel's backyard; he received bonuses for attracting bowl bids, and he earned about $10,000 a year from TV appearances.

"So you're wondering why I left Louisiana State University where I had 27 or 33 players back from my first three platoons * * * left halfback Jerry Stovall, the best athlete in the Nation * * * a new half-million-dollar athletic building * * * ten straight victories plus the Orange Bowl triumph * * * a long-term contract?

"Because I had won the national championship there, I had nowhere to go. And I'm too young to retire at 37."

A tall, blond, blue-eyed, sunny personality, Dietzel may be a Bud Wilkinson of Oklahoma starting all over again.

"PEPSODENT" PAUL AT THE POINT

(By John Underwood)

"I am not deaf to these things, and I am not naive," said Paul Dietzel. "I know what they are saying, the things they expect and hope for. This does not frighten me. The prospect of losing does not concern me. I've been down that road. I know what it's like. Golly day, I didn't come up here to lose. These people think this will be a new era in Army football. They are right. This is a new era."

It has been 4 months since Paul Franklin Dietzel quit Louisiana State University and came to West Point to be its football coach. A fortnight ago his first team, a hand-me-down on which he had done some effective sculpturing, gave a creditable performance in a scrimmage that ended spring practice at the Academy. There was room for improvement, but no room for more enthusiasm. Of that there was a surfeit. If the practiced eye could see flaws in the new Army team, the eyes of West Point could see only stars. "Paul Dietzel," said one unconstrained second classman, "is the greatest thing that ever happened to this place."

There were 3,000 people at the scrimmage. Gen. Douglas MacArthur was there in a black homburg. Ex-Army Coach "Red" Blaik sat beside him. A few years ago they might have been as big an attraction as the blond Dietzel, the man some people at the Academy were calling a messiah and against whom others had already begun a tacit harassing movement. These latter were an influential few who fought the last great despot of Army football, "Red" Blaik, and see in Dietzel a return to the Blaik tyranny.

But on the surface the interest was sanguine and spectacular. The team that is expected to bring back Army football and to beat Navy slaughtered the scrubs. Dietzel and his staff chortled and cooed, corrected, and chastised. The crowd, predictably, reacted with cheers.

Dietzel, in fact, rides a wave of cheers. From the beginning he has shamelessly wooed support, and it has come lapping at his feet. He stood in the cadet messhall the first night and said that every one of his 33 team positions was wide open. Later he had to send his equipment manager to Jersey City to get enough uniforms to outfit the swarm of 140 candidates, one of whom was a 135-pound swimmer. Practices were attended as never before, and bleachers had to be set up to accommodate the crowds. A West Point officers Bible study group delayed its weekly meeting 40 minutes to speculate on the terrible things Dietzel would do to Navy. A group of telephone company executives was enraptured for an hour as Dietzel charmed them off his conversational cuff at the Bear Mountain Inn. The dewy-eyed secretary in the gymnasium office said you just had to be impressed—"I mean you don't swoon, exactly. But there's something about him. Like Billy Graham. You know, powerful. And clean clear through."

Dietzel's reputation as a winner has had much to do with his acceptance. His Louisiana State University teams went to three major bowls in 4 years and he was 1958 coach of the year. Army, by contrast, hadn't beaten Navy (and a lot of other people) in 3 years under Dale Hall, Blaik's successor.

Hall was fired in December. Dietzel came in January. It was late for a remodeling, but Dietzel is an incredible organizer. The team quickly showed an urgency of mission, a distinctive willingness to hit. From its lungs poured an uncommon sequence of chirps and yells, most of them coming from the Chinese Bandits, a name Dietzel always gives to third, or defensive-specialist, team. The Bandits are incurably loud people. They are his football philosophy, and though they are out of place in the West Point lexicon they are there to stay. "The Bandits were

mine from the time I was at Cincinnati," Dietzel told skeptical Army officers before he signed his contract. "They go where I go."

Dietzel, who once had coached at West Point under Blaik, dealt hard with Army brass to get what he wanted. But he also suffered personally under the controversy that surrounded his leaving Louisiana State University. Both sides were severely criticized—Dietzel for abandoning Louisiana State University with 4 years still on his contract, West Point for pirating away another school's head coach.

"My integrity was attacked," says Dietzel, "but the whole story was never told. I was first approached for the job when Colonel Blaik resigned in 1958. My wife and I had long ago decided that West Point was where we would ultimately like to be. It's a wonderful place to raise a family. But I turned the job down. I wasn't about to follow Blaik. Blaik is a legend. It is not healthy to succeed a legend.

"When Dale Hall took the job we kissed it goodby for good—he was young and smart and his future was bright. It was then that I said I'd never leave Louisiana State University. I had to eat those words. I'll never get trapped into a statement like that again.

"The morning Dale was fired Ann and I were at breakfast. Over the orange juice I showed her the headline. We didn't say anything, but we both knew right then what we wanted."

The decisive first contact was made between Dietzel and Joe Cahill, West Point publicity director. Said Cahill: "Unofficially, Paul, you wouldn't be interested in coming up here, would you?" "Joe," said Dietzel, "I just might be." "Is that so?" said Cahill.

When official contact was made, Dietzel was asked to come to the Point for an interview. He is a gracious man rarely given to testiness, but at this he bristled.

"By that do you mean I am a candidate for the Army job?" he asked from Baton Rouge, where he was preparing Louisiana State University for the Orange Bowl game. The answer was yes. "Well I'm not interested in being a candidate," the 37-year-old Dietzel replied. "I'm not a junior high coach out shopping. I don't have to be interviewed to prove I can win."

Dietzel made it clear he wasn't bargaining. No added inducement could keep him at Lousiana State University if the West Point job was close to equal. He took a 5-year contract at $18,000 which, with fringe benefits, Louisiana State University had already beaten. But the issue was not of money, as is customary in coaching moves. Dietzel says he left Louisiana State University without hard feelings. There was, nevertheless, a move (by "two-bit politicians," he says) to hold him to his contract. The school voted to let him go.

Dietzel says it will take 4 years to produce at Army. Hall was out after three, but West Point will wait for Dietzel. "I intend to build a football program," he says. "The best one I know how. Build the program you want and the winning will take care of itself."

The right program or not, Dietzel knows that among the sprawling body of brass at West Point there has been since the early days of Red Blaik a minority element that resents what it considers unhealthy catering to football. Blaik was a monolith and very tough to block, but there were skirmishes even he could not win—attempts, for example, to take two of his fine teams to bowl games (the 1946 team, last of the Blanchard-Davis strain, and the 1958 team, with Pete Dawkins and the original lonely end).

Dietzel apparently has not suffered a major setback yet, and he maintains a discreet silence on things that might be an issue, but he is aware that the Chinese Bandits were hard for some traditionalists to swallow, and that his masterfully precisioned practices have been lampooned for the horn-blowing and the whoop-whooping that characterized them. He knows, too, that his habit of standing in the middle while the practice rotates around him has been sneered at as "a three-ring circus."

But mostly Dietzel is a threat to the dissidents because he represents the Blaikian image of big football; infinitely more approachable than Blaik, perhaps, but a new Blaik nevertheless. This the minority will try to subvert. They will probably have no better success than they had with Blaik, providing Dietzel's football teams win.

To this end, Dietzel already has made grandiose plans for recruiting. A huge map covers one office wall; in a multiplicity of colors, it shows areas to be attacked. No State has been overlooked. "This is a National Academy, not an eastern school," he says; Hall's 1961 roster was stocked with 28 Pennsylvanians.

To those perennially embarrassed by the parade of patsies on the Army schedule, Dietzel says this: "We will, within 5 years, be playing the toughest schedule in West Point history." If they are good enough, the Cadets will also go to bowl games. Dietzel, who for his unfailing smile is known as Pepsodent Paul, will appear on a weekly New York television show in the fall, providing the sponsor does not sell liquor or cigarettes, neither of which are on the Dietzel hit parade of exemplary products.

A first on Dietzel's list upon arrival from Louisiana was a pilgrimmage to the top of the Waldorf Towers in New York where General MacArthur lives. This was more than perfunctory. MacArthur is an abiding friend of Army football; he and Blaik are in frequent company. Dietzel also called on Blaik, with whom he shares a mutual regard. Blaik once called Pepsodent Paul the world's greatest recruiter—"If he so much as gets his feet under the supper table with a boy, the boy is his." Dietzel said Blaik was "one of the three great men" to influence his life. Then they dissected each other's football. Blaik called Dietzel a "gimmick coach" for his Chinese Bandits. Dietzel wondered aloud if the "lonely end" wasn't a gimmick, too.

During Blaik's long term the football office became a sanctuary. Hall could not reduce its austerity and frequently took visitors outside to escape the prevailing aura of the great man. Now from the office walls where MacArthur once stared down are gay cartoons of Oriental types in football uniform, a life-size picture of the 1958 Louisiana State University team, and on the coffee table is a richly bound volume, "What I Know About Football" by Paul Dietzel. The book has 350 empty pages.

In the house that Blaik built at the end of Partridge Place in the area known as Snob Hill, Ann Dietzel, the coach's lovely wife, has refurbished and effected a marvelous new cheer. The recreation room is decorated with colorful reminders of the golden days at Louisiana State University. A cartoon Uncle Sam points his finger at the onlooker: "Uncle Sam Wants You—To Be a Bandit." Neighborhood kids romp freely in the backyard.

"If you knew Blaik you liked him," said one intimate. "But you had to know him. Dietzel you like right away. Takes you about 10 seconds." Part of the Dietzel attraction at West Point is that he is a departure from the soldierly—the first non-Army man ever to hold the job—and is not inclined to be changed. Military protocol dismays him. In the bachelor officers club where he recently lunched he had to interrupt one eager communicant with a kindly advisement: "Please, captain, don't call me sir. I think you're talking to my father."

Nevertheless he is such a compelling personality that what might be a social failing passes notice. He is, in fact, a fashion piece and the brass is eager to show him off. "Dietzel projects, and this is a bonus we didn't count on," said one official. Within 1 hour of a recent afternoon, Dietzel talked with a long line of high school prospects, then charmed the jug ears of General Omar Bradley, who had come to the practice field unannounced with the Board of Visitors.

But the clincher in Dietzel's acceptance was the cadet corps. They are taught to be analytical and are not easily swayed. However, despite his penchant for gee whiz epigrams ("You can learn more character on the 2-yard line than you can anywhere in life"), Dietzel touched the cadets' vanity. The football Dietzel plays, unlike the man, is drab and defensive. ("I would rather have a dull victory than a spectacular defeat.") He likes field position football. He will punt on third down and he will almost never pass. Yet the impressed cadets who play for him submit happily to a rigorous schedule that outregiments West Point itself.

Among the coaches there is a marvelous rapport, as if everyone is thinking how great it is to be one of the gang. Dietzel conducts his meetings in a democratic banter, everyone getting his say, but there is no doubting who is chairman of the board. On the field his mostly southern cadre wheedles and cajoles and chastens, offering both prologue and epilogue to the thudding of pads and the grunting of players.

A bird colonel watching the final scrimmage said wonderingly, "This team doesn't look like it could move the ball a nickel, but it has guts. Somehow I don't think it'll ever be disgraced." A handsome woman late arriving asked a young cadet to point Dietzel out to her.

"That's him over there," said the cadet. "The tall blond fellow whose feet don't quite touch the ground."

Mr. LONG of Louisiana. Mr. President, these articles show the nationwide recruiting scheme of the West Point athletic authorities. It looks as though no grant-in-aid contract in the country will be sacred. Bear in mind, Mr. President, that the Academy authorities have in all probability approved these articles for release. They are proud of their plans to get every potentially great football player in the Nation.

In summary, Mr. President, we have here a scandalous situation of substantial proportion. The law is being violated, and the Army is covering up the facts. It seems to me that a full-scale investigation of the entire matter is indicated.

I am outraged at what I have learned about this matter. I am outraged because of the unashamed admission of the Military Academy athletic authorities that they intend, if possible, to recruit, entice away, or steal every potential all-American in the country. I am infinitely more outraged because young men better qualified to serve in the Armed Forces are being passed over, in an effort to monopolize the Nation's best potential football players. Are these the kind of Armed Forces we want, Mr. President?

My feeling about this matter is that some serious and far-reaching investigation is certainly in order. I would certainly violently object to this bill being brought up for consideration until the Army has provided me with the information I requested.

Mr. YARBOROUGH. Mr. President. will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. YARBOROUGH. I should like to ask the distinguished Senator from Louisiana whether he has investigated or made any inquiries in regard to the number of midshipmen at Annapolis or the number of cadets at West Point or at the Air Force Academy that a Senator may appoint in any one year. I am sure the Senator from Louisiana is familiar with the rule that each Senator is entitled to appoint one cadet at the Military Academy or the Air Force Academy and one midshipman at the Naval Academy each year. But if a midshipman at the Naval Academy or a cadet at the Military Academy resigns or "busts out," such Senator can appoint a replacement the next year so as to have four cadets of his appointment at West Point or four midshipmen of his appointment at the Naval Academy at any particular time. Is the Senator from Louisiana familiar with that situation?

Mr. LONG of Louisiana. Yes; ordinarily a Senator or a Member of the House of Representatives can appoint one a year, on the average.

Mr. YARBOROUGH. But if some cadets or midshipmen who have been appointed leave the academies before graduation, a Senator can appoint others, provided not more than four of his appointees are serving at West Point or Annapolis there at any one time.

However, is the Senator from Louisiana familiar with instances in which a Senator is permitted to appoint three midshipmen to the Naval Academy in 1 year, even though there have been no extra vacancies in his appointment list?

Mr. LONG of Louisiana. I am not familiar with that.

Mr. YARBOROUGH. If the Senator from Louisiana is not familiar with it, I suggest that he include that situation in the subjects covered by his inquiry, and determine under what law discretionary power is claimed by the Secretary of the Navy to permit a Senator to appoint more than one midshipman per year. I wish the Senator from Louisiana would add that situation to the subjects about which he makes inquiry, and determine why certain Senators can appoint three midshipmen per year while the usual Senator may appoint only one midshipman per year.

Mr. LONG of Louisiana. Of course, what I am particularly directing my inquiry to is the matter of appointing, in violation of the law, those who are better football players than potential Army officers, and then deliberately withholding that information from the constituents of the Members of Congress who make such appointments. The public is paying for the training of these young men; and if such violations of law are condoned by the Army, the least we can ask is that those responsible for them be exposed.

Mr. YARBOROUGH. I commend the Senator from Louisiana for his interest in this matter and for the inquiry he has undertaken.

Mr. LONG of Louisiana. I thank the Senator from Texas.

Mr. KEATING. Mr. President, will the Senator from Louisiana yield to me on this point?

Mr. LONG of Louisiana. I yield.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute, in this connection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEATING. Mr. President, I commend the Senator from Louisiana for bringing this matter into the open and for laying it on the table. All of us know there have been abuses in connection with the appointment of cadets or first-year men to the Academies. They have different names at the various Academies, but I do not draw any distinction between the various services. Certainly there have been abuses. Young men have been appointed, in violation of law, from districts or States in which they did not reside.

This throws into question, it seems to me, the entire process of the congressional appointment of men to the service academies. Certainly our primary interest should be in having the very best Army, Navy, and Air Force officers we can possibly obtain, because in these perilous times we need them.

In the past I have asked—and I shall renew my request, in light of the interest of the Senator from Louisiana in this problem—for an investigation of the entire method of selecting new men for appointment to the service academies. I am not at all sure they are now getting the best men through appointments by the Members of Congress. I do not know how popular such an inquiry would be; but there are many who have suggested to me that the Armed Services Committee investigate the entire problem, and devise a method which would be better than the present one.

So I commend the Senator from Louisiana for bringing up this matter.

Mr. LONG of Louisiana. I thank the Senator from New York; and I am sure he agrees with me that, as a beginning point, both the Congress and the Nation are entitled to know who appoints all those who serve there—whether a Senator, a Member of the House of Representatives, or the President—and which ones.

Mr. KEATING. Undoubtedly. Furthermore, the maintenance of the national security has nothing to do with the disclosure of that information.

So I commend the Senator from Louisiana for his inquiry.

Mr. LONG of Louisiana. I thank the Senator from New York.

SOVIET DEPORTATION OF BALTIC PEOPLES IN 1941

Mr. KEATING. Mr. President, the modern history of the three Baltic peoples—Estonians, Latvians, and Lithuanians—is compounded with much misery and tragedy. Centuries before the First World War they had lost their independence and lived under foreign regimes. The end of that war ushered in a new era for them. All three regained their freedom and proclaimed their independence in 1919, established their own democratic governments and lived, for two decades, happily in their historic homelands. Their governments were duly recognized by other sovereign governments, and they became members of the world community of nations.

During the period of freedom which they enjoyed in the interwar years, they rebuilt their war-ravaged country. Unfortunately, however, in the larger world of international politics and diplomacy they were not masters of their own fate. With the rise of totalitarian governments in Germany and Russia, the Baltic peoples found themselves in a very precarious position. They succeeded in maintaining their independence until the outbreak of the last war; and then brute force, treacherously used, the Soviet Union, became the arbiter of their fate. Early in 1941, Soviet forces attacked the three states, overran and occupied them, enslaved their inhabitants, and then incorporated the countries into the Soviet Union. Estonians, Latvians, and Lithuanians by the tens of thousands, mostly helpless and innocent victims of Soviet aggression, were summarily arrested, placed in freight cars, and literally carted away to forbidding parts of Asiatic Russia. Such was the deportation of Baltic peoples by the Soviet Government in 1941.

Mr. President, since then, of course, many of the victims of this inhuman act have died in exile; and no one knows how many of them are still alive, suffering under the unrelenting whip of Soviet agents in prison camps. The free world has had no direct information as to the fate or whereabouts of these innocent victims of Soviet totalitarian tyranny; and we are likely to know nothing about them, for the areas in which they were exiled and imprisoned are hermetically sealed off from the free world. Today, on the observance of the 21st anniversary of that tragic event, we pray in memory of those who gave their lives for their love of freedom and independence; and we express our hopes for the ultimate redemption of these heroic peoples.

CATTLEMEN NOT MISLED

Mr. HRUSKA. Mr. President, we hear often these days from the administration that those who oppose certain of its schemes are misled or misinformed.

The President has said it about those who question the wisdom of his medical care plan and those who oppose the withholding of taxes on dividends and interest. He used his address at Yale University to say in effect that those who hold economic beliefs different than his own subscribe to mythology.

This trait of the President is echoed by some of his subordinates. Secretary of Agriculture Freeman not long ago said that "cattlemen have been so misled" in their opposition to the Kennedy-Freeman farm plan.

Mr. President, let me assure the Senate and Mr. Freeman that the American cattleman is not misled. To support this point, I call the attention of the Senate to a news release from North Platte, Nebr., where the Nebraska Stockgrowers Association is now meeting. The release concerns a statement by Mr. Cushman

S. Radebaugh, president of the American National Cattleman's Association.

I ask unanimous consent that the release be printed in the RECORD.

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

CATTLEMEN NOT MISLED

NORTH PLATTE, NEBR., June 15.—The American cattleman is not misled or emotional in his defiance of bold schemes to control livestock and much of agricultural production, the head of the largest national cattlemen's organization declared here today.

Cushman S. Radebaugh, president of the American National Cattlemen's Association, in an address to the Nebraska Stock Growers Association convention, referred to news reports in which Agriculture Secretary Orville Freeman is quoted as saying "cattlemen have been so misled" in opposition to the administration's farm bill's sections restricting feed grain production.

"I don't think millions of stockmen are so naive as to be misled in any analysis of a measure which would severely control basic freedoms under the guise of cutting down on grain surpluses built up over several administrations," the Fort Pierce, Fla., rancher declared.

Radebaugh claimed that the Secretary was not using facts in accusing certain segments of the cattle industry of using concentrated pressure, big money, resources and intimidation to defeat the Kennedy farm bill. "This is intriguing, especially when in the same news story he is quoted as urging visiting wheatgrowers to 'buttonhole House Members' and admitting that he personally had visited with 4 Congressmen that morning, 20 during the past week, with more to come before the House votes on it in coming days," he said.

"Actually the entire budgets of the American National Cattlemen's Association and all of the affiliated cattlemen's groups in the Nation wouldn't equal what the Department of Agriculture probably spends lobbying and in selling through its agencies many programs and philosophies many Americans are not convinced are correct," he said.

Radebaugh, speaking with the knowledge that almost every cattlemen's organization already has opposed the feed grain section of the farm bill as being disruptive to the future of sound beef production, also questioned Secretary Freeman's claim that if the farm bill fails, cattle prices would plunge 38 percent or $8 per hundredweight.

"Cattlemen fervently hope that surpluses can be reduced and the political mistakes of the past can be absorbed realistically as our Nation flexes with technological growth," he said. "But such theoretical solutions do not recognize that necessary production adjustments do continue under the free-choice system if given that opportunity.

"We, as citizens and taxpayers, cannot conceive that reduction of temporary surpluses justifies forfeiture of the basic freedoms we thought existed until the philosophy of Government supply management came along," Radebaugh said.

"We look upon this as a consumers' fight, too, because the administration's solution to raising farm income is to restrict and license abundance with franchises and allotments on production at the expense of the consumer two ways—taxes and food prices," he said.

AWARD OF APPROPRIATE GRADUATE LEGAL DEGREES AND CREDITS

Mr. LAUSCHE. Mr. President, I have received a letter from Dr. George A. Bowman, president, Kent State University, Kent, Ohio, expressing strong opposition to H.R. 6664, which would authorize the Commandant of the Judge Advocate General's School to award appropriate graduate legal degrees and credits.

The bill has already passed the House and is now pending before the Armed Services Committee of the Senate.

I ask unanimouns consent that Dr. Bowman's entire letter be printed in the RECORD.

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

KENT STATE UNIVERSITY,
Kent, Ohio, June 11, 1962.

Hon. FRANK J. LAUSCHE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LAUSCHE: I am quite sure that most publicly and privately supported institutions of higher learning are vigorously opposed to the Federal Government getting into the business of granting graduate degrees. We are aware that Mr. Gustave O. Arlt, president of the Council of Graduate Schools of the United States, has appeared in favor of H.R. 6664 which would give the Judge Advocate General's School at Charlottesville, Va., the right to award "appropriate graduate legal degrees and credits." This bill has been passed by the House.

I should like to point out that the American Council on Education has consistently opposed spreading degree-granting activities among agencies of the Federal Government. My purpose in writing you is to tell you that our opposition is consistent with that taken by the ACE and is in opposition to the Government, under any circumstances, entering into competition with municipal, State, and privately supported institutions of higher learning in this country. It has already gone too far and now under this bill proposes to get into the graduate education field. When this bill comes before the Senate (if it does), I hope you will agree with our position and oppose it.

With cordial regards.

Sincerely,

GEORGE A. BOWMAN,
President.

MODERN ENVIRONMENT AND LAW ENFORCEMENT

Mr. MUNDT. Mr. President, on June 6, 1962, the FBI National Academy held here in our Nation's Capital the graduation exercises of its 69th graduating class.

On the occasion of this commencement exercise the Honorable Sylvester C. Smith, Jr., president-elect of the American Bar Association, delivered a most thought provoking and informative address on new techniques confronting law enforcement created by new creations of modern environment. I ask unanimous consent that the text of Mr. Smith's address be printed in the RECORD.

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

ADDRESS OF HON. SYLVESTER C. SMITH, JR., PRESIDENT-ELECT, AMERICAN BAR ASSOCIATION, AT THE GRADUATION EXERCISES, 69TH SESSION, FBI NATIONAL ACADEMY, WASHINGTON, D.C., June 6, 1962

The Federal Bureau of Investigation under the inspiring and devoted leadership of J. Edgar Hoover has served the cause of law enforcement well for more than 38 years. You men, as members of the FBI National Academy, are partners in that cause, and so it is with great pleasure that I come here this morning to offer my personal congratulations as well as the greetings of the American Bar Association to you, the graduates of the National Academy.

Mr. Hoover has said that the National Academy grew out of a dream and a belief—the dream that democratic government can be administered simply and efficiently—the belief that cooperating law enforcement agencies can reduce and repress crime to a greater degree if all have the advantage of the best techniques and the most modern strategy. As a result of that dream and belief, the first session of the National Academy was called to order on July 29, 1935, and since that historic day more than 4,100 law enforcement officers have been graduated and returned to their departments convinced that brains, science and hard work are the most effective weapons against criminals and other enemies of our society.

As members of the 69th session of the FBI National Academy, you men are armed with the very latest of criminal investigative techniques. You are also versed in teaching methods and prepared to organize police schools wherein your brother officers will also be taught the latest methods and trends in crime detection and investigative procedures.

And so, you return to your home communities better equipped than when you left in terms of a public service not only as law enforcement officers but teachers as well. Continual training is a necessity in any field. It is just as imperative that you as law enforcement officers keep abreast of the changes in your profession. This is a responsibility that we both share if we are to adequately satisfy our common purpose as protectors of the weak, defenders of the innocent, and guardians of the civil rights of all citizens.

One of the great needs in our American way of life, as I see it, is a greater appreciation on the part of the public of the services rendered by dedicated and incorruptible law officers who have chosen law enforcement as a career. Can there be a more satisfying or rewarding service? You know, as I do, however, that there are too few law-abiding citizens who realize that it is the police officer who gives them the peace of mind and freedom from fear of violence in the protection of their person and their home.

This is the result, in large measure, of an increasing tendency to popularize the lawless—to make the tough guy the hero. There was a time when newspapers played the principal role in dramatizing the exploits of criminals. But newspapers have long since been eased out of this dubious role by television—the most popular and effective communications medium the world has ever known.

As a lawyer, it seems clear to me that a major problem facing law enforcement today is the establishment of some means whereby you can overcome the hazards and hindrances that the modern environment seems determined to put in your way. Your mission is the prevention of crime and the apprehension of criminals and other enemies of our society. Today, however, it seems that many of the influences which tend to promote disorder and unlawful activities flourish at the same time that your efforts to counter this trend meet one roadblock after another. It is my hope that you as intelligent and dedicated career officers will do your part in helping the people of this country to understand the impact with which the obstacles to effective law enforcement are crashing against law-abiding society. There is certainly nothing you can do to change this situation without the widest possible public support. Public opinion enforces the law. The police take care of the exceptions.

I have no doubt that a good citizen will, if properly approached and informed, actively

support a police program aimed at improving the department and its service to the community. This follows, I think, from the fact that most citizens recognize their responsibility to promote the common welfare and realize that one important way to do this is in the support he gives good law enforcement in his community. This support will stem in large part from his understanding of the dangers and risks which the police officer faces today. The citizens of your community must be made to understand that yours is not an easy service but one which may involve your very life. As a result of such understanding, the public will see to it that law enforcement is administered without consideration of politics or political influence; that police educational programs for personnel are implemented; and that salaries and conditions of employment are made attractive enough to gain the consideration of high-quality career applicants for positions as police officers.

Just as the public owes a responsibility to you, however, so do you owe them a corresponding obligation. The respect which the public pays you as a police officer bears a direct relationship to the respect which you pay to their rights. Respect for law and respect for law enforcement officers go together. Where they both exist, one can point to a law-abiding community. Law enforcement should and must be made subject to the will of the people and nobody has stated his theme more effectively than Mr. Hoover who has said on more than one occasion:

"Unlike totalitarian law enforcement, we have no dark corners to hide. Law enforcement—local, State, and National—is constantly subject to the will of the people, exercised through the various executive, legislative, and judicial processes. Moreover, its jurisdiction is specifically defined by statute. Our day-to-day activities are under the review of the free press and the citizens of the community. As American patriots as well as law enforcement officers, we would have it no other way."

For over 17 years I was a prosecuting attorney in a small New Jersey county during which time I learned, as I stated earlier, that most citizens, if properly approached and informed, will actively support a police program aimed at improving service to the community. No group in any community is more conscious of the merit of such a program than the lawyers and court officers of your community.

When you return to your home communities, you will again renew your relationship with lawyers. The lawyer and the law enforcement officer meet frequently. First there is the prosecuting attorney to whom the law enforcement officer reports his investigative findings. A good prosecuting attorney must appreciate the difficulties that sometimes arise in developing all of the available evidence. The prosecutor's duty is not only to see that the case is prosecuted earnestly but also that the defendant is accorded all of his constitutional rights and privileges. This anomalous position was stated by Mr. Justice Sutherland of the U.S. Supreme Court in the famous case of *Berger* v. *United States* in which he said:

"The U.S. attorney (and this, of course, applies to district attorneys) is the representative not of an ordinary party to a controversy, but of a sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor—indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one." You men, as law enforcement officers, must appreciate this phase of the prosecuting attorney's responsibility. You can assist the prosecutor in fulfilling this responsibility by providing him the expertise which you have acquired here at the FBI Academy—the greatest criminal investigative training ground in the world.

As law enforcement officers, you will also be dealing with the defendant's lawyer. At times this can be most difficult. The defendant's lawyer may attempt on cross examination to abuse and attack both your motives and your methods. It is, therefore, essential that you, in the performance of your duties, be constantly aware of the constitutional rights and privileges of the accused. As the people's witness in a criminal proceeding, you will be rendering a most effective service when you remain calm and simply relate accurately and honestly what you know about the case, taking with a smile any caustic attacks which defense counsel may make against you. It has been my experience that when the defendant's lawyer attacks the police officer in bitter cross examination which carries innuendo he generally has a poor case and no defense.

There is also the relationship with the general practitioner who may not be in the criminal court. Law enforcement officers, may I suggest, should get to know the lawyers in their community. There should be a liaison between the local bar associations and the law enforcement officers, generally. If this is established, I feel certain there will be a greater respect for the law enforcement officer and better law enforcement in the community.

The law enforcement officer must also work with the judges of the several courts. Some judges take a jaundiced view of the methods employed by some law enforcement officers. They seem to believe that law enforcement officers are prone to engage in tactics such as the "third degree" forbidden under the Bill of Rights and the Constitution. They are inclined to believe the defendant's story of bad treatment at the hands of the police. They do not appreciate the improvement in police methods in recent years, much of which is due to the training courses for police officers such as that provided at the FBI Academy. Fortunately, those judges are in the great minority.

Then there is the judge who becomes impatient with the police officer whose testimony reflects inadequate preparation. There should be no occasion for such criticism on the part of the court where you men are concerned, for you have over the past few months been well trained in the proper development of all the evidence through the use of the latest and most highly developed criminal investigative techniques. You will, in turn, pass on your knowledge to your brother officers and by so doing will help to achieve the Academy's aim of providing the best possible training to the largest number of police officers.

By far the greater number of judges are sympathetic with law enforcement officers. They have an understanding of the problems which they face. Sometimes this sympathetic understanding can result in a manifestation of prejudice which hurts the defendant at trial, but oftentimes is ground for reversal on appeal. It is important that you, as law enforcement officers, understand that the judge must be wholly impartial. The trial judge must not take sides. It is he, in the final analysis, who must see that the accused receives a fair trial and is protected in his constitutional rights. Occasionally a police officer mistakes a judge's actions as being opposed somehow to the efforts of the police, but a clearer understanding of the obligations of both the court and the officer will promote better law enforcement.

The problems of law enforcement today are a far cry from what they were not more than a generation or so ago. You and I would agree, I am sure, that while the frontier marshal may have been the answer to effective law enforcement in his day, he would be somewhat inadequate in this day of the organized and oftentimes sophisticated criminal. Law enforcement today is no longer a one-man job.

While it is true that about 90 percent of the crimes committed are within the investigative jurisdiction of local law enforcement, changes in our modes of transportation and communication pose serious problems of detection and apprehension for the local law-enforcement officer. The automobile, the airplane, the telephone, radio transmission, and other modern inventions have changed our mode of living. These facilities which are used by law-abiding citizens can and often are being used with ingenuity by those whose purpose it is to violate the law.

These developments and refinements in our way of living together with the advantages which they provide the criminal make necessary a cooperative effort not only on the part of the public but on the part of law-enforcement agencies at the National, State, and local levels as well.

Mr. Hoover has spent a lifetime fighting crime—and fighting it effectively. He has found that the most effective weapon against crime is cooperation—a combining of the efforts of all law enforcement agencies with the support and understanding of the American people. In his view, no police agency is so big or so small that it does not need the assistance of another. Cooperation among the various police agencies—the backbone of effective law enforcement—is a working reality as is evidenced by your presence here today as local police officers and as graduates of the FBI National Academy. The FBI, in pursuing its investigative responsibilities, regularly receives invaluable criminal information which is disseminated on a continuous basis to local, State, and Federal agencies. At the same time, these same agencies are providing the FBI with information which will be of assistance to the Bureau in matters within its jurisdiction. This is as it should be and represents the sort of cooperation among law enforcement agencies which makes crime unprofitable. It is through this type of teamwork and mutual cooperation that law enforcement combats the criminal element.

With your help in enlisting the support, assistance, and cooperation of the citizens in your community, even greater progress can and will be made against crime and the assault of the criminal against society.

In conclusion, may I suggest to you that in a society such as ours, the success of law enforcement, no less than the success of our legal system, is directly dependent upon the support and respect it receives from the citizens as a whole. It was Chief Justice Hughes who said: "We have in this country but one security. You may think that the Constitution is your security—it is nothing but a piece of paper. You may think that the statutes are your security—they are nothing but words in a book. You may think that the elaborate mechanisms of Government is your security—it is nothing at all, unless you have an uncorrupted public opinion to give life to your Constitution, to give vitality to your statutes, to make efficient your Government machinery."

I AM THE UNITED STATES

Mr. MUNDT. Mr. President, I ask unanimous consent to have inserted in

the body of the RECORD a patriotic script as performed on the Lawrence Welk Show on Armistice Day of 1961. The history of the freedom of our Republic is condensed into this short script and I commend it to the reading of all my colleagues.

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

I AM THE UNITED STATES

(As performed by "Aladdin" on the Lawrence Welk Armistice Day show)

I am the United States.

I was born on July 4, 1776, and the Declaration of Independence is my birth certificate. The bloodlines of the world run in my veins, because I offered freedom to the oppressed. I am many things. And many people. I am the United States.

I am 185 million living souls—and the ghost of millions who have lived and died for me. I am Nathan Hale and Paul Revere. I stood at Lexington and fired the shot heard 'round the world. I am Washington, Jefferson, and Patrick Henry. I am John Paul Jones, the Green Mountain boys. And Davy Crockett. I am Independence Hall. The *Monitor*, and the *Merrimac*. I am Lee, Grant, and Abe Lincoln.

I remember the Alamo, the *Maine*, and Pearl Harbor when freedom called. I answered, and stayed until it was over, over there. I left my heroic dead in Flanders Field, on the rock of Corregidor, and on the bleak slopes of Korea.

I am the wheatfields of Kansas, and the granite hills of Vermont, Pennsylvania, the fertile lands of the West, the Golden Gate, and the Grand Canyon.

Yes, I am the Nation and these are the things I am. I was conceived in freedom, and God willing, in freedom I will spend the rest of my days.

I am the United States.

JOHN H. SIMMS, LEGISLATIVE COUNSEL

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD a statement made on June 4, 1962, by the president of Western Maryland College, Dr. Lowell S. Ensor, when he presented the honorary degree of doctor of laws to John H. Simms, the distinguished legislative counsel of the U.S. Senate.

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

JOHN HAMMETT SIMMS, ATTORNEY, WASHINGTON, D.C., BACHELOR OF ARTS (SUMMA CUM LAUDE), WESTERN MARYLAND COLLEGE; BACHELOR OF LAWS, COLUMBIA UNIVERSITY

Most of your professional life as an attorney has been spent in the service of your country during both war and peace. In World War II you served effectively in the Judge Advocate General's Department advancing in rank to a lieutenant colonel and receiving the Legion of Merit Award. Your most conspicuous contribution, however, has been made in the Office of the Legislative Counsel of the U.S. Senate of which you have become the administrative head. Each of the 100 Members of the Senate depends upon you and your staff of outstanding attorneys for the preparation of legislation initiating from this, the most significant legislative body among the parliaments of the world. Here you have distinguished yourself as a man of complete integrity and a professional leader of genuine ability. Your alma mater takes pride in the high accomplishment and distinguished public service of one of her sons.

Therefore, by the vote and authority of the Board of Trustees of Western Maryland College, I admit you to the degree of doctor of laws, honoris causa, with all the rights, privileges, and distinction thereunto appertaining, in token of which I present to you this diploma and cause you to be invested with the hood of Western Maryland College appropriate to your degree.

RESPONSE TO ACT OF SACRIFICE BY GRADUATING CLASS OF GLEN LAKE COMMUNITY HIGH SCHOOL, MICHIGAN

Mr. HART. Mr. President, Senators may remember that on Tuesday I reported how the graduating class of Glen Lake Community High School saved for 4 years to make a trip to Washington, D.C., and how—at the last moment—they donated the money instead to a classmate who had developed cancer.

I was personally moved by the story of these Michigan youngsters and intended my remarks as a small tribute to their unselfishness.

The story was retold in the Washington Evening Star the following day and the response on the part of this city has touched me almost as much as the original act of sacrifice.

A major Washington hotel, the Executive House, has offered to house these youngsters if their visit could again be made possible. Similar offers have come from Bolling Air Base and groups of private citizens.

A broadcasting station, WWDC, has forwarded $700 toward transportation costs.

Yesterday Representative HECHLER, of West Virginia, took the floor of the House to urge that the youngsters be given all possible private aid.

President Kennedy invited them—in the event they should be able to come after all—to make a special tour of the White House.

Senators, Representatives, and private citizens have called my office to ask if they could join me in forwarding their checks to the Glen Lake School.

Mr. President, the youngsters at Glen Lake are tremendously grateful for all this, as all can imagine. So am I.

I am hopeful that this spontaneous response will muster the support needed to make the trip a reality after all.

But even now I am thrilled by the way this city has reacted to the selflessness of 33 children in a distant State.

When a man is as emotionally stirred as I am, he is tempted to spin flowery phrases. Phrases, perhaps, about sacrifice and compassion. I am going to refrain from them, however, Mr. President, because the facts alone speak so much more eloquently. And the facts are indeed simple.

A group of American youngsters gave up something to help a classmate.

And immediately, a group of American adults became eager to give up something to help those youngsters.

I submit these remarks as a quiet testimonial to this Nation's sense of humanity.

TRIBUTE TO ALEXANDER GRANT RUTHVEN

Mr. HART. Mr. President, each of us holds a warm spot in his heart for his alma mater, and too often an unexpressed feeling of appreciation for the many dedicated teachers who directed him on his way to a degree. Today nearly a quarter of a million alumni, including myself, salute the president emeritus of the University of Michigan, our distinguished dean of administrators, Alexander Grant Ruthven. President Ruthven is being honored this evening at an 80th birthday testimonial dinner in Ann Arbor, Mich.

He is a man who was directly responsible for 22 years for the leadership of one of the largest and finest universities in the world. During his term as president, he organized the university's graduate school, planned the institute for human adjustment, steadily advocated a democratic faculty administration and corporate administrative structure, and shared the achievements and failures of thousands of young men and women.

Too often we tend to forget that human element and think of our universities in terms of size, academic standing and prestige. Today I am happy to join with other alumni in paying tribute to our president emeritus—a man behind much of the greatness of our alma mater, the University of Michigan.

Mr. MANSFIELD. Mr. President, it is my intention to call up for consideration a number of measures to which there is no objection. This has been cleared with the leadership on the other side.

Mr. President, has morning business been concluded?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Antitrust and Monopoly Subcommittee of the Judiciary Committee;

The Committee on Public Works;

The Committee on Aeronautical and Space Sciences;

The Finance Committee; and

The Commerce Committee, or subcommittees thereof.

CONSIDERATION OF BILLS BY UNANIMOUS CONSENT

On the request of Mr. MANSFIELD, and by unanimous consent, the following measures were considered:

AMENDMENT OF ACT AUTHORIZING AND DIRECTING NATIONAL SURVEY OF FOREST RESOURCES

The Senate proceeded to consider the bill (S. 3064) to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of

forest resources, which had been reported from the Committee on Agriculture and Forestry, with an amendment in line 5, after the word "amended," to strike out "to read as follows: 'There is additionally authorized to be appropriated annually such funds as may be needed to keep the survey current.' " and insert "by striking out '$1,500,000' and inserting in lieu thereof '$2,500,000',"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 9 of the Act of May 22, 1928, as amended (45 Stat. 669, 702; 16 U.S.C. 581h), is hereby amended by striking out "$1,500,000" and inserting in lieu thereof "$2,500,000".

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1567), explaining the purposes of the bill.

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

This bill, with the committee amendment, would increase the amount authorized to be appropriated annually to keep the timber and forest product survey current under section 9 of the McSweeney-McNary Forest Research Act from $1.5 million to $2.5 million.

The bill, as introduced, would have authorized unlimited appropriations; but the committee felt that the authorization should be held down to the amount of foreseeable need. The Department of Agriculture's report shows a foreseeable need of up to $2.5 million, and the committee recommends amendment of the bill accordingly. The Department's report, which explains the need for increased authorization is attached.

DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 14, 1962.

Hon. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry, U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request of March 28, 1962, for a report by this Department on S. 3064, a bill to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources.

This Department recommends enactment of the provisions of the bill.

S. 3064 would remove the limitation of $1,500,000 on the amount now authorized to be appropriated annually for resurveys of the Nation's forest land and timber resources and permit the annual appropriation of such sums as may be necessary to keep the nationwide forest survey current.

Section 9 of the McSweeney-McNary Forest Research Act of May 22, 1928, authorized and directed the Secretary of Agriculture to make and keep current a comprehensive survey of the present and prospective requirements for timber and other forest products in the United States, and of timber supplies, including a determination of the present and potential productivity of forest lands, and of such other facts as may be necessary in the determination of ways and means to balance the timber budget of the United States. The act authorized an initial forest survey with both an annual and total limitation. This initial survey of the Nation's 770 million acres of forest land has now been essentially completed.

Amendments to the McSweeney-McNary Forest Research Act in 1944 and 1949 also authorized continuing resurveys to keep the forest survey current. The amendment of 1949 established a limitation of $1,500,000 on the amount authorized to be appropriated annually for these continuing resurveys. Since 1949 the costs of conducting survey work have risen more than 50 percent. In addition, there is increasing need for more frequent and more intensive forest inventories in all States. Even with substantial assistance from cooperating State agencies, forest industries, and other groups, the rising costs of survey work have made it impossible to provide adequate timber inventories within the authorization established in 1949 when price levels were materially lower. Hence, removal of the present limitation on annual appropriations for the forest survey is needed to permit adequate financing of this important field of research.

The forest survey provides the only comprehensive source of basic information on one of the Nation's most important natural resources. It provides facts on the area, condition, and productivity of forest lands; the volume, kind, quality, and location of standing timber; the present and prospective growth of timber of various species; losses to fire, insects, diseases, and other destructive agents; the present and prospective volumes of timber cut for various forest products; and interpretations of information on timber supplies and timber use to provide factual guides to the conservation and use of the Nation's forest land and timber resources. Since forest resources are constantly changing as a result of timber growth, cutting for industrial products, and losses to fire and other destructive agents, resurveys at regular intervals are necessary to provide up-to-date information.

Federal and State agencies, private forestry groups, landowners and timber operators all need adequate and up-to-date facts about timber resources and needs as sound bases for policy and program decisions. The production, manufacture, and use of timber products currently generates an estimated $20 billion of gross national product annually. Trends in forest conditions and the availability of timber supplies for prospective markets thus are of direct concern to many groups throughout the Nation's economy.

To public agencies, survey facts provide an essential basis for policy decisions on various programs involving the production and use of timber. To forest industries, survey facts on timber supplies are of broad practical value for guiding business decisions relating to location of wood-using plants, plant acquisition, and wood-procurement programs.

The removal of the limitation on approximations for resurveys, as provided for in this bill, would place the financing of this important research activity on the same basis as other fields of research authorized by the other sections of the McSweeney-McNary Forest Research Act. Adequate control over the amounts appropriated annually, as in the case of other forestry research of the Department, can of course be maintained through the usual budgetary processes.

Present estimates indicate that as much as $2.5 million annually may ultimately be needed to maintain the forest survey at an adequate level.

In reporting to you on S. 2403, we recommended the enactment of that bill with the addition of a section to accomplish the same thing as S. 3064. We believe the enactment of this provision either as a part of S. 2403 or as a separate enactment to be highly desirable.

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.*

CONVEYANCE OF INTEREST OF UNITED STATES IN CERTAIN LAND IN GEORGIA TO JASPER COUNTY BOARD OF EDUCATION

The bill (H.R. 4939) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1568), explaining the purposes of the bill.

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

This bill directs conveyance to the Board of Education of Jasper County, Ga., for fair market value, of certain reserved rights in 42.65 acres of land conveyed to the board in 1940. An undivided 39.8 percent of the reserved rights belonged to the Georgia Rural Rehabilitation Corp. and have been transferred to the Georgia Development Authority, which has authorized conveyance of its undivided 39.8 percent. The reserved rights consist of (1) a reversionary right if the board fails to maintain the property solely for educational purposes or to afford all children residing in the school district an equal opportunity to avail themselves of the facilities for educational purposes, (2) the right to use the facilities for community activities, and (3) the right to construct, maintain, and operate other structures which would not interfere with school purposes (including the granting of easements for such construction, maintenance, and operation).

The Department of Agriculture recommends enactment. There is no intention to utilize the retained rights, and the county intends to convert the property into a rest home for the aged. The amendments recommended by the Department were adopted by the House.

AMENDMENTS TO THE POULTRY PRODUCTS INSPECTION ACT

The bill (H.R. 7866) to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1569), explaining the purposes of the bill.

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

This bill makes it clear that the Poultry Products Inspection Act extends to Puerto Rico and the Virgin Islands. The Department of Agriculture recommends enactment.

The Poultry Products Inspection Act provides for the compulsory inspection of poultry and poultry products which move in interstate or foreign commerce or in designated major consuming areas.

CONVEYANCE OF CERTAIN REAL PROPERTY OF THE UNITED STATES TO FORMER OWNERS

The bill (H.R. 5456) to provide for the conveyance of certain real property of

the United States to the former owners thereof was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1571), explaining the purposes of the bill.

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

This bill provides for the conveyance of about 35 acres without consideration to the descendants of J. C. Drake for the purpose of correcting an error, as is more fully explained in the attached report of the House Committee on Agriculture.

[H. Rept. 1627, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 5456) to provide for the conveyance of certain real property of the United States to the former owners thereof, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of this bill is to direct conveyance to the grantees named in the bill, without consideration, of approximately 35 acres of land to which the United States obtained title by error in acquiring lands for the Apalachicola National Forest in Florida.

Evidence presented to the committee indicates that the 35 acres of land involved in this legislation is now and has been since 1917 a portion of a farm occupied and operated by the grantees and, before them, by their father. The farm is situated on the edge of the Apalachicola National Forest and the 35 acres in question was included by error in a condemnation action involving approximately 25,000 acres of land for the national forest which was instituted by the Government in 1941. The evidence further indicates that the Drake family had no notice or knowledge of the condemnation action (published notice of which was made in another county) nor any knowledge that the Government claimed title to a part of their farm until the Forest Service surveyed the area in 1955 and established boundary markers.

REVOLVING FUND FOR SUBSCRIPTIONS TO CAPITAL STOCK OF BANKS FOR COOPERATIVES

The bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1572), explaining the purposes of the bill.

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

This bill reduces the revolving fund available for subscription to the capital stock of the banks for cooperatives to $150 million from the current level of about $186 million. The difference would be covered into the Treasury as miscellaneous receipts. About $107 million of the fund is currently invested in the banks for cooperatives.

The report of the House Committee on Agriculture is attached.

[H. Rept. 1633, 87th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 10374) to amend section 6 of the Agricultural Marketing Act, as amended, to reduce the revolving fund available for subscriptions to the capital stock of the banks for cooperatives, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this bill is to reduce by approximately $36 million (to $150 million) the amount of money held in the revolving fund for the possible purchase of stock in the banks for cooperatives and to return this amount to miscellaneous receipts of the Treasury.

The fund was established in 1929 with an authorized amount of $500 million for the purposes of the Federal Farm Board. When the affairs of that Board were wound up in 1933, administration of the fund passed to the Farm Credit Administration to be used, whenever necessary, for the purchase of stock in the banks for cooperatives. As these banks gradually become more largely self-financing, demands on the revolving fund have become smaller, and the Farm Credit Administration now believes that the fund may safely be reduced to $150 million and the balance of approximately $36 million returned to the Treasury.

JUSTIFICATION

The following statement by the Deputy Governor of the Farm Credit Administration at hearings on H.R. 10374 explains in some detail the justification for the legislation.

STATEMENT OF GLENN E. HEITZ, DEPUTY GOVERNOR AND DIRECTOR OF COOPERATIVE BANK SERVICE, FARM CREDIT ADMINISTRATION, BEFORE THE SUBCOMMITTEE ON CONSERVATION AND CREDIT OF THE HOUSE COMMITTEE ON AGRICULTURE CONCERNING H.R. 10374

"The purpose of H.R. 10374 is to reduce the amount of the revolving fund in the Treasury which is available for the Governor of the Farm Credit Administration to purchase class A capital stock in the banks for cooperatives. This revolving fund originally was authorized and established at $500 million under section 6 of the Agricultural Marketing Act of 1929 for the purposes of the Federal Farm Board. By 1933 the affairs of that Board were being wound up, and the administration of the fund passed to the Farm Credit Administration. When the banks for cooperatives were established, also in 1933, what remained in the fund was made available for the purchase of capital stock in such banks. The cash available in the fund in 1933 plus the amounts subsequently realized by the Farm Credit Administration from the liquidation of the other assets of the fund eventually totaled $185,918,743.10. This is the amount now in the fund and is the maximum amount ever made available for subscriptions to the capital stock of the banks for cooperatives. Under the proposed bill, $35,918,743.10 of the cash in the fund would be credited to miscellaneous receipts of the Treasury, which would reduce the revolving fund to $150 million.

"At the present time $106,817,000 of the fund is invested in the capital stock of the banks for cooperatives. Each year since the Farm Credit Act of 1955, as the borrowers from the banks for cooperatives acquire more capital stock in the banks, an equivalent amount of the Government-owned capital stock is retired and the proceeds of such retirements are returned to the revolving fund. These repayments and any other cash in the fund continue to be available for further subscriptions to the capital stock of the banks for cooperatives as the Governor may determine is required for the purpose of meeting the credit needs of eligible borrowers from the banks. The last use of the fund to purchase capital stock in a bank for cooperatives was during World War II to help finance the processing and distributing of food and fiber for the war effort.

"It may be helpful to review how the proposed reduction in the revolving fund may affect the potential lending capacity of the banks for cooperatives. The loan funds of the banks for cooperatives are obtained primarily through the sale of consolidated debentures to the investing public. Under the law, the total amount of debentures which may be outstanding at any one time may not exceed eight times the capital and surplus of the banks (12 U.S.C. 1134m). Based on their present capital and surplus and the additional capital which could be provided from the cash now on hand in the revolving fund, the banks could issue consolidated debentures in an amount which, together with such capital and surplus, would give them loanable funds of approximately $3 billion. If the revolving fund is reduced by $35,918,743.10, as proposed, the potential funds for loans would be reduced to approximately $2.7 billion. This amount is about four times the peak loans of $783 million outstanding during the fiscal year ended June 30, 1961. In the circumstances, it is thought that reducing the revolving fund to $150 million should not impair the capacity of the banks for cooperatives to continue to meet the credit needs of eligible farmer cooperatives in the reasonably foreseeable future.

"The Farm Credit Administration has recommended the enactment of H.R. 10374, and we hope that the committee will act favorably on it."

COST

There would be no cost to the United States as the result of this legislation. On the contrary, some $36 million in the Treasury now tied up for a special purpose would be returned to general receipts.

VETERANS' ADMINISTRATION REPORTS ON USE OF SURPLUS DAIRY PRODUCTS

The bill (H.R. 4083) to reduce the frequency of reports required of the Veterans' Administration on the use of surplus dairy products was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1573), explaining the purposes of the bill.

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

This bill reduces the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949 from monthly to semiannually. This reporting requirement would then be uniform with that for reports by the Secretary of the Army contained in section 202(b) of the same act.

PURPOSE

Under the provisions of section 202 of the Agricultural Act of 1949, the Commodity Credit Corporation is authorized to make surplus dairy products available to the Veterans' Administration and other designated Government departments. The Veterans' Administration is required to report monthly to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate and to the Secretary of Agriculture the amount of surplus dairy products used. This bill would change the reporting requirement from a monthly

period to every 6 months. The committee feels that a report every 6 months would meet its requirements.

COST

There would be a slight reduction in administrative cost as the result of enactment of this bill.

SHORT EXPLANATION OF H.R. 4083

Mr. ELLENDER subsequently said: Mr. President, this bill would reduce the frequency of reports required from the Veterans' Administration as to the use of dairy products under section 202(a) of the Agricultural Act of 1949. At present such reports are required to be made monthly. Under the bill they would not have to be more frequent than semiannual.

Section 202(a) of the 1949 act requires the Commodity Credit Corporation, as a means of increasing the utilization of dairy products, to make such products acquired under the price-support program available to the Administrator of Veterans' Affairs for use in Veterans' Administration hospitals. A similar provision in section 202(b) of the same act, providing for transfer of such products to the Department of Defense, provides for semiannual reports so that the bill would make these two subsections uniform.

In the 86th Congress the Senate passed S. 899, which would have completely repealed this reporting requirement. The House Committee on Government Operations recommended that the repeal of this provision be omitted from S. 899, but that consideration be given to reducing the frequency of the reports to a semiannual basis. The bill would complete the carrying out of that recommendation.

The bill was requested by the Veterans' Administration. It should result in some slight savings in cost, and there appears to be no need for such frequent reports as are now required.

CONVEYANCE OF CERTAIN LAND TO CITY OF MOUNT SHASTA, CALIF.

The bill (H.R. 8434) to authorize the Secretary of Agriculture to sell and convey a certain parcel of land to the city of Mount Shasta, Calif., was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1574), explaining the purposes of the bill.

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

This bill authorizes the sale of approximately 4.5 acres at appraised value to the city of Mount Shasta, Calif. The property is no longer needed by the Forest Service and is currently used by the city under permit for storage of machinery and equipment.

USE OF CERTAIN PROPERTY FOR STATE FORESTRY WORK

The bill (H.R. 9736) to authorize the Secretary of Agriculture to permit certain property to be used for State forestry work, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1575), explaining the purposes of the bill.

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

This bill authorizes the Secretary of Agriculture to permit continued use by the States of property furnished to them under the Soil Bank Act program for the production of tree planting stock. The property would have to be used for State programs furthering related Federal programs.

The report of the House Committee on Agriculture is attached. The amendments recommended by the House Committee on Agriculture were adopted.

PURPOSE

The purpose of this bill is to permit States which have been cooperating with the Federal Government in the production of forest tree seedlings for planting on conservation reserve land to continue to use the facilities, materials, equipment, and improvements provided cooperatively by the Federal Government for the production of such seedlings, in producing seedlings which will be needed to attain the objectives of other related programs.

NEED FOR THE LEGISLATION

When the conservation reserve program was inaugurated in 1956, it was immediately realized that there were not adequate nursery facilities for the production of the forest tree seedlings which would be required in the reforestation aspects of the soil bank program. Accordingly, the Federal Government entered into cooperative agreements with the several States (which were already producing forest tree seedlings cooperatively under the Clarke-McNary Act) for the development and operation of additional nurseries for the production of such seedlings. The period for the contracting of acreage under the conservation reserve program has now expired, but there is a continuing need for forest tree seedlings for use in connection with related Federal programs and for reforestation activities generally. This bill would permit the nurseries which have been established to continue to be used for this purpose.

COST

There would be no additional cost to the Federal Government as the result of the enactment of this bill. The facilities to be transferred to the States are already in existence and have been paid for out of previous appropriations. The total residual value of these facilities has recently been appraised at $4.4 million.

SONS OF THE AMERICAN LEGION BADGES

The bill (H.R. 11032) granting a renewal of patent No. 92,187 relating to the badges of the Sons of the American Legion was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1580), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 92,187 relating to the badge of the Sons of the American Legion for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3084, recommends enactment of this legislation.

On May 8, 1934, a design patent No. 92,187 was granted for the protection of the emblem and insignia of the Sons of the American Legion. After the 14-year statutory period, it expired May 8, 1948. Such design patent was renewed by act of Congress on June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

AMERICAN LEGION AUXILIARY BADGES

The bill (H.R. 11033) granting a renewal of patent No. 55,398 relating to the badges of the American Legion Auxiliary was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1581), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 55,398 relating to the badge of the American Legion Auxiliary for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3083, recommends enactment of this legislation.

On June 1, 1920, a design patent No. 55,398 was granted for the protection of the emblem and insignia of the American Legion Auxiliary. After the 14-year statutory period, it expired June 1, 1934. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy

in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

AMERICAN LEGION BADGE

The bill (H.R. 11034) granting a renewal of patent No. 54,296 relating to the badge of the American Legion was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1582), explaining the purposes of the bill.

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

PURPOSE

The purpose of the proposed legislation is to extend and renew design patent No. 54,296 relating to the badge of the American Legion for a period of 14 years from the date of enactment of this act.

STATEMENT

The Secretary of Commerce, in a report dated April 10, 1962, on an identical Senate bill, S. 3082, recommends enactment of this legislation.

On December 9, 1919, a design patent No. 54,296 was granted for the protection of the emblem and insignia of the American Legion. After the 14-year statutory period, it expired December 9, 1933. Such design patent was renewed by act of Congress on August 2, 1935, and June 27, 1949. The instant measure is a simple renewal and extension for a period of 14 years from and after the date of approval of this bill.

Some 50 years ago the Congress started the practice of extending the statutory protection period for symbols or badges of this and kindred patriotic organizations. There is no ascertainable public policy against them per se or their renewal or extension, whereas on the contrary there is a definite public policy in encouraging these patriotic groups by legislation which secures to them their identifying marks against the encroachment of charlatans and infringers.

As disclosed by the report of the Secretary of Commerce, Congress has on previous occasions acted to extend design patents. Thus it is obvious that no precedent is being set by the instant legislation.

EXTENSION OF AUTOMOBILE INFORMATION DISCLOSURE ACT

The Senate proceeded to consider the bill (S. 678) to extend the Automobile Information Disclosure Act to Guam and the Virgin Islands which had been reported from the Committee on Commerce, with an amendment to strike out all after the enacting clause and insert:

That section 2 of the Automobile Information Disclosure Act (72 Stat. 325) is amended by revising subsection (h) and by adding a new subsection (i) as follows:

"(h) The term 'commerce' means commerce between any State and any point outside thereof, commerce between points within the same State but through any point outside thereof, and commerce within the District of Columbia.

"(i) The term 'State' includes the several States, the Commonwealth of Puerto Rico, the District of Columbia, the Virgin Islands, and Guam."

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1583), explaining the purposes of the bill.

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

The bill, as amended by your committee, would extend the coverage of the act of July 7, 1958 (Public Law 85-506) entitled "the Automobile Information Disclosure Act," so that it would apply to the Virgin Islands, and Guam, and would clarify its application to the Commonwealth of Puerto Rico. It should be clearly understood that the act would apply to commerce with these places, but not to intraterritorial commerce.

BACKGROUND

On February 5, 1946, the chairman of your committee appointed a special subcommittee to study automobile marketing practices in the United States. Under the chairmanship of Senator MONRONEY, this subcommittee made an exhaustive study of many facets of the automobile business, including dealer-factory relationships, and automobile insurance. S. 3500 of the 85th Congress was a direct result of this investigation and it became Public Law 85-506.

Under the Automobile Information Disclosure Act, every new automobile distributed in commerce must have affixed to it a label disclosing the following information:

(a) The make, model, and serial or identification number or numbers;

(b) The final assembly point;

(c) The name and the location of the place of business, of the dealer to whom it is to be delivered;

(d) The name of the city or town at which it is to be delivered to such dealer;

(e) The method of transportation used in making delivery of such automobile, if driven or towed from final assembly point to place of delivery; and

(f) The following information:

(1) The retail price of such automobile suggested by the manufacturer;

(2) The retail delivered price suggested by the manufacturer for each accessory or item of optional equipment, physically attached to such automobile at the time of its delivery to such dealer, which is not included within the price of such automobile as stated pursuant to paragraph (1);

(3) The amount charged, if any, to such dealer for the transportation of such automobile to the location at which it is delivered to such dealer;

(4) The total of the amounts specified pursuant to paragraphs (1), (2), and (3).

Failure to do so, or falsely doing so, subjects a manufacturer of automobiles to a fine not to exceed $1,000, and such failure or falsification with respect to each automobile is a separate offense.

Persons who willfully remove, alter, or render illegible such labels prior to the time the new car is delivered to the actual custody and possession of the ultimate purchaser are subject to a fine up to $1,000 or to imprisonment for not more than 1 year, or both.

Your committee believes this statute has proven itself since enactment, and has resulted in protection to the consumer in that he knows what he is purchasing and for how much, and to the dealer since the buying public now has an easy way to compare prices.

NEED FOR THE BILL

The U.S. Department of the Interior suggested the extension of the 1958 act to Guam and the Virgin Islands, and suggested the act would be just as beneficial to the inhabitants of those places as it has proven to be in the United States. With respect to the Commonwealth of Puerto Rico, the change will make it clear the act applies to commerce with Puerto Rico but not to commerce within the Commonwealth. Your committee is informed the Resident Commissioner from Puerto Rico concurs in the amendment.

FILLING OF VACANCY IN BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 192) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, be filled by the appointment of William A. M. Burden, a citizen of New York, for the statutory term of six years, to succeed Arthur H. Compton, deceased.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1586), explaining the purposes of the bill.

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

Title 20, section 42, United States Code, provides in relation to the Institution's Board of Regents that in addition to the Vice President and the Chief Justice of the United States, and Members of Congress, the Board shall be composed of "six other persons, other than Members of Congress, two of whom shall be resident in the city of Washington; and the other four shall be inhabitants of some State, but no two of them of the same State."

Mr. Burden's appointment is within the classification of Citizen Regents who are residents of a State.

A letter in support of Senate Joint Resolution 192 addressed to Senator MIKE MANSFIELD, chairman of the Committee on Rules and Administration, by Dr. Leonard Carmichael, Secretary of the Smithsonian Institution, with accompanying biography of Mr. Burden, is as follows:

SMITHSONIAN INSTITUTION,
Washington, D.C., May 31, 1962.

Hon. MIKE MANSFIELD,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR SENATOR MANSFIELD: Thank you very much indeed for your letter of May 29, 1962, and for the appended copy of Senate Joint Resolution 192, which was introduced in the Senate on May 28 (legislative day, May 25), 1962, by Senator ANDERSON for himself and Senator SALTONSTALL, providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress.

At the recent meeting of the Board of Regents of the Smithsonian Institution, held

on May 18, 1962, in compliance with longstanding custom, the names of individuals who might be recommended for membership on the Board were considered with great care, and Mr. Burden was unanimously, and I may say enthusiastically, recommended. The following Members of the Senate were present as regents at this meeting: Senator CLINTON P. ANDERSON, of New Mexico, and Senator LEVERETT SALTONSTALL, of Massachusetts.

You asked for a brief biography of Mr. Burden, and I am enclosing a copy of his biographical statement from "Who's Who in America."

Please let me know if I can provide you with any further information concerning this matter.

Sincerely yours,

LEONARD CARMICHAEL,
Secretary.

REVISION OF LAWS RELATING TO DEPOSITORY LIBRARIES

The Senate proceeded to consider the bill (H.R. 8141) to revise the laws relating to depository libraries which had been reported from the Committee on Rules and Administration, with amendments, on page 1, line 4, after the word "of", to strike out "1961" and insert "1962"; on page 2, line 21, after the word "as", to strike out "may have been designated by each of the Senators from the several States, respectively, and as"; in line 23, after the word "designated", to insert "by each of the Senators from the several States"; in line 25, after, the word "large", to strike out "and", in the same line, after the word "by", to strike out "the Delegate from each Territory, or"; on page 3 line 2, after the name "Puerto Rico", to insert a comma and "by the Board of Commissioners of the District of Columbia, and by the Governors of Guam, American Samoa, and the Virgin Islands, respectively"; in line 8, after the word "that", to strike out "a total of not more than two such libraries, other than those specifically designated by law, which are qualified to fulfill minimum requirements as provided by law for depository libraries, may be designated within each area" and insert "the total number of libraries designated by Representatives or the Resident Commissioner from Puerto Rico, as the case may be, shall not exceed two within each area, and (2) additional libraries within any State may be designated by each of the Senators from such State to the extent that the libraries within such State designated by Senators shall not exceed two designated by a Senator of each class"; in line 19, after the word "a", to insert "State"; in line 22, after the word "his", to insert "Senator"; on page 4, line 9, after the word "the", where it appears the first time, to insert "Senator"; in line 10, after the word "be.", to insert "Nothwithstanding any other provision of this section, the Board of Commissioners of the District of Columbia may designate two depository libraries in the District of Columbia, the Governor of Guam and the Governor of American Samoa may each designate one depository library in Guam and American Samoa, respectively, and the Governor of the Virgin Islands may designate one depository library on the island of Saint Thomas and one on the island of Saint Croix."; on page 5, line 12, after the word "any", to strike out "one of not more than two depository libraries, other than those specifically designated by law, within a congressional district or the Commonwealth of Puerto Rico may be made" and insert "depository library, other than a depository library specifically designated by law, may be made only within the limitations on total numbers specified in section 501 of the Revised Statutes (44 U.S.C. 82), as amended, and"; on page 6, line 11, after the word "shall", to strike out "at no time exceed the number authorized under existing statute" and insert "not be restricted by any existing statutory limitation: Provided further,"; on page 7, line 17, after the word "by", to strike out "Representatives or" and insert "Senators, Representatives,"; in line 18, after the name "Puerto Rico", to insert "the Board of Commissioners of the District of Columbia, or the Governors of Guam, American Samoa, or the Virgin Islands"; on page 8, at the beginning of line 15, to insert "(or (1) in the case of a library designated by a Senator, the Senator who made such designation or any successor of such Senator, (2) in the case of a library in the District of Columbia, the Board of Commissioners of the District of Columbia, and (3) in the case of a library in Guam, American Samoa, or the Virgin Islands, the Governor)"; in line 24, after the word "within", to strike out "each" and insert "the State,"; on page 9, line 1, after the word "district", to insert "territory,"; in line 2, after the name "Puerto Rico", to insert a comma and "as the case may be"; in line 8, after the word "Academy", to strike out "and"; in line 9, after the word "Academy", to insert "of the United States Coast Guard Academy, and of the United States Merchant Marine Academy; in line 11, after the word "Government", to strike out "publication" and insert "publications"; on page 10, line 20, after the word "of", to strike out "1961" and insert "1962"; on page 11, line 9, after the word "depository", to strike out "libraries; and in addition shall be entitled to receive a microfacsimile copy of these Government publications which the Superintendent of Documents determines to be suitable for such form of reproduction and which can be furnished by him within the limit of available appropriations" and insert "libraries"; on page 12, after line 12, to insert a new section, as follows:

SEC. 10. The Joint Committee on Printing shall have the power to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the provisions of this Act.

And, after line 16, to insert a new section, as follows:

SEC. 11. The Act entitled "An Act to make the United States Coast Guard Academy library a public depository for Government publications", approved August 5, 1939 (53 Stat. 1209; 44 U.S.C. 87a), is hereby repealed.

The amendments were agreed to.

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

The bill was read the third time and passed.

Mr. JORDAN. Mr. President, on June 13, 1962, H.R. 8141, an act to revise the laws relating to depository libraries, was reported favorably with amendments to the Senate by the Committee on Rules and Administration. The bill passed the House of Representatives on August 22, 1961, and was referred to the Committee on Rules and Administration the following day.

On September 6, 1961, the bill was referred by the full committee to its Subcommittee on the Library, consisting of Senator MIKE MANSFIELD, Senator EVERETT MCKINLEY DIRKSEN, and myself. At this point may I state that I consider it a high honor and a rare privilege to be the chairman of a subcommittee whose only other members are the distinguished majority leader and the distinguished minority leader.

On March 15 and 16, 1962, the Subcommittee on the Library held hearings on H.R. 8141 and S. 2029, a companion bill introduced by Senator FRANK J. LAUSCHE on June 7, 1961. As a result of those hearings, which were extremely beneficial and productive, the subcommittee reported H.R. 8141 favorably with amendments to the full committee. I am pleased to state that the subcommittee report was unanimous, and that the Committee on Rules and Administration without dissenting vote ordered H.R. 8141 reported favorably with amendments to the Senate.

Mr. President I ask unanimous consent to insert in the RECORD at this point a summary analysis of H.R. 8141 and the amendments proposed thereto.

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

SUMMARY ANALYSIS OF H.R. 8141

(An act to amend the laws relating to depository libraries)

THE DEPOSITORY-LIBRARY SYSTEM

The depository-library system is a long-established cooperative program between the Federal Government and designated major libraries throughout the United States under which certain classes of Government publications are supplied free of cost to those libraries for the purpose of making such publications more readily accessible to the American public. The program is administered by the Superintendent of Documents.

Number of depository libraries

There are currently 594 designated depository libraries out of a maximum possible 720, leaving 126 vacancies (104 congressional, 12 senatorial, and the balance State, territorial, and land-grant).

Categories of depository libraries

Depository libraries are either specifically designated by law: All State libraries; all land-grant college libraries; libraries of the executive departments; and service academy libraries, or, as designated by Members of Congress, one library in each congressional district by the Representative from that district, and one library in any part of his State by each Senator.

Government publications available to depositories

Each depository may receive one copy of each Government publication printed by the Government Printing Office which is not confidential or for official use only. The publications of the Government's 352 subsidiary printing plants are not available to depositories.

Depositories may select only those publications they desire, but must retain them permanently. Such libraries receive an average of 12,000 items annually, requiring over 100 feet of shelf space.

INADEQUACIES OF THE PRESENT SYSTEM

While the present depository library system is a smoothly operating program which fills a vital role in the dissemination of public information to the American citizenry, its functions are circumscribed by obsolete statutory limitations which in recent years have made it difficult if not impossible for the system to keep pace with the development and increased needs of the Nation.

Need for additional depositories

The most critical problem is the need for additional depositories. One hundred years ago the limitation of one congressional designation for each congressional district was no doubt reasonable and practical. Today, due to general population growth and the increasing shifts of population toward urban areas, such a limitation is unrealistic.

Disparity in population among congressional district: Since congressional districts now range in population from a low of 177,431 (12th Michigan) to a high of 1,014,461 (28th California), the original principle of one depository library for each district has now become inequitable and extremely unrealistic.

Limitation on publications available to depository libraries: Second only to the need for additional depository libraries is the need for expanded availability of Government publications to such depositories. Under present law selection by the depositories may be made only from documents actually printed at the Government Printing Office.

GPO unable to produce all Government printing: The Government Printing Office was originally designed to produce the printed materials needed by Congress. It was later expanded to accommodate the printing requirements of all branches of Government. For several years, however, it has been physically impossible for GPO to meet those requirements. As a practical solution to this very pressing problem the Joint Committee on Printing has authorized certain departments and agencies of the Government to establish subsidiary printing plants to produce certain of their necessary printed materials.

Quantity of non-GPO-printed publications: There are 352 subsidiary Government printing plants in the United States and throughout the world. The best estimate obtainable by the subcommittee indicates that slightly less than half of the Government printing is produced by GPO and slightly more than half is produced in the subsidiary plants.

The arbitrary division of Government publications: For several years librarians throughout the United States have been contending that the necessary division of Government publications into GPO-printed and non-GPO-printed publications has placed an arbitrary limitation on their natural desire to make all valuable and useful Government publications readily available to the public through the depository library system.

Documents expediter: At the instigation of the American Library Association and with the cooperation of the Librarian of Congress, there has been established within the Library of Congress a documents expediter for the express purpose of obtaining for the subscriber libraries copies of non-GPO-printed Government publications which they consider desirable and necessary for their proper functioning, and which are not available to them through the regular depository system. The fact that such libraries expend from $175 to $525 annually for the support of this cooperative endeavor would certainly seem to justify the contention that at least part of the product of the Government's subsidiary printing plants is of the type desired by and which should be made available to depository libraries.

THE PURPOSES OF H.R. 8141

A summary of the most important changes in the depository-library system contemplated by H.R. 8141 follows:

Availability of Government publications to depository libraries

Under present law depository libraries may select only from publications physically printed at the Government Printing Office or contracted for by that agency. H.R. 8141 would make available all Government publications (GPO-printed and non-GPO-printed), except those determined by their issuing components as—

1. Required for official use only;
2. Strictly administrative or operational in nature; and
3. Classified for reasons of national security.

Designation of additional depositories

Existing law permits the designation of one depository library by Senators, Representatives, and the Resident Commissioner from Puerto Rico if none has been so designated within the area served by each. H.R. 8141 would permit Representatives and the Resident Commissioner from Puerto Rico to designate additional depositories within the areas they serve to the extent that a total of not more than two congressional designated libraries could be so designated.

Certification of need for new depositories

H.R. 8141 contains a provision that the need for additional depositories must be certified by the heads of the existing depository libraries within the congressional district or by the head of the library authority of the State.

Transportation costs of publications sent to depository libraries

In view of the service they perform to the Government in making its documents and publications available to the public, depository libraries have continuously registered opposition to the requirement that they pay the postage on depository items sent to them by the Superintendent of Documents. H.R. 8141 would provide that the Government assume this cost (estimated for 1962 as $55,879.61).

Cost of non-GPO-printed publications supplied to depository libraries

The cost of the publications presently supplied to depository libraries is borne by the appropriation of the Superintendent of Documents. The cost of the non-GPO-printed publicatons to be supplied to depositories pursuant to H.R. 8141 would be borne by the issuing components.

Depositories within the Federal Government

Pursuant to present law the libraries of the 10 executive departments are designated depositories. H.R. 8141 would provide additional depository libraries within the Federal Government as follows: Each independent agency and each major division within an executive department or independent agency may receive depository status upon the certification of need for the designation by the head of such department or agency.

Regional depositories

An important innovation proposed by H.R. 8141 is the authorization for not to exceed two regional depository libraries in each State to be designated by Senators. This provision would not affect the overall size of the depository-library system since regional depository libraries would be designated from among already existing regular depositories.

Regional depositories would have to accept and retain all Government publications made available to depositories, and would have to agree to provide interlibrary loan, reference service, and assistance to the regular depositories in the disposition of unwanted Government publications.

Microfacsimile provision

Regional depository libraries would be entitled to receive from the Superintendent of Documents microfacsimile copies of certain classes of documents which he deemed suitable for such reproduction and for which purpose he had obtained sufficient appropriations.

PURPOSES OF THE SUBCOMMITTEE AMENDMENTS

A summary of the most important subcommittee amendments follows:

Additional senatorial designations

It is recommended by the Subcommittee on the Library that H.R. 8141 be amended to provide that Members of the Senate may make additional depository library designations "to the extent that the libraries within such State designated by Senators shall not exceed two designated by a Senator of each class." Present law permits one such designation for each Senator. Since 88 senatorial designations have been made, with 12 vacancies, the total available senatorial designations would be 112.

This amendment would give Members of the Senate participation in designating depositories on a basis consistent with the original formula, and would enable various deserving libraries not eligible under the terms of H.R. 8141 to become designated as depositories.

Additional depositories within the District of Columbia and the unincorporated territories

The subcommittee has adopted amendments which would extend the benefits of the depository library system in the District of Columbia (two designations) and to the unincorporated territories of Guam (one), American Samoa (one), and the Virgin Islands (two).

Service academies as depositories

All service academies (West Point, Annapolis, etc.), except the Merchant Marine Academy have been designated depositories by prior law. A subcommittee amendment would make the latter also eligible for designation.

Microfacsimile provision

The subcommittee has deemed it advisable to eliminate from H.R. 8141 the provision that regional depositories receive from the Superintendent of Documents microfacsimile copies of certain classes of publications. This is a function for which GPO does not have the facilities and experience. Moreover, libraries can and do obtain such a service from a private establishment (Readex). Hence, the subcommittee feels that the additional expenditure—approximately $200,000 annually—for this provision is not justified, at least at this time.

Function of the Joint Committee on Printing

While the subcommittee feels that the agencies of Government would make every effort to cooperate with the Superintendent of Documents in accomplishing the full purposes of the bill within a reasonable time, it has thought it advisable to amend H.R. 8141 to grant to the Joint Committee on Printing standby powers to adopt and employ such measures as, in its discretion, may be deemed necessary and practical for the implementation of the act.

ESTIMATED COST OF H.R. 8141

Cost of the present depository library system for fiscal year 1962

During fiscal year 1962 the present 594 depository libraries will require an expenditure of $829,285, or an average of $1,396 per depository. Of that total, $629,000 will be

expended for the cost of printing the publications ($1,059 per depository) and $200,285 will be expended for distribution costs ($337 per depository).

Estimated additional costs required by H.R. 8141 during first year

If H.R. 8141 is enacted into law, the first-year cost of the depository-library system will be increased approximately $526,693. The estimated first-year cost is predicated on the assumption, considered reasonable, that no more than 100 new depository libraries would be established during the first year after enactment of H.R. 8141.

Additional cost in succeeding years

The probable increased cost in subsequent years would depend principally on the number of new depositories which would be added to the system at an estimated annual cost of $2,000 per depository.

Maximum possible number of depositories

H.R. 8141 would increase the maximum possible depository designations from 720 to 1,321. In the judgment of the subcommittee it is likely that not more than half (300) of the additonal 601 designations would eventually be utilized. This excess in designations results from the fact that congressional districts vary in population from approximately 200,000 to 1 million.

Additional costs to components of the Government

The above estimates apply to appropriations to the Superintendent of Documents for the direct administration of the depository-library system. H.R. 8141 would also impose an additional cost on the agencies of the Government which would produce and send to the Superintendent of Documents non-GPO-printed materials destined for depository libraries. This additional cost could range from $200,000 to $1 million annually depending upon the amount of the product of the departmental and field printing plants which would be requested by depository libraries.

Possible mitigating factors in the cost estimates

The above estimates, it should be noted, are maximum estimates. Any of the following factors could tend to reduce the overall stated cost of the proposed revision of the depository-library system:

1. A lesser number of new depositories;
2. Requests by depositories for a quantity of non-GPO-printed publications less than the quantity of GPO-printed publications they now receive; and
3. The establishment of regional depositories in a substantial number of States, enabling the regular depositories to select less material.

Also, a substantial portion of the cost to the agencies of the Government supplying additional material for depositories would be offset by the fact that newly created depositories within those agencies could receive all items available to depositories free of cost.

CONTINUATION OF TEMPORARY SUSPENSION OF DUTY ON AMORPHOUS GRAPHITE

The bill (H.R. 10986) to continue for a temporary period the existing suspension of duty on certain amorphous graphite was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1591), explaining the purposes of the bill.

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

PURPOSE

The purpose of H.R. 10986 is to continue the present suspension of the duties on amorphous graphite or plumbago (crude or refined) valued at $50 per ton or less, for the period from May 14, 1962, through June 30, 1964.

GENERAL STATEMENT

Natural graphite (plumbago) is a soft, black mineral occurring in disseminated flakes or in scaly, granular, compact, or earthy masses. The term "crystalline graphite" or "flake graphite" refers to varieties that occur in crystals large enough to be visible to the unaided eye. The type covered by H.R. 10986 is a very fine granular variety which is actually cryptocrystalline or featuring particles so fine that they are not recognizable individually except under a high-power microscope.

Amorphous graphite or plumbago, crude or refined, and regardless of value, was made dutiable in paragraph 213 of the Tariff Act of 1930, as originally enacted, at the rate of 10 percent ad valorem. The duty was reduced to 5 percent ad valorem pursuant to a bilateral trade agreement with the United Kingdom, effective January 1, 1939, and the reduced rate was bound against increase in a bilateral trade agreement with Mexico effective January 30, 1943. The reduced rate of 5 percent ad valorem was again bound against increase in the General Agreement on Tariffs and Trade, effective January 1, 1948. These concessions extended to both the natural and artificial product, both of which are classified under paragraph 213. Effective September 10, 1955, the duty on the natural product was further reduced to 2½ percent ad valorem, pursuant to a further concession. The duty on the artificial product was not further reduced and remains 5 percent ad valorem.

Amorphous graphite is a mineral which has a wide variety of uses. For example, it is used for foundry facings and in the manufacture of carbon brushes, dry-cell batteries, pencils and paints, lubricants, and brush stock for electric motors.

The United States has long been dependent on imports for nearly all of its requirements of natural amorphous graphite. Domestic production supplies only a negligible part of the domestic consumption, probably about 1 percent of the total, and this consists chiefly of the lower grades. There is a large domestic production of the artificial amorphous graphite which has supplied nearly all of the domestic requirements.

In recent years Mexico has supplied about 80 percent of the total quantity of natural amorphous graphite imported into the United States. Most of the remainder came from Ceylon, Hong Kong, Norway, and West Germany. The imports of the natural products, originating in Ceylon, consist generally of high-grade or high-quality material which is suitable for certain strategic items required by the U.S. Air Force.

Favorable reports on this legislation came from the Departments of State, Treasury, Commerce, and Labor, as well as an informative report from the U.S. Tariff Commission. The Department of Labor reported that, according to the most recent information received, the duty-free importation of amorphous graphite, under the terms of the present suspension of the duties thereon, has not adversely affected domestic employment.

RELIEF OF OWNERS OF ABUTTING PROPERTY FROM CERTAIN ASSESSMENTS IN THE DISTRICT OF COLUMBIA

The bill (S. 3315) to relieve owners of abutting property from certain assessments in connection with the repair of alleys and sidewalks in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, interest, and control in and to the land heretofore held by the Government of the District of Columbia for the opening of an avenue along Foundry Branch, now named the Glover-Archbold Parkway and formerly known as Arizona Avenue, shown on the plat recorded by the surveyor, District of Columbia, May 3, 1893, in book county 9, page 48, titled "Avenue Along Foundry Branch From Loughboro Road to Canal Road, District of Columbia, March 1893" which lies between Canal Road and the present Upton Street (not shown on said plat) Northwest Washington, District of Columbia, together with that unimproved portion of P Street Northwest, extending from the westerly edge of said avenue to the westerly boundary of the Archbold Parkway, is hereby transferred to the United States to be a part of the park system of the National Capital and its environs. This land is hereby added to and shall hereafter be known as a part of the Archbold Parkway, the Glover Parkway, and Children's Playground, respectively, and shall be administered, protected, developed, and maintained by the Secretary of the Interior through the National Park Service, in accordance with the provisions of the Act of Congress approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1596), explaining the purposes of the bill.

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

The purpose of this bill is to obviate the requirement that assessments, equivalent to one-half the total cost of the work of repairing alleys or sidewalks, be levied against butting property in cases where the damage results from the growth of the roots of trees which are on public space. The bill also provides that property owners shall not be required to pay when the repair to the sidewalks or alleys is occasioned by the widening of streets, broken water mains, and other occurrences beyond the control of the property owners. The District of Columbia has always planted and maintained trees in connection with street development; however, the inevitable result of such planting is the disturbance of adjacent sidewalks and, to a lesser extent, alleys, by the growth of tree roots.

Since this damage is caused by trees planted and/or maintained by the District in public space, the Commissioners do not consider it equitable that the abutting property owners be assessed for repair or replacement caused by such trees. Although the major portion of the cases involved are a direct result of tree growth it is also considered desirable to include a provision in the bill to cover other causes beyond the control of the abutting property owners where it is not considered equitable to assess the individuals involved.

The Commissioners of the District of Columbia strongly recommend enactment of this legislation, and have indicated that the beauty and attractive features of the trees involved far outweigh the sidewalk damage caused by these trees and the cost of repair or replacement is a relatively small price to pay for the beautification of the city. The Nation's Capital ranks very high in this respect with other comparable cities in this country and throughout the world.

EXEMPTION FROM TAXATION OF CERTAIN PROPERTY OF THE AMERICAN WAR MOTHERS, INC.

The bill (S. 2139) to exempt from taxation certain property of the American War Mothers, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the real estate described as lots numbered 837 and 838 in square numbered 2205, situated at 2615 Woodley Place Northwest, in the city of Washington, District of Columbia, owned by the American War Mothers, Incorporated, is hereby exempt from all taxation so long as the same is owned and occupied by the American War Mothers, Incorporated, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1091; D.C. Code, secs. 47-801b, 47-801c, and 47-801e).

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1597), explaining the purposes of the bill.

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

The purpose of this bill is to exempt from all taxation lots Nos. 837 and 838 in square No. 2205, situated at 2615 Woodley Place NW., in the city of Washington, D.C., owned by the American War Mothers, Inc., so long as the same is owned and occupied by the aforementioned corporation, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942 (56 Stat. 1091; D.C. Code, secs. 47-801b, 47-801c, and 47-801e).

LEASE OF CERTAIN SPACE IN THE DISTRICT OF COLUMBIA FOR PUBLIC PARKING

The bill (S. 3359) 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 was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Board of Commissioners of the District of Columbia are hereby authorized and empowered to exercise all powers necessary and convenient to provide for the leasing out of certain public space below the surface, and in line of, Tenth Street Southwest, south of D Street, together with certain public space below the surface lying to the east of Tenth Street, all as more particularly located and described on map S.O. numbered 8673, filed in the office of the surveyor of the District of Columbia, and bearing the date March 29, 1962, for the purpose of constructing in all or part of such public space a public facility for the parking of motor vehicles.

SEC. 2. The Commissioners shall, in leasing out the public space referred to in the first section of this Act, observe each and every term, condition, and provision relating to the leasing of publicly owned property for parking facilities and to the operation of, and regulation of rates charged for such parking facilities, as set forth in paragraph (f) of section 3 of the Motor Vehicle Parking Facility Act of 1942, as amended (sec. 40-804(f), D.C. Code, 1961 edition).

SEC. 3. Appropriations to carry out the purposes of this Act, payable from the special account in the highway fund which special account was created by section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended by section 601 of the Act approved March 2, 1962 (76 Stat. 18), are hereby authorized.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1598), explaining the purposes of the bill.

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

The purpose of this bill is to authorize the Board of Commissioners of the District of Columbia to lease space under 10th Street SW., south of D Street, together with public space below the surface lying to the east of 10th Street, to a private parking lot operator for the construction of a parking garage at the expense of the lessee.

Preliminary planning indicates that the facility will cost the private operator approximately $5 million and upon completion will accommodate a minimum of 2,000 motor vehicles.

The first section of the bill authorizes the leasing of the space for use as a parking facility to be available to the general public.

Section 2 of the bill incorporates by reference the provisions of paragraph (f) of section 3 of the Motor Vehicle Parking Facility Act of 1942. The effect is to require, among other things, that any lease of the aforementioned public space be awarded on a competitive basis; and be made for a period not exceeding 50 years; stipulate that the lessee shall at his or its expense construct in such space a structure or structures conforming to plans and specifications approved by the Commissioners; that such structure or structures shall upon the termination of the lease become the property of the District of Columbia; and that the rates charged for the use of the parking facility be subject to regulation by the Commissioners, who shall fix such rates so that they will produce a fair return on the investment by the lessee, together with amortization of the investment within the term of the lease.

Section 3 authorizes appropriations to carry out the purposes of the act. The appropriations are payable from the special account in the highway fund created by the amendments of the Motor Vehicle Parking Facility Act of 1942 contained in the act of March 2, 1962. The purpose of this authorization is to make it possible to obtain funds with which to employ expert engineering consultants to advise the Commissioners with respect to the design of the facility to be constructed by the lessee of public space.

The approved urban renewal plan for the Southwest urban renewal area, project C, contemplates that the area described in the bill is to be used for the parking of motor vehicles. The Commissioners of the District of Columbia and the District of Columbia Redevelopment Land Agency feel that it is quite important that a parking facility for the use of the general public such as is contemplated by this legislation be provided for the service of occupants of and visitors to certain buildings which, under the urban renewal plan, Southwest urban renewal area, project C, are to be erected in the vicinity of the land referred to in the bill.

It is contemplated by this legislation, as indicated above, that a lessee of the space below the surface of 10th Street and other public space lying to the east of 10th Street will construct a parking facility of a substantial nature and at considerable cost. Undoubtedly the lessee will require financing for such construction. In view of the language contained in section 3(f) of the Motor Vehicle Parking Act of 1942 (sec. 40-804(f), D.C. Code, 1961 edition), as compared with section 3(b), (sec. 40-804(b), D.C. Code, 1961 edition), doubt exists that the authority contained in section 3(f) encompasses the use of property for public parking facilities to the same extent as is authorized in section 3(b). In the absence of legislation clearly authorizing the use of this space for a public parking facility, it is believed that there is little likelihood that the prospective lessee will be able to obtain the necessary financing.

The Commissioners of the District of Columbia recommend passage of this bill and its enactment will cost the District of Columbia approximately $25,000 for the engineering studies referred to in section 3 of the bill.

INCORPORATION OF METROPOLITAN POLICE RELIEF ASSOCIATION OF THE DISTRICT OF COLUMBIA

The bill (S. 3063) to incorporate the Metropolitan Police Relief Association of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Clarence H. Lutz, Francis Conley, Garland B. Waters, William G. Schenck, Lawrence D. Johnson, Anthony A. Cuozzo, Lester W. Hebbard, and Royce L. Givens are hereby created and declared to be a body corporate by the name of "Metropolitan Police Relief Association of the District of Columbia" (hereinafter in this Act referred to as the "corporation"), and by such name shall be known and have perpetual succession and the powers and limitations contained in this Act.

COMPLETION OF ORGANIZATION

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

OBJECT AND PURPOSE OF CORPORATION

SEC. 3. The corporation shall not be conducted for profit but shall have as its object and purpose, upon the payment of specified amounts, the payment of death benefits with respect to (1) persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, (2) wives of persons who are or have been officers or members of the Metropolitan Police force of the District of Columbia, and (3) persons who are or have been employees of the District of Columbia assigned to the Metropolitan Police Department.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to enter into contracts with those persons described in section 3 of this Act to pay death benefits not to exceed $1,500 with respect to such persons;

(2) to issue certificates of membership as evidence of the contracts referred to in paragraph (1);

(3) to collect specified amounts with respect to contracts for the payment of death benefits;

(4) to sue and be sued in any court of competent jurisdiction;

(5) to choose such officers, directors, managers, agents, and employees as the business of the corporation may require;

(6) to adopt, amend, and alter a constitution and bylaws, not inconsistent with the provisions of this Act, the laws of the United States, and the laws in force in the District of Columbia for the management of its property and regulation of its affairs;

(7) to contract and be contracted with;

(8) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the object and carrying into effect the purpose of the corporation subject to applicable provisions of law in force in the District of Columbia;

(9) to transfer, encumber, and convey real or personal property;

(10) to adopt, alter, and use a corporate seal;

(11) to borrow money for the purposes of the corporation, issue bonds therefor, and secure such bonds, subject to the laws of the United States, and the laws in force in the District of Columbia;

(12) to invest the funds of the corporation only in such securities as the United States District Court for the District of Columbia may approve, from time to time, for the investment of funds by fiduciaries operating under its jurisdiction; and

(13) to do any and all acts and things necessary and proper to carry out the object and purpose of the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 5. (a) Eligibility for membership in the corporation and the rights and privileges of members of the corporation shall, except as provided in this Act, be determined by the constitution and bylaws of the corporation.

(b) Only members of the corporation shall have the right to vote on matters submitted to a vote at meetings of members of the corporation. Each member of the corporation shall have only one vote with respect to matters submitted to a vote at meetings of members of the corporation.

BOARD OF DIRECTORS; COMPOSITION, RESPONSIBILITIES

SEC. 6. (a) Upon enactment of this Act, the membership of the board of directors of the corporation shall consist of those persons named in the first section of this Act. Such persons shall remain on the board of directors of the corporation for a period of one year from the date of enactment of this Act.

(b) After one year from the date of enactment of this Act, the board of directors of the corporation shall be composed of (1) one officer or member from each precinct, bureau, and division of the Metropolitan Police force of the District of Columbia (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are assigned to the precinct, bureau, or division from which such officer or member is elected; (2) one member of the White House Police force (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of the White House Police force; and (3) one member of the Retired Men's Association of the Metropolitan Police Department (who is a certificate holder of the corporation) elected by a majority vote of the certificate holders of the corporation who are members of such association.

(c) The board of directors shall be the governing board of the corporation and shall be responsible for the general policies and program of the corporation. The board of directors may appoint from among its membership such committees as it may deem advisable to carry out the affairs of the corporation, including an executive committee and an investment committee.

(d) The board of directors shall make and adopt such bylaws for the conduct of the corporation as it may deem necessary and proper which are consistent with the terms of this Act.

OFFICERS OF THE CORPORATION

SEC. 7. (a) The officers of the corporation shall be a chairman of the board of directors who shall also be the president of the corporation, a vice president, a secretary-treasurer, and an assistant secretary-treasurer. The duties of the officers of the corporation shall be as prescribed in the constitution and bylaws of the corporation.

(b) Before entering upon his duties as secretary-treasurer or as assistant secretary-treasurer, each such officer shall be required to give a good and sufficient surety bond to the corporation in the amount of $10,000, conditioned upon the faithful performance of his duties. For the purposes of this section the term "faithful performance of his duties" shall include the proper accounting for all funds and property received by reason of the position or employment of the individual so bonded and all duties and responsibilities imposed upon such individual by this Act and by the construction and bylaws of the corporation.

(c) The board of directors shall elect the officers of the corporation in such manner as may be prescribed by the constitution and bylaws of the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director, except as payment of death benefits or as remuneration for services which remuneration for services must be approved by the board of directors of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation, and any officer who participates in the making of such loan, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(c) No director or officer of the corporation shall receive any money or valuable thing for negotiating, procuring, recommending, or aiding in any purchase by or sale to the corporation of any property, or any loan from the corporation, nor be pecuniarily interested, either as principal, coprincipal, agent, or beneficiary, in any such purchase, sale, or loan, nor shall the financial obligation of any such director or officer be guaranteed by the corporation in any capacity: *Provided*, That nothing herein contained shall prevent any such director or officer from receiving a fee for serving on any committee that passes on the investments of the corporation.

NONPOLITICAL NATURE OF CORPORATION

SEC. 9. The corporation, and its officers, directors, and duly appointed agents, as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for for the acts of its officers and agents when acting within the scope of their authority.

CHARITABLE CORPORATION, NOT SUBJECT TO INSURANCE LAWS OF THE DISTRICT OF COLUMBIA

SEC. 11. The corporation created by this Act is declared to be a benevolent and charitable corporation, and all of the funds and property of such corporation shall be exempt from taxation, other than taxation on the property of the corporation. Such corporation shall not be subject to the laws regulating the business of insurance in the District of Columbia.

BOOKS AND RECORDS; INSPECTION

SEC. 12. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors; and it shall also keep a record of the names of its members. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

FILING WITH THE BOARD OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA

SEC. 13. (a) The corporation shall file, with the Board of Commissioners of the District of Columbia or an agent designated by the Board, a copy of its bylaws and copies of the forms of contracts to be offered to eligible persons.

(b) The accounts of the corporation shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and the full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(c) A report of such audits shall be made by the corporation to the Board of Commissioners of the District of Columbia or an agent designated by the Board not later than six months following the close of such fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expenses, and (5) sources and application of funds. Such report shall also include a statement of the operations of the corporation for such fiscal year.

(d) If the Board of Commissioners of the District of Columbia or an agent designated by the Board for such purpose shall have reason to believe that the corporation is not complying with the provisions of this Act, or is being operated for profit, or is being fraudulently conducted, they shall cause to be instituted the necessary proceedings to require compliance with this Act, or to enjoin such improper conduct.

TRANSFER OF CONTRACTS, OBLIGATIONS, AND ASSETS

SEC. 14. The corporation is authorized and empowered to take over, assume, and carry out all contracts, obligations, and assets of the corporation heretofore organized and now doing business in the District of Columbia under the name of the Metropolitan Police Relief Association of the District of Columbia, upon discharging or satisfactorily providing for the payment and discharge of all liability of such corporation and upon complying with all laws in force in the District of Columbia applicable thereto.

AGENT IN DISTRICT OF COLUMBIA

SEC. 15. The corporation shall maintain at all times in the District of Columbia a designated agent authorized to accept serv-

ice of process for the corporation, and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

AMENDMENT OF THE ACT RELATING TO DISTRICT OF COLUMBIA HOSPITAL CENTER

The bill (S. 3350) 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 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act entitled "An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, to authorize the making of grants for hospital facilities to private agencies in the District of Columbia, to provide a basis for repayment to the Government by the Commissioners of the District of Columbia, and for other purposes", approved August 7, 1946, as amended, is further amended by striking out "1962" and inserting in lieu thereof "1963".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1600), explaining the purposes of the bill.

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

The purpose of this bill is to amend the Washington Hospital Center Act (August 7, 1946, as amended), so as to extend the time during which appropriations may be made under such act from June 30, 1962, to June 30, 1963.

The District of Columbia Department of Public Health, in cooperation with the Hospital Advisory Council, recently made a study and noted a demand in the District of Columbia for over 2,100 chronic and nursing home-type beds. As a step toward meeting this need, the Washington Hospital Center recently completed an initial planning study of long-term care hospital facilities. This study clearly establishes that there is need for a pilot project to develop a comprehensive system of care for hospitals specializing in treatement of chronic, convalescent, and rehabilitative patients.

This bill will preserve the Hospital Center Act as a possible vehicle for obtaining Federal aid in connection with the construction of such a convalescent and chronic disease hospital on the grounds of the Washington Hospital Center.

The Hospital Center Act (60 Stat. 896) authorizes appropriations for financing the construction of a hospital center and making of grants to private agencies for designing, constructing, and otherwise providing or improving private hospital facilities in the District of Columbia. Under the formula for grant authorization, the recipient hospital must match the total grant on a dollar-for-dollar basis. Of the total grant, the District of Columbia, under the act, is obligated to pay 30 percent and the Federal Government 70 percent.

Without prejudice to the merits of the proposed pilot project, the Department of Health, Education, and Welfare opposes the bill on the ground that the Washington Hospital Center Act is not the appropriate financial approach to the project. However, the committee is of the opinion that the decision of allowing the Hospital Center Act to expire should await the study and report of the newly formed Metropolitan Washington Health Facilities Planning Council; and, therefore, recommends enactment of this measure.

AMENDMENT OF THE LIFE INSURANCE ACT OF THE DISTRICT OF COLUMBIA

The bill (S. 2977) to amend the Life Insurance Act of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (a) of the proviso in the first sentence of section 11 of chapter V of the Life Insurance Act, as amended (D.C. Code 35–711), is amended to read as follows:

"(a) That provisions (6) to (10), inclusive, shall not apply to policies issued to a creditor to insure debtors of such creditor, or to policies issued pursuant to section 10(8) of this chapter;".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1601), explaining the purposes of the bill.

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

The purpose of this bill is to amend the Life Insurance Act of the District of Columbia so as to exempt policies of group life insurance issued to credit unions from the requirement of the Life Insurance Act that such policies contain certain standard provisions, which require generally that policies have provisions for payment of insurance to a beneficiary designated by the insured; that certificates be issued to each person insured, and that the insurance be convertible into individual policies under certain circumstances.

Credit unions were authorized to provide group life insurance to their members by the 1961 amendments to section 10 of the Life Insurance Act of the District of Columbia (Public Law 87–249). It is felt that policies issued to credit unions should be exempted from these provisions because their inclusion in this type of policy is not necessary and adds to the cost of the insurance. For example, the requirement that the beneficiary be designated in the policy is not necessary since the credit union adds the death benefit to the credit union member's account which is payable to the persons designated by the member. Also, it is not necessary that each member of the credit union receive a certificate of insurance since each member receives all necessary information about the policy upon joining the credit union. Furthermore, it was never intended that group life insurance policies issued by credit unions be convertible to individual policies. Insurance companies in the District of Columbia do not issue individual insurance policies for amounts of less than $1,000. Yet, under present law conversion privileges must be provided even in cases where amounts of less than $1,000 are involved.

The Superintendent of Insurance of the District of Columbia is of the opinion that the bill is desirable legislation.

TRANSFER OF CERTAIN LAND IN THE DISTRICT OF COLUMBIA TO SECRETARY OF THE INTERIOR FOR ADMINISTRATION

The bill (S. 2436) 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 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, interest, and control in and to the land heretofore held by the Government of the District of Columbia for the opening of an avenue along Foundry Branch, now named the Glover-Archbold Parkway and formerly known as Arizona Avenue, shown on the plat recorded by the surveyor, District of Columbia, May 3, 1893, in book county 9, page 48, titled "Avenue Along Foundry Branch From Loughboro Road to Canal Road, District of Columbia, March 1893" which lies between Canal Road and the present Upton Street (not shown on said plat) Northwest, Washington, District of Columbia, together with that unimproved portion of P Street Northwest, extending from the westerly edge of said avenue to the westerly boundary of the Archbold Parkway, is hereby transferred to the United States to be a part of the park system of the National Capital and its environs. This land is hereby added to and shall hereafter be known as a part of the Archbold Parkway, the Glover Parkway, and Children's Playground, respectively, and shall be administered, protected, developed, and maintained by the Secretary of the Interior through the National Park Service, in accordance with the provisions of the Act of Congress approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1595), explaining the purposes of the bill.

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

The purpose of this bill is to transfer to the United States for administration by the Secretary of the Interior as a part of the National Capital parks system, a right-of-way 100 feet wide, held by the District of Columbia for highway purposes through Glover-Archbold Park along with a right-of-way for P Street NW., from the Glover-Archbold Parkway right-of-way to the western boundary of the park.

It is the belief of the committee that the effect of this legislation would be to preserve the natural beauty and wilderness state of the Glover-Archbold Park by having the Federal Park Service assume jurisdiction over an area to which the District government now holds title and which the District, unless divested of title, may at some future date utilize to construct a four-lane divided parkway through the length of the park.

The Glover-Archbold Park and children's playground, consisting of 183 acres, was acquired by private donations, and by purchase by the National Capital Planning Commission under the provisions of the Capper-Cramton Act of 1930. In December 1923, Mr. Charles C. Glover, Sr., donated approximately 78 acres of this wooded portion of the District of Columbia for park and playground purposes. In November 1924, Mrs. Anne Archbold, as a memorial to her father, dedicated to the United States, as

part of the park system, approximately 27 acres adjacent to that given by Mr. Glover. No law existed for the acceptance of these gifts, so in each case it was necessary for a special act of Congress to be passed to authorize their acceptance as part of the park system of the District of Columbia.

Within this Glover-Archbold Park area, which was donated by the aforementioned persons, the District of Columbia since 1893 has owned a 100-foot-wide right-of-way (90 feet for a short section) on the valley floor along the entire length of the park, except for a 250-foot section extending south from Reservoir Road. This right-of-way consists of about 28 acres and upon its transfer to the U.S. Government under the terms of this bill such acreage would be added to the existing 183 acres of Glover-Archbold Park, and be administered by the Secretary of the Interior through the National Park Service.

Public hearings were held by the Fiscal Affairs Subcommittee of this committee in connection with this bill on April 2 and 3, 1962. The subcommittee heard testimony from 20 witnesses, representing business, civic, service organizations, and both the Federal and District of Columbia governments. In addition, 13 organizations and individuals filed statements or communications outlining their views, which have been incorporated into the printed hearings.

Mr. Conrad Wirth, Director of the National Park Service, testified that the passage of this legislation would constitute a major step in counteracting the tremendous pressures for the use of park lands throughout the Nation for nonconforming purposes. He further stated that encroachments on park land by highways, parking lots, schools, and other nonconforming uses have become a major problem well known to park and recreation executives throughout the United States. He related that in this National Capital area alone, 250 acres of park land have been diverted to some type of nonconforming use since 1950—a major portion of this land is being used for highways and bridge approaches.

As of this date there has been no physical construction of a highway system through the Glover-Archbold Park. However, from the 1940's to the present time there has been persistent efforts to construct a highway through the park. In the late 1940's the District of Columbia Department of Highways developed a highway plan to construct a major highway through the length of the Glover-Archbold Park utilizing not only existing right-of-way, but also much of the park area under the direct jurisdiction of the National Park Service. It has been reported in testimony received by the subcommittee that such a highway development program and the grading in connection therewith would destroy 49.3 percent of the existing park acreage. The reason for this being that the configuration of Glover-Archbold Park is long and narrow, averaging 275 yards in width and narrowing to 175 yards in several places.

In view of this menace to Glover-Archbold Park, the National Park Service in order to salvage and preserve the major portion of the park prepared an alternative parkway roadway layout which would fit the topography of the valley and do the minimum damage to the park, and would be used primarily for park purposes. A further reason for this parkway concept was that it would ultimately connect with the Potomac Palisades Parkway along the river, thus connecting it in as a part of the overall parkway system for the Nation's Capital.

On this basis, the National Park Service in 1948 entered into a memorandum of agreement with the District of Columbia relative to the development of the Arizona Parkway. However, it was definitely stated at a National Capital Commission meeting in 1948 that the National Park Service was not advocating such a road, but if it were necessary that it be built, it should be of the park road type proposed in a study by the National Park Service, and any freeway project would be vigorously opposed. Even after the agreement was executed in 1948, this roadway which was to have been financed by the District of Columbia was not built.

Following the enactment of the Federal-Aid Highway Act of 1956, which provided for the Interstate Highway System, a major highway plan was developed for this section of the city which involved the Glover-Archbold Park and children's playground as well as other parkway plans, and which, in the view of the National Park Service, completely changed the concept of the parkway as proposed in 1948 by placing it in the freeway category even though landscaped and attention given to the saving of trees. Consequently, the intended use of the dedicated land changed to highway rather than to park purposes.

Mr. Wirth in his testimony before the subcommittee stated that the changeover to a freeway system was evidenced by the proposed connection of the Three Sisters Bridge with the previously planned Glover-Archbold Parkway, making it a major traffic approach to the bridge. Also the witness pointed out that the perfection of an eight-lane, all-purpose trafficway from the southern terminus of the Glover-Archbold Parkway to the proposed inner loop, and the contemplated use of the Glover-Archbold Parkway as a major part of the Wisconsin Avenue corridor traffic connections from the northwest to the central part of the city, most assuredly indicate that the previously planned parkway for park use would not be a parkway but, in fact, a freeway.

In concluding his testimony before the subcommittee, Mr. Wirth made it clear that the National Park Service has given very careful study to the problem and that the Service has come to the conclusion that the presently proposed purpose and use of this roadway are different than envisaged by the 1948 agreement, and if implemented, would cause great destruction to the natural qualities and beauty of the Glover-Archbold Park.

The Honorable Stewart L. Udall, Secretary of the Department of the Interior, also appeared at the hearing and supported enactment of the bill. In his testimony before the subcommittee, Secretary Udall stated that if the District of Columbia retains this 100-foot right-of-way, the next step would be to utilize park land to supplement the existing right-of-way, and clearly this would be a desecration of the trust placed in the Federal Government by the Glover and Archbold families who generously donated the land to the people.

Testimony before the subcommittee also stressed the point that there is an apparent legal obligation involved, as well as a moral commitment, on the part of the Federal Government to prevent any diversion to highway use of Glover-Archbold Park, as such use would be contrary to the restriction on the gift of the land donated for park purposes.

Brig. Gen. Frederick J. Clarke, Engineer Commissioner for the District of Columbia, also appeared at the public hearings as the representative of the District government and opposed enactment of the bill. In his testimony before the subcommittee, General Clarke stated that the District government over the years has formulated several plans to place a parkway system through Glover-Archbold Park. Although questioned directly concerning the actual construction of a four-lane divided parkway through the park, the witness could not provide the subcommittee with any assurance that without the construction of retaining walls, which the witness concluded to be illogical, that the construction could proceed on the 100-foot right-of-way without causing the cut and fill to encroach on the abutting park property and resulting in detriment to the natural beauty of the park.

General Clarke in his tetsimony to the subcommittee rested his opposition to the bill essentially on the ground that in this northwest area of Washington there is no other practical area through which a four-lane divided parkway can be constructed that can handle the flow of traffic from the northwest extremities of the city into downtown Washington.

In contrast to General Clarke's view of the absolute necessity for utilization of this corridor through Glover-Archbold Park, the Administrator of the National Capital Transportation Agency, in a letter to the committee dated May 1, 1962, stated that while its studies are not complete, the Agency has seen nothing to cast doubt on the soundness of Congress' view that no convincing demonstration has been made of the need for a highway through Glover-Archbold Park.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which S. 2436 was passed.

Mr. PASTORE. I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I wish to express my deepest thanks to the senior Senator from Rhode Island for his usual patience, courtesy, and tolerance, and to ask that he still yield to me, with his right to keep the floor, for the purpose of suggesting the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, on behalf of myself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK, I send to the desk amendments to H.R. 11040 which I ask to have printed and to lie on the table, for consideration by Members of the Senate at an appropriate time.

The principal one of these amendments has been presented to the committees which have considered the bill. It would establish a Communications Satellite Authority to provide for the development of a global communications system, under a Government-owned corporation similar to some of the other Government-owned corporations such as those at Bonneville, the Tennessee Valley Authority, the Panama Canal, and elsewhere. I especially invite the at-

tention of Senators to this proposed substitute amendment.

The ACTING PRESIDENT pro tempore. The amendments will be received and printed, and will lie on the table.

Mr. PASTORE. Mr. President, the bill before the Senate, H.R. 11040, is entitled "An act to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes."

PURPOSE OF BILL

The purpose of this proposed legislation is to provide for the establishment, ownership, and regulation of a private corporation as soon as practicable which would be the United States participant in a commercial communications satellite system. This system is to be established in cooperation and conjunction with other countries and is to be a part of an improved global communications network. It would be responsive to public needs and national objectives serving the communications needs of the United States and other countries and contribute to world peace and understanding.

This proposed legislation is designed to carry out the national policy as stated by President Kennedy on July 24, 1961, when he stated:

> Private ownership and operation of the U.S. portion of the global system is favored provided that such ownership and operation meet * * * [certain] policy requirements.

The bill as reported would authorize the creation of a communications satellite corporation which would be a corporation for profit and not an agency or establishment of the United States. In working out the various provisions, the committee has endeavored to be as specific as possible in providing guidelines and criteria that would meet the objectives set forth by the President of the United States as it concerns the United States participation in the global communications system.

LEGISLATIVE HISTORY

On February 7, 1962, the President submitted a proposal to the Congress calling for the establishment of a privately owned communications satellite corporation. The proposal was introduced in the Senate by the Senator from Washington [Mr. MAGNUSON], for himself and the Senator from Oklahoma [Mr. KERR], and the bill, S. 2814, was referred to the Senate Committee on Aeronautical and Space Sciences with an agreement that after being reported out by that committee it would be referred to the Senate Commerce Committee for further consideration before being taken up in the Senate.

The Aeronautical and Space Sciences Committee held hearings on S. 2814 on February 27, 28, March 1, 5, 6, and 7, 1962. Fourteen of the fifteen members of that committee on March 28, 1962, agreed to report favorably S. 2814, with amendments.

The Senate Commerce Committee held hearings on the amended S. 2814 on April 10, 11, 12, 13, 16, 24, and 26, 1962, as well as on a proposed substitute introduced by the Senator from Tennessee [Mr. KEFAUVER], for himself and Senators MORSE, YARBOROUGH, GORE, GRUENING, BURDICK, and NEUBERGER, which would establish a communications satellite authority as an agency of the Government that could acquire, own, and operate the U.S. portion of a communications satellite system, ground stations, and tracking systems, located in the United States, or its possessions.

In the course of the hearings testimony was heard from all Government agencies concerned with this proposed legislation, several Members of the U.S. Senate, several communications carriers, the Communications Workers Union, and other interested persons.

Testimony received during the hearings showed various views on a number of important points covered in the bill. The committee has attempted to resolve these divergent views and as a consequence amended the bill reported by the Senate Aeronautical and Space Sciences Committee in many respects so as to strengthen the regulatory provisions and spell out more specifically the responsibilities and the authority to be granted by this legislation.

The House of Representatives passed H.R. 11040, the bill now before the Senate, on May 3, 1962, and this bill was referred to the Senate Commerce Committee. In acting on H.R. 11040, the bill reported, the committee struck out all after the enacting clause and inserted in lieu thereof the body of S. 2814, as amended.

GENERAL STATEMENT

Our Nation's research and development program with respect to the peaceful uses of outer space, and communication satellites in particular, has brought us to a point where we can confidently look forward to the establishment within the next few years of an operational capability for space communications. Such communications, which will use the microwave portion of the frequency spectrum, hitherto unusable over large expanses of water, will provide the world with a tremendous new resource to meet the steadily increasing need for worldwide communications facilities. This development will be among the first and foremost practical applications of space technology for the benefit of all mankind. It will enable this Nation, together with other nations of the world, to greatly increase the capacity of existing worldwide communications networks and thereby accommodate the rapidly growing volume of international public correspondence. It will provide the means by which it will be technically and economically practical to institute on an international scale new and expanded telecommunications services, such as transmission of high-speed data and television, which today are provided domestically. An operable system also promises to provide a practical means by which the smaller and newly developing nations of the world may have direct communication with the rest of the world.

Further experimentation in the use of communication satellites remains to be accomplished before an operable communications satellite system can become a reality. Such experimentation is well underway. The A.T. & T.'s Project Telstar and NASA's Projects Relay and Syncom are scheduled for trial in the near future and will resolve a number of the most critical technical and operating problems which must be resolved before an operable system can be realized.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. GORE. The Senator is making an able and exceedingly interesting address. I was struck with its importance.

I was also impressed by the possibility that satellite communication will open up television communication to the small and relatively undeveloped nations, many of which do not now have, nor can it be expected in the foreseeable future they will be likely to have, economic resources sufficient to justify a television network.

In view of that, and in view of the importance of the project to international relations, I wonder if the distinguished Senator from Rhode Island and his committee gave consideration to the reservation of rights and opportunities for our Government to utilize the facility for the communication of information important to the free world internationally.

Mr. PASTORE. My answer is definitely in the affirmative. We gave consideration to that proposition. Within the scope of the proposed legislation, which creates a private corporation, 50 percent of the stock will be owned by the international communication carriers including domestic communication carriers, authorized by the FCC and the other 50 percent being available to the public generally. We are——

Mr. GORE. By the public generally, does the Senator mean to that portion of the public which may wish to buy stock?

Mr. PASTORE. The Senator is correct. Beyond that the structural setup is such that there will be 15 directors, 6 of whom would be elected by those who own the stock that is allocated or assigned to ownership by international or domestic communication carriers, 6 of whom, of course, would be elected by those who have the public ownership of the stock, and 3 of whom would be appointed by the President of the United States with the consent of the Senate.

What I am about to say is not a verbatim quote, but I am now speaking of the tone, the spirit, and the meaning of the measure. We have provided that none of the activities of the corporation covered by the provisions of the law shall in any way interfere with the conduct of our foreign policy. The President of the United States has been given complete authority to intercede in behalf of the promotion of our foreign policy. The Department of State will be consulted at any time any agreements are made with foreign governments particularly where such negotiations may affect our foreign policy. A fuller explanation is set out in the report.

To come specifically to the very dramatic argument that is being made about the reception of television pictures by the people in undeveloped countries, one must take into account the very character and type of operation which we are discussing. I refer to the testimony before the committee. One can no more

imagine that we will be able to shoot a picture to a satellite and expect that satellite to shoot the picture back to an individual home than that today we can receive directly in individual homes national programs that emanate from Hollywood, Calif., or New York City. The signal, of course, is transmitted through the use of cables or microwave by the networks to a broadcasting station. Then the broadcasting station broadcasts the signals through transmitters to homes of America.

What I am trying to say is that the whole operation involving communications in the United States of America is a private enterprise. There is no question about it.

We might consider the proposed use of the satellite for telephone purposes. If one now makes a call from New York, Chicago, or Hollywood, let us say, to Paris, Rome, or London, what happens is that the message is transmitted under water through a cable. Then when it reaches its distribution point, it is distributed by the organizations that exist in the receiving countries.

To come down to the point that was raised—and it is a very fine point—which refers to assisting underdeveloped countries to receive television programs that originate in America, one must, of course, take into account that such countries must have distributing services to broadcast such programs. In other words, in those countries there must be ground stations or some terminal stations, such as we have here, which in turn will transmit the signal to broadcasting stations. Those stations will send the signal from a tower through the air and into the homes of people so that the signal can be received by individual television sets.

So any way we look at the proposal, private industry must come into it. The project is not absolutely unusual. The unusual thing about it is that today we are transmitting messages and signals underwater by cable; tomorrow we hope to do it in space through the use of a satellite, as shown by the pictures that have been brought into the Chamber. The satellite will only receive a signal that must originate at some point in the United States of America or some point in our distributing networks. Then it must be shot up into the ether from a ground station and relayed to another point via the satellite. Then it must be received by a ground station in another part of the world, and after it is received by that ground station it must be distributed to the particular people who desire to receive it.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. The Senator has made reference to the low altitude satellite and the synchronous orbit satellite. I am sure that the Senator knows the relative merits of the two systems. Does the Senator have any doubt that in the next few years our Nation will be able to establish a synchronous orbital satellite?

Mr. PASTORE. I hope it will. The Senator asks, "Do you have any doubt?" I am not a technician or a scientist. I am a Member of Congress who listens to the experts. We have been assured by those who are proficient, conversant, and knowledgeable in this particular field that our objective will be realized by a low-altitude system. In order to accommodate the problems arising from the rotation of the earth, we may go into a higher altitude with fewer satellites. But whether we shall accomplish our objectives in one way or the other has not been determined at this point. That is the reason research and development must continue. It must be done expeditiously in order for us to win the race and triumph in this particular field before our adversaries do.

Whether we do it by low altitude or high altitude, a great deal of money must be spent for research and development, a great deal of time must be consumed, and a great deal of effort and brainpower will have to be involved before we can definitely answer the question put to me by the Senator from Louisiana.

Mr. LONG of Louisiana. I should like to ask the question of the Senator from Rhode Island in the following form: Have the technical advisers who are available to the Senator expressed any doubt whatever that within the next few years we will be able to place the synchronous orbit satellite into orbit in a position as indicated on the charts?

Mr. PASTORE. Not to me.

Mr. LONG of Louisiana. A distance of 22,300 miles from the earth?

Mr. PASTORE. I am not doubtful at all.

Mr. LONG of Louisiana. The reason I ask the question is that those who appeared before the subcommittee of which this Senator had the opportunity to serve as chairman expressed no doubt whatever that while there are technical problems involved, our Nation will be able to accomplish the project probably within the next 2 years.

The point I wish to make is this: Assuming we have tried to establish a low-altitude system, will we not have wasted many billions of dollars on a bunch of junk that will not be particularly useful for any purpose? I am sure that the Senator realizes there are many advantages of a synchronous orbit system satellite over the low-altitude system.

Mr. PASTORE. What the Senator has said may be true. That is precisely the point we are getting into here. I say it should not all be done with the use of taxpayer's money. Should not a part of the cost be paid by those who are interested and will be the ultimate users of the satellite? That is precisely the point we are engaged in discussing here.

Mr. LONG of Louisiana. Let us get to that point. If we should make the American Telephone & Telegraph Co. carry the burden on the satellite, is it not true that that company would be entitled to get back every cent it might put into the project plus a fair return on its investment from users of the telephone communication system in this country?

Mr. PASTORE. The Senator is assuming something that I am not willing to admit. Why does the Senator continue to refer to the A.T. & T? There are many companies interested in the project. RCA, I.T. & T., and many other companies are also interested. I hope that the Senator does not intend to leave the impression that the Senator from Rhode Island is not interested in the interests of consumers, because when it comes to that subject, I tip my hat to no one. There is no one in the Chamber who has worked harder for the consumer than has the Senator from Rhode Island.

Mr. LONG of Louisiana. How much money does the Senator think will be required to establish a low-altitude satellite system?

Mr. PASTORE. I do not know, but I do not want to put my money in it as a taxpayer. How many times am I going to make a call across the water to Rome or Paris or London? I have not made a call there yet. Why should I put my money into something that I will not use?

Mr. LONG of Louisiana. Does it occur to the Senator that he would help pay for it anyway, whether as a taxpayer or as a user?

Mr. PASTORE. No. I pay my telephone bill for the use I make of it, and not for the use that the Senator from Louisiana, for example, makes of his telephone. That is precisely the point I make. We keep talking about a publicly owned private type operation. Why do we not speak in terms of who ultimately will be the beneficiary of all these operations? The ultimate beneficiary will be the person who makes a call across the water. Why should the Senator and I pay for the expense of developing this kind of operation? The argument is made, "Let us perfect it first and then decide whether we will give it to private industry." My argument is we should do it now.

Mr. LONG of Louisiana. Has the Senator seen the big installation that A.T. & T. has built in Maine on a whole valley of land, with about 300 tons of equipment mounted on top of some rails, and tooled to a thousandth of a degree of perfection so that it can be shifted about, and balanced as if it were a ship mounted on a knife edge?

Mr. PASTORE. No; I have not seen it, but I have seen pictures of it. With whose money did they build it?

Mr. LONG of Louisiana. That is the question we have been getting at.

Mr. PASTORE. That is the question I am asking the Senator. They did not build it with my money. They built it with their own money.

Mr. LONG of Louisiana. Where did they get the money?

Mr. PASTORE. They did not get it from me.

Mr. LONG. I suspect they did. Did it occur to the Senator that the money they put into it was extracted from the users of their telephone service, and that at the same time they are getting their money back with interest and a fair return on top of that?

Mr. PASTORE. What is wrong with that? There is not a company in America that does not do that.

We should not cut their arms off, because they are doing that. Every company does it.

Mr. LONG of Louisiana. Other companies are not entitled to pass the loss

along on consumer service. Other companies have to compete for business. We are talking about the difference between a so-called regulated monopoly and free enterprise. If it were not a telephone company that is building this thing up in Maine they would have to gamble on losing their money. They could not charge the telephone users. A.T. & T. can do it and charge it to me and to the Senator from Rhode Island as a part of our telephone bill. That is one reason why we do not get more rate reductions.

Mr. PASTORE. Is it not much worse to do it for them and pay for it and then let them make a profit on it?

Mr. LONG of Louisiana. We are paying for it in either event. If the Government were doing it we probably would have to pay less. We are paying for it through the telephone rate. We ought to get these facts straight before the debate proceeds much longer.

Mr. PASTORE. I am trying to get them straight. I believe in liberal government just as much as does the Senator from Louisiana. It is more or less a paradox that we should be arguing this subject on different sides, because we have stood shoulder to shoulder for so long. The fact is that I am a member of the Joint Committee on Atomic Energy, and I remember back in 1954, when we were asked to amend the law to allow participation by private groups.

My friend, the Senator from Tennessee [Mr. GORE], was one of the sponsors along with his colleague from Tennessee, of the amendment that was offered, and he will remember that we were told by scientists that we would have competitive power within 15 or 16 years.

To my knowledge, in the almost 10 years since then, although we have made great improvements, we are still a long distance away from that objective. I do not know whether we can achieve it in that time. When I am told that scientists have said that this will be a perfected instrument in 2 or 3 years, I have the feeling that they are actually optimistic in their emphasis. I do not believe it will come that fast. I believe we have a long, long way to go before the operation is perfected, if at all. These companies have already spent millions of dollars, and the United States has already spent millions of dollars in such communication experiments. There is no question about that. The fact is that a great deal more money will have to be spent, and much more time will have to be devoted to it before we can pick up our telephone and make a call to Paris through one of these satellites.

Mr. LONG of Louisiana. Spokesmen for A.T. & T. come to my office, where I can get many more answers from them than they seem willing to give in the committee. They speak quite freely in my office, and they tell me many more things than they would tell in committee. They tell me quite frankly that this thing is no good and it is not going to work very well; that it will cost a lot of money, and that it will cost a great deal more money before showing any profit. Then they all say, "Give it to us." If it is that bad, and if it will not work, why do they want it?

The Hughes Aircraft people tell me that they can have this synchronous orbit system working in 2 years. They say it will have 1,200 channels, and even with only 40 channels in full use, they would be making a profit, even if they were to charge half the rate that A.T. & T. is charging now with its 65 channels to Europe.

Mr. President, there is the bug under the chip. A.T. & T. is not anxious to see this synchronous system go into operation. They want to build this low-orbit system, in which we would invest perhaps billions of dollars for equipment that will soon be junk. Nobody but A.T. & T. would be interested in getting into this kind of operation. That is one reason that causes some of us to oppose this bill. Why go in for a low-altitude system?

Mr. PASTORE. Mr. President, we will be on this bill for a long time. I am in the middle of my opening speech. I would like to finish it. I must get away by 3 o'clock today. However, I welcome the opportunity that I will have to come back and debate this matter a little more in detail with the Senator from Louisiana. I want him to understand, before he sits down, that I am not carrying the banner for A.T. & T. When I was the Governor of the State of Rhode Island I was the one who fought them on a rate increase. I have always fought the big corporations for fair rates for consumers. I am going to continue to do that. The Senator from Louisiana is entitled to have one point of view, and I am sure he is willing to concede that I am privileged to have another idea on it.

In fairness to those who may be opposed to the bill, I should like to say that it is a fair bill and that it is in the public interest. I do not know why we should talk about throwing taxpayer's money away on a bunch of junk. Why should we put it into something where we do not know where we are going? The Senator from Louisiana would like to have it done one way. I have the highest respect for his opinion. I would hope that he would have just one-half as much respect for the sincerity of what I say.

Mr. LONG of Louisiana. I have the highest respect for my friend from Rhode Island. I am sorry that we do not agree. I am sure he respects my right to disagree with him as fully as I respect his right to disagree with me.

Mr. PASTORE. I cannot go along with the Senator in what the Senator says about big corporations. I am not particularly their friend. As the Senator knows, no one has fought them harder than I have. I will continue to fight them, to keep them honest. When the Senator says that they are willing to put a billion dollars into some junk, I do not understand that at all. They are in it for what they get out of it, just as we go campaigning for what we can get out of it.

Mr. LONG of Louisiana. The Senator knows as well as I do that some utilities keep on their books a losing operation. Why?

Mr. PASTORE. I do not know. I do not believe that they do that. The Senator from Louisiana tells me that they are doing it. That is not the way I heard it. I cannot imagine that they would do it.

Mr. LONG of Louisiana. I know from my personal knowledge. I helped them do it.

Mr. PASTORE. Then the Senator is wrong, too.

Mr. LONG of Louisiana. No; I am not wrong. I can justify it. Why would they do it?

Mr. PASTORE. I do not know.

Mr. LONG of Louisiana. I will tell the Senator why. It is because if a utility has several operations, and it is making money on one operation and is losing money on another, it is entitled to make a fair return on the rate based on both operations. So they can justify a greater amount of profit, because they have more assets listed on the books and in their rate base if they retain the losing operation along with the one on which they are making money.

Mr. PASTORE. All these companies come under the supervision of the Federal agency known as the Federal Communications Commission. If those Commissioners, who are being paid a healthy sum of money each year to protect the public interest, allow the telephone company to get away from them, then every one of those Commissioners ought to be fired.

Mr. LONG of Louisiana. Can the Senator from Rhode Island tell me why in 26 years the Federal Communications Commission has not been in a position to state precisely what the long-distance telephone rate ought to be?

Mr. PASTORE. Mr. Hyde has told me that the Commission watches it every day.

Mr. LONG of Louisiana. Representatives of the Commission who have come before my subcommittee have said that they have never been able to determine what the rate should be.

Mr. PASTORE. Then the Senator from Louisiana should have done something about it.

Mr. LONG of Louisiana. Why has not the Senator from Rhode Island done something about it?

Mr. PASTORE. The Commission has not admitted that to me.

Mr. LONG of Louisiana. I can show the Senator records of the Federal Communications Commission in which they have admitted that they are unable to tell what the rate should be.

Mr. PASTORE. Does the Senator mean that they have said they have deliberately wasted the money which the Senator pays in taxes?

Mr. LONG of Louisiana. They admitted that they have never been able to determine in 26 years what the rate should be.

Mr. PASTORE. While the Senator from Louisiana is looking through his papers, may I proceed with my speech?

Does the Senator from Tennessee wish me to yield to him?

Mr. GORE. After the Senator from Rhode Island has concluded his colloquy with the junior Senator from Louisiana,

I should very much like for him to return to the importance of communications in the cold war.

An operable system also promises to provide a practical means by which the smaller and newly developing nations of the world may have direct communication with the rest of the world.

I respectfully suggest to the Senator from Rhode Island that unless the right of the U.S. Government to utilize a facility, the technology of which has been developed at public expense, is protected, then the U.S. Government will be hampered in its communications efforts with respect to the developing nations of the world. Indeed, we either subject ourselves, as a government, to the payment of unknown charges to a few large U.S. corporations, or we may subject the developing nations—and this I would hope to avoid—to the jingle-jangle of the type of advertisements we view on our own television programs.

Mr. PASTORE. I do not mean to be impertinent, because I do not believe I have a better friend in the Senate than the distinguished Senator from Tennessee. But permit me to ask the Senator a question in response to his own question.

This is President Kennedy's bill. Does the Senator from Tennessee think for a moment that the President is selling the country short?

Mr. GORE. I think the bill is selling the country short. I do not know that anyone has a personal intention of doing so; but in my view, the effect of the bill certainly would be so.

Mr. PASTORE. I think the man at 1600 Pennsylvania Avenue knows what is in the bill as well as I do.

Mr. GORE. It is not a question of whether the man at 1600 Pennsylvania Avenue knows or does not know what is in the bill; the question is what the bill actually does provide.

The Senator from Rhode Island has asserted that the bill opens up a means of communications to the underdeveloped countries of the world. Does the bill make some reservation of the right of the U.S. Government to utilize this facility for that purpose, or must we pay through the nose to get that use?

Mr. PASTORE. The answer is, unequivocally and absolutely, no. The staff member has just pointed out to me the particular parts of the bill, section 201 and section 402, which relate to that subject. On page 24 of the bill, section 201 provides:

In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

Not PASTORE; the President—

(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.

Mr. GORE. Mr. President, will the Senator yield at that point?

Mr. PASTORE. I yield.

Mr. GORE. The language is "a commercial communications satellite system." Does that mean that the President is directed to aid in the establishment of a system of international communication, for which the U.S. Government would have to pay whatever toll the A.T. & T. might set?

Mr. PASTORE. Yes; but there are six parts to the section. Will the Senator let me read the other parts?

Mr. GORE. Yes.

Mr. PASTORE. What the Senator refers to is not in that paragraph.

Mr. GORE. Very well. The Senator from Rhode Island has read one part, which provides that the system shall be a commercial communications satellite system.

Mr. PASTORE. That is correct; it is a commercial system. That is the part in which the A.T. & T. is interested. Now I shall come to the part in which the Senator from Tennessee is interested; but I hope he will give me a chance to reach it.

(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.

Mr. GORE. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I have not come to it yet; I admit it. I shall come to it.

Mr. GORE. All right.

Mr. PASTORE. The next paragraph reads:

(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.

We are getting warmer; we are not there yet. I will tell the Senator when we get hot.

(d) exercise such supervision over relationships of the corporation with foreign governments or entities—

We are getting pretty hot now—

or with international bodies—

We are sizzling—

as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

Does that answer the Senator's question?

Mr. GORE. No.

Mr. PASTORE. Why not? Will the Senator tell me?

Mr. GORE. Who will pay for the system? The U.S. Government will pay a few large American corporations for the privilege of utilizing the facility in international communications which may determine the outcome of the cold war; a facility the technology of which has been developed almost exclusively, to this day, by the taxpayers' money.

Mr. PASTORE. That is true. The exclusiveness we are talking about is the ability which the Government has to shoot the satellite into space.

Mr. GORE. How can it operate unless it gets up into space?

Mr. PASTORE. That function cannot be taken away from the Government. The Government is the only one having the rockets to shoot the satellite into space. The Government cannot give rockets to RCA or A.T. & T.; the Government cannot give them to GORE or to MANSFIELD. The Government has to keep them.

Mr. GORE. If the Government could give them away, I daresay that would be in the bill.

Mr. PASTORE. What will happen will be that the Government will shoot the satellite into space. Of course. But every time the Government shoots a satellite into space for the corporation, the corporation will have to pay for that service. The bill so provides. That is taken care of. But when the satellite gets into space, then there will be a communications satellite. The ball will be up there. The satellite will do nothing more than relay as a wire does when we pick up a telephone receiver in the Capitol and call our offices across the street.

The Senator asks, if the Government is going to make a call or send a message over the satellite system, why does not the Government own the system?

By the same analogy, since the Government uses the telephone system, why does it not own the telephone system? Do we believe in free enterprise or do we not? This will be an activity of free enterprise. The Government will make some use of it. But no matter what use the Government of the United States makes of television, it has to go to NBC, to CBS, to ABC, or some commercial broadcaster. That is private industry. Why will it be so awful to go to A.T. & T.? Everybody here this afternoon seems to hate A.T. & T. When the Government uses the facilities of NBC, of CBS, or of ABC, we do not mind. But when we propose to use the facilities of A.T. & T., everyone gets excited. What is wrong? Are we or are we not for free enterprise?

Mr. LONG of Louisiana. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. The Senator realizes the distinction of what was discussed a few minutes ago, when I said that someone would pay for this, I meant it would be the telephone users. If this system is to be operated as a regulated monopoly, the monopoly will be permitted to charge the expense back to the consumers of the Nation as a part of their telephone bills. The consumers of the Nation will pay for it; they will be charged for it. Either the Government will pay for the charges or the telephone users will pay for the charges.

Mr. PASTORE. The answer is "No," because the bill provides that in the interest of encouraging the use of the development of the system, the rates to be paid will not be made a part of the cost to the consumer.

Mr. LONG of Louisiana. Would the Senator say that the same thing would be true of the ground stations?

Mr. PASTORE. That is only a facility to receive and send. It is an instrument to take the signal.

Mr. LONG of Louisiana. That will cost money.

Mr. PASTORE. Yes; but it will not make any money. The terminal station will not make any money, as such, as part of the communications system.

Mr. LONG of Louisiana. If it is proposed to use a synchronous system, which is by far the best, the cost of the ground system will be a major portion of the total cost.

Mr. PASTORE. It may be, or it may not be. I repeat that I am not a scientist, and I do not know.

Mr. LONG of Louisiana. But if they use the low-altitude system, the cost of the ground stations will be fantastic. The Senator from Rhode Island knows, does he not?

Mr. PASTORE. I do not know that. I do not think the cost of the ground system will be anywhere near the cost of the satellites. For instance, every time we shoot one of these satellites into the air, the cost is millions and millions of dollars, regardless of whether the shot is a successful one.

Mr. GORE. But that money is public money, not A.T. & T. money.

Mr. PASTORE. But we are not proposing to send up a communications satellite for someone who wishes to make a telephone call to Paris, and I do not want to have the Government pay for a telephone call to Paris, because I have no business calling Paris. [Laughter.] Let those who use that service pay for it.

Mr. LONG of Louisiana. I think it is pretty much the crux of this matter: If we let a new company undertake to send up a satellite, and the cost of the service were about 5 percent of the present cost of such telephone calls, and we assure that it is done on a competitive basis, the rate should be approximately 5 percent of the existing charges. But on the other hand, if some company—for instance, A.T. & T.—with a $19 billion rate base made that a part of its rate structure, it would be entitled to charge a rate which would be based on the $19 billion investment in undersea cables, land microwave stations, buildings, and other equipment.

Mr. PASTORE. For its international calls, but not for calls I might make from Washington to my home in Rhode Island.

This is included in this bill, and it should be part of the cost of a call made to Paris or to Baghdad or to some other place with an exotic name; for instance, to Timbuktu. That should be included in the cost of those calls, but it should not be included in the cost of a call which I make from my office in Washington to my home in Rhode Island. And this bill is clear on that point.

But I wish to say that we have tightened this legislation up so much to protect the public interest that the FCC will have the right to scrutinize every charge that is made. Even if a carrier is permitted to build its own terminal station, under this bill it must be done by competitive bidding, under the supervision of the FCC.

I know the telephone company does not like this provision particularly, but I think it is a good one; and so far as I am concerned, the company will have to live with it.

So we have gone out of our way to protect the public interest in this matter.

Furthermore, all the rates we are talking about have been passed upon by the FCC.

I say to the Senator from Louisiana that if there is any laxity in that respect, I will go along with him 100 percent in curing it. If the Commission is not doing this job in the public interest, it should be fired. But under the law, the Commission has authority to protect the people; and if the Commission does not protect the people, it is not because of any failure of Congress to pass the proper law, but is because of a failure of the Commission to enforce the law—perhaps because the Commission does not know how to enforce it.

Mr. LONG of Louisiana. Mr. President, on that point, I should like to read to the Senator from Rhode Island some of the testimony of Mr. Minow, in response to questions by Mr. Gordon, at the committee hearings:

> Mr. GORDON. May I call to your attention the report of the Antitrust Subcommittee of the Committee on the Judiciary of the House:
>
> "It is significant that the Commission has neglected in the 24 years of its existence to establish fundamental principles or standards by which to judge the reasonableness of Bell System's interstate telephone rates."
>
> Do you take issue with that?
>
> Mr. MINOW. We have never had a formal rate case, a general rate case on interstate rates, that I know of, on the record, in the history of the Commission. The Commission's policy has been to keep the rates under continuous examination and continuous surveillance and to call upon the carrier to justify its rates from time to time.

Mr. PASTORE. Will the Senator from Louisiana please read again the last sentence?

Mr. LONG of Louisiana. Yes.

> We have never had a formal rate case, a general rate case on interstate rates, that I know of, on the record, in the history of the Commission. The Commission's policy has been to keep the rates under continuous examination and continuous surveillance——

Mr. PASTORE. Yes, "The Commission's policy has been to keep the rates under continuous examination and continuous surveillance."

Mr. GORE. But the Commission has not done it.

Mr. PASTORE. If they have not done it, they should be fired.

Mr. GORE. They have said they have not done it.

Mr. PASTORE. But we have fine public servants, like Mr. Hyde, whose responsibility that is; and furthermore, the rates supervised by the FCC have come down about 20 percent, if my memory serves me correctly—although it is a long time since I heard the testimony. However, the rates at the local level have been going up. So it strikes me that perhaps the FCC has been doing a better job than some of the States have been doing.

Mr. LONG of Louisiana. What does that prove?

Mr. PASTORE. It proves that they have been watched. When everything else—including the appropriations for maintaining the Senate—has gone up, those rates have gone down 20 percent. Does the Senator from Louisiana call that a bad job?

Mr. LONG of Louisiana. It could be. My point is that the FCC tells us that in 24 years it has never been able to state what the rate base is—whether it is reasonable—and it has never had a formal hearing to determine what the rate should be. It is just a matter of guesswork as to what the rate should be; and the fact that the company has not tested the rates in court—as has happened in the case of the Louisiana commission—pretty well proves that the company is satisfied with the rate, and that it is a generous rate.

So far as cutting the rate is concerned, what difference does it make whether it is cut even five times? It may still be too high.

Mr. PASTORE. But even if the Government owned the facility and the telephone company rented it, it could still do what the Senator from Louisiana is talking about.

Fundamentally, our point is that they must be properly supervised; and it is our duty to write that into the law. And we have done that. If some public official or some commission does not do the proper job, that is his fault or its fault, and we must see to it that the proper job is done.

Mr. LONG of Louisiana. Does the Senator from Rhode Island doubt that the bill will make it possible for the A.T. & T. to gain control of the satellite system?

Mr. PASTORE. No; that cannot happen.

Mr. LONG of Louisiana. Then why is the A.T. & T. fighting to get this bill through?

Mr. PASTORE. Because it wants a piece of it. But the Senator from Louisiana says the A.T. & T. will control the system. I say that under this bill the A.T. & T. cannot control it; and I shall develop that point as I proceed.

Mr. LONG of Louisiana. Does not the bill let A.T. & T. have 40 percent of it?

Mr. PASTORE. No, the bill does not let A.T. & T. own 40 percent of it. If A.T. & T. buys stock, A.T. & T. can be divested of it, if another carrier wants part of it; and if the FCC says to A.T. & T., "You must sell it," A.T. & T. can be divested of it, under this bill. So how far does the Senator from Louisiana want the bill to go?

Mr. LONG of Louisiana. The Senator from Rhode Island says that under the bill A.T. & T. will not have control?

Mr. PASTORE. Positively. Under the bill a common carrier, including the A.T. & T. can appoint only 3 of 15 directors.

Mr. LONG of Louisiana. Does the Senator from Rhode Island say it would be bad to have the bill permit the A.T. & T. to gain control of the satellite system?

Mr. PASTORE. I say it should not be done. Does the Senator from Louisiana favor doing it?

Mr. LONG of Louisiana. I am glad to hear the Senator from Rhode Island say he would oppose it.

Mr. PASTORE. Of course I would.

Mr. LONG of Louisiana. The Senator from Rhode Island knows who favors the bill. Has he found anyone other than A.T. & T. strongly supporting the bill?

Mr. PASTORE. Of course; at the hearings. Many people who were there were supporting the bill.

Mr. LONG of Louisiana. Who is particularly interested in the bill, aside from the A.T. & T.?

Mr. PASTORE. The President of the United States. Does the Senator from Louisiana want to go further than that? The President of the United States is interested in this bill. Does the Senator from Louisiana want to go further than that? It is the President's bill, not mine; I have said that 10 times this afternoon. It is the bill of President John F. Kennedy that I am sponsoring this afternoon. It has been worked on by members of his agencies—by Mr. Minow and the rest of the people connected with that agency, and by Mr. Katzenbach, of the Department of Justice. It is his handiwork. This bill is not an A.T. & T. bill.

Mr. LONG of Louisiana. Will the Senator from Rhode Island tell me what other commercial interests are particularly interested in the bill? If a particular corporation is especially pleased with it——

Mr. PASTORE. I cannot follow that philosophy—that whenever someone is interested in something, he should be suspected of some wrongdoing.

Mr. LONG of Louisiana. Well, I have been approached by the A.T. & T. about this bill. Has the Senator from Rhode Island?

Mr. PASTORE. Yes. And has the Senator from Louisiana been approached by other people, too, about it?

Mr. LONG of Louisiana. Well, I have not had anyone ask me to oppose the bill. But the A.T. & T. has asked me to support the bill—in a number of different ways.

Mr. PASTORE. That is right.

Mr. LONG of Louisiana. The Senator says he has been, as well. That is what I am saying. This is a bill the A.T. & T. wants. I fear that we are building a $19 billion rate structure on top of a $4 million satellite.

Mr. PASTORE. I realize the Senator's position. I hope I can finish my speech. The Senator is going to have lots of time to expand his theory on that.

I want to say, to bring this discussion to a more or less amicable conclusion, that I have the highest respect for the sincerity of the Senator from Louisiana. I regret I cannot agree with him. I realize there is a certain drama to his side of public ownership. It always sounds so beautiful.

Mr. LONG of Louisiana. Will the Senator yield?

Mr. PASTORE. But this is a country of free enterprise. This is a nation of free enterprise, and do not let us lose all our grip on it. Let us not hate bigness for the sake of hating bigness.

Mr. LONG of Louisiana. I am not particularly interested in maintaining public ownership in this country. I would like to see a situation where there could be a maximum amount of competition, because my definition of free enterprise is that there ought to be competition wherever possible if it can be had as an alternative to monopolistic control. It would be much more interested in seeing a bill that would make it possible for a great number to have the benefit of the provisions of the bill, rather than one giant corporation.

Mr. PASTORE. I hope the Senator will very carefully read the bill reported by the committee. He is absolutely in error in his judgment of it. It does not give control to any one company. As a matter of fact, we have been very careful to make sure that it does not happen. I assure the Senator the A.T. & T. will not be dominant, unless the Federal Communications Commission makes it so, but the bill is drawn properly to protect the public interest. We have gone out of our way to make sure of that.

Now let me continue with my statement——

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator yield?

Mr. PASTORE. I yield to my delightful friend from Tennessee.

Mr. GORE. A few moments ago I asked the Senator if the bill reserves the right of the U.S. Government to use this facility for communicating with the underdeveloped nations of the world, and he told me he was going to show me it did. First he got warm. Then he got hot. Then he said he was sizzling. But he sputtered out.

Mr. PASTORE. But I did not. I am still burning now. I do not sputter out.

Mr. GORE. Watch out. The Senator may blow a fuse.

Mr. PASTORE. I will not blow a fuse. The Senator need not worry about that. There is no short circuit. No fuses will be blown.

Mr. GORE. I have read and reread the passages the Senator quoted. There is not one single word that reserves the right of the U.S. Government to utilize this facility in communication in the cold war without paying a fee to this commercial group.

Mr. PASTORE. Why should not the Government pay, if this is a private corporation? Why should it have that service gratis? Why should people use the telephone without paying? I know the point the Senator from Tennessee is trying to make. Let us say it took $3 or $4 or $5 billion of the taxpayers' money to put the facility up because the Government wanted to use it once in a while. Would not the Government be paying for it? It would be paying for the use of it. We have provided that the FCC has full discretion with regard to building ground stations.

Mr. GORE. The Senator knows perfectly well that the Government of the United States will be the biggest single user of this communication system.

Mr. PASTORE. That may be.

Mr. GORE. The Government has, up to now, provided the funds to develop this technology. I do not know why we should give it away.

Mr. PASTORE. Now, wait a minute. The Senator takes too many jumps at one time. The Senator says the Government has spent the money to develop this technology. They have a long way to go.

Mr. GORE. I said up to now. The Senator referred to the simple operation of putting the satellites into orbit.

Mr. PASTORE. Oh, no; the carriers have been spending a lot of money.

Mr. GORE. I realize that. I said most of the money.

Mr. PASTORE. How much? Tell us how much the Government has spent and how much the carriers have spent.

Mr. GORE. The space program has cost in the neighborhood of $25 billion.

Mr. PASTORE. The Senator is going to charge us for the shot that Carpenter took and the shot that Glenn went up in? Of course, just as in the development of atomic energy, we have spent billions and billions and billions of dollars. We have gone through that, and the Senator from Tennessee is on the same committee with me. The Senator is throwing back arguments to me that are outworn.

Mr. GORE. No.

Mr. PASTORE. The Government has spent money on space developments, but this is only one phase. The Government has still to shoot the facility up there.

Mr. GORE. The arguments are not outworn. The fact is that the representatives of the people simply have not had the vision and the courage to put the arguments into effect.

Mr. PASTORE. That is not so. It is a nice cliche, but it is not true.

Mr. GORE. If they have not lacked vision and courage, what have they lacked?

Mr. PASTORE. All that I say to my good friend, as emphatically as I can, is that there is a man in the United States of America who is more concerned with the plight and welfare of the little fellow than anyone else, and that man is down there at 1600 Pennsylvania Avenue. I do not know why, but the Senator wants to keep saying it. He is trying hard to make this an A.T. & T. bill. All I know is that President Kennedy favors the bill. I know it rubs the Senator the wrong way every time I say it.

Mr. GORE. It is possible that if the man at 1600 Pennsylvania Avenue studies this bill sufficiently he may veto it if the Senate makes the mistake of sending it to him.

Mr. PASTORE. I will buy the Senator a nice hat when that happens. [Laughter.]

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I am going to come back next Monday and be here all week, and I love this. You gentlemen know that I could go on like this forever, but I have to make a plane. [Laughter.] I will be back next week for a continuation of this discussion.

Mr. GORE. I know the Senator has a lovely wife and children, and I am going to cooperate in seeing that he joins them. But do come back.

Mr. PASTORE. I will come back. I am going to address the Parent-Teachers Association of my State, and I am going to tell them what a wonderful bill we have.

Mr. GORE. Do not mislead them. [Laughter.]

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CAPEHART. As the Senator from Rhode Island knows, I do not always agree with President Kennedy, but in reference to this bill I do agree with him.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. If I have any time before 3 o'clock, I will yield. Will Senators give me that indulgence? I really want to put this speech in the RECORD. I will be back.

Mr. LONG of Louisiana. I have no objection to the Senator's putting something in the RECORD.

Mr. PASTORE. With apologies——

Mr. LONG of Louisiana. May I just ask the Senator one question? Can the Senator recall the basing point bill, when we had a letter from the Bureau of the Budget which said the President was for it, and a lot of us thought that the bill would lead to the growth of monopoly and the strangulation of the free enterprise system?

Mr. PASTORE. What bill is the Senator talking about?

Mr. LONG of Louisiana. The basing point bill. Perhaps that was considered before the Senator from Rhode Island came to the Senate. We fought that bill. We had a letter from the Bureau of the Budget which said it was a part of the President's policy. When that bill went to the White House the President vetoed it.

Mr. PASTORE. I am talking about President Kennedy now. Let us not get into the past. I am talking about the Kennedy bill

Mr. LONG of Louisiana. Do not be too greatly surprised, even with a letter from the Bureau of the Budget saying the President is for the bill, to find out that, after the President has heard from both sides the arguments which will be heard on the floor here, the President may veto it.

Mr. PASTORE. All I want to recommend to the Senator from Louisiana—who will have plenty of time over the weekend, is that I do not know how he can better spend his time than by reading the bill and finding out what is in it. Then next Monday we can debate what is provided in it.

However, if the existing and potential competence within the United States with respect to this technology is to be most effectively translated into practical application, it is necessary now to enact legislation which will guide further developments toward this goal. It is important that the roles of private enterprise and the Government be defined at this time and that an appropriate instrumentality be created by which such national policies are to be effected. It is to those ends that the committee recommends enactment of this proposed legislation.

H.R. 11040, as reported, provides for the creation of a private corporation for profit which will not be an agency or instrumentality of the United States but which will be subject to specified governmental regulation. It will be the purpose of the corporation to plan, initiate, construct, own, manage, and operate, in conjunction with foreign governments and business entities, a commercial communications satellite system, including satellite terminal stations when licensed therefor by the Federal Communications Commission. It will also be its purpose to furnish for hire channels of communication to U.S. communication common carriers who, in turn, will use such channels in furnishing their common carrier communications services to the public. Provision is also made whereby the corporation may furnish such channels for hire to other authorized entities, foreign and domestic.

Provision is made in the bill to insure among other things, first, that the corporation will observe such policies and practices as will preserve competition in its procurement of equipment and services; second, that all communications common carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations—whether licensed to the corporation or to individual carriers—under just and reasonable terms and conditions; third, that communications service to foreign points by means of the satellite system and terminal stations will be established whenever the national policy so requires; and, fourth, that the activities of the corporation shall be consistent with relevant foreign policies of the United States.

To prevent—and I say this with emphasis—any single interest or group of interests from dominating the activities of the corporation, and to afford the general public opportunity to participate in the ownership of the corporation, H.R. 11040 contains safeguards and limitations with respect to voting stock ownership of the corporation and the composition of its board of directors. The specific measures in this respect are designed to blend ownership by the public with ownership by communications common carriers, who will be the principal users of the corporation's facilities and so have a vital stake in the success and efficiency of the corporation.

Thus, with respect to the financing of the corporation, it is to be authorized to issue, in such amounts as it shall determine, shares of capital stock without par value which will carry voting rights and be eligible for dividends. The shares of such stock initially issued shall be sold at a price not to exceed $100 per share in a manner to insure the widest possible distribution to the American public. At the same time it should be recognized that purchase of such stock will be speculative, and that purchasers should understand that the corporation is entirely a private corporation for profit, so that such persons must assume the same risk as would be taken by any person purchasing stock in any other private corporation.

The bill further provides that 50 percent of the shares of the voting stock offered at any time by the corporation shall be reserved for purchase by the communication common carriers authorized by the FCC to own shares of stock in the corporation, and that such carriers shall in the aggregate be entitled to make purchase of these reserved shares in a total number not exceeding the total number of nonreserved shares of any issue purchased by other persons. At any time after completion of the initial issue, the aggregate ownership of the voting stock by all authorized carriers, directly or indirectly, shall not exceed 50 percent of all issued and outstanding voting stock.

With respect to the board of directors of the corporation, provision is made for 15 directors, 6 of whom shall be elected by the carriers—with no carrier being permitted, directly or indirectly, to vote for more than 3 candidates—6 to be elected by other stockholders, and 3 to be appointed by the President of the United States with the advice and consent of the Senate.

Recognizing the need for Federal coordination, planning, and regulation in order to carry out the purposes of the legislation, H.R. 11040 enumerates and delineates the powers and responsibilities of the President, NASA, and the FCC with respect to the corporation. In brief, the President shall, among other things, aid in the planning, coordination, and execution of the program for the establishment and operation of a commercial communication satellite system; coordinate the activities of the various Government agencies involved; exercise appropriate supervision over the relationships of the corporation with foreign governments in order to assure consistency of such relationships with our national interests and foreign policies; and insure the making of timely arrangements for foreign participation in the establishment and use of the system.

NASA shall be responsible for advising the FCC and the corporation on technical characteristics of the system, cooperating to the extent appropriate with the corporation in matters of research and development, and furnishing various specified services to the corporation on a reimbursable basis.

The FCC shall be responsible for the regulation of the corporation. In this connection, the corporation will be subject not only to the provisions of the instant legislation, but also to the provisions of the Communications Act of 1934, as amended, applicable to communication common carriers. Common carriers, insofar as they may be authorized by the Commission to construct and operate satellite terminal stations, similarly shall be subject to the instant legislation as well as the Communications Act. Thus, there will be comprehensive regulation of all entities engaged in providing communication satellite facilities.

Specifically, in addition to its existing powers under the Communications Act, the FCC would be empowered to take appropriate measures with respect to effective competition in the procurement of equipment and services required by the system and earth terminals.

A question was raised in the committee, Mr. President, concerning the fact

that in many instances the telephone company buys much of its equipment from a company in which it has a major interest. In order to obviate that situation, even when equipment is bought for its own terminal stations the equipment will have to be bought under competitive bids under the supervision of the Federal Communications Commission. How far can we go?

I repeat: The FCC would be empowered to take appropriate measures with respect to: effective competition in the procurement of equipment and services required by the system and earth terminals; fair treatment of carriers in their use of the system and terminal stations; the technical competence of the system and terminal stations; the capitalization of the corporation; and additions to facilities of the system and terminal stations.

During the hearings on this proposed legislation the question of whether the operation of satellite terminal stations by the corporation or the common carriers or a combination of both would best serve the public interest was the subject of extensive discussion.

When the bill was reported by the Committee on Aeronautical and Space Sciences it gave a preference to the carriers in building ground stations. We would remove that preference and say that both the carriers and the corporation must be treated alike.

I repeat: During the hearings on this proposed legislation, the question of whether the operation of satellite terminal stations by the corporation or the common carriers or a combination of both would best serve the public interest was the subject of extensive discussion. It was urged by some that the common carriers should establish and maintain the ground stations in the United States as such facilities would be an integral part of the domestic network of a common carrier and that the common carriers were directly responsible for service to the public. To do otherwise, it was contended, would produce divided responsibility in making service available directly to the public.

In addition, it was pointed out, several of the carriers have done extensive research and development work on ground stations for experimental purposes. The majority of the committee—and I say this with emphasis—felt that no preference should be given to either the corporation or the common carriers and has appropriately amended section 201 (c) (7) and has established the public interest, convenience, and necessity as the criteria the Commission should follow in making a determination.

We feel confident that the FCC will take into account all relevant technological, economic, operating, and policy factors, including those mentioned above which are related to the public interest as they have presented in each case in making its determination as to whom it will authorize to operate the ground stations.

The bill also contains sanctions for failure to observe its provisions. It also provides for reports to Congress by the President, the corporation, and the Federal Communications Commission.

A number of questions have been raised concerning the relationship of the corporation herein being created and the U.S. foreign policy. In order to remove any doubt on this point section 201(a)(4) of the bill gives the President full authority to 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 relationship would be consistent with the national interest and foreign policy of the United States. This section should be read with section 402 which also deals with the role of a corporation in relation to U.S. foreign policy. Together these sections assure that this role will be carried out in a manner which contributes to the success of that policy. Section 201 recognizes the President's authority to take whatever steps he deems appropriate to assure the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the State Department for conducting foreign policy. Section 402, on the other hand, is concerned with the narrower problem of the corporation's business negotiations with international or foreign entities. With respect to these business negotiations the corporation is to notify the Department of State when entering into negotiations and the Department is to advise the corporation of relevant foreign policy considerations. Moreover, during the negotiations the corporation may request the assistance of the Department and such assistance has customarily been furnished by the Department to to the communications carriers.

I want to state for the record that this approach has the full endorsement of the Department of State.

In conclusion, I say to Senators that the bill is the administration bill. It has the endorsement and approval of the President of the United States.

The bill has the endorsement and approval of the Department of Justice.

The bill has the approval and endorsement of the Bureau of the Budget.

The bill has the approval and endorsement of the Federal Communications Commission.

The bill has, I hope, the approval and the endorsement of the Space Committee. We made some modifications and corrections, in the public interest, which I feel and hope will be recognized.

The bill has already been passed by the House of Representatives.

The bill is an administration measure, and, I am proud to say on the floor of the Senate today, it has the approval and the endorsement and the support of the senior Senator from Rhode Island.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a section-by-section analysis of the provisions of the bill for the illumination of Senators.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 101. Short title: Declaration of policy and definitions: As referred to the Commerce Committee, S. 2814 would have amended the National Aeronautics and Space Act of 1958 to include it as new title IV entitled "Space Communications." Since the administration of the provisions of the bill will involve several agencies of government with emphasis on communication activities and, in addition, will necessitate substantial coordination among those agencies in discharging their respective responsibilities, it was felt that the original approach contained in the President's proposal of an independent act is more appropriate and therefore has amended this legislation so that it becomes an independent act known as "The Communications Satellite Act of 1962." Further, this is consistent with the action taken by the House in adopting H.R. 11040.

Section 102. Declaration of policy and purpose: Section 102 deals with the policy and purposes of the legislation.

Subsection (a) declares it to be 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 peace and understanding.

Subsection (b) contemplates that the new and expanded services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date where technically feasible; that attention be given to providing such services to economically less developed countries as well as the more highly developed countries; and toward efficient use of the radio spectrum and toward reflection of the benefits of the new technology in the quality of service and the charges therefor.

Subsection (c) provides that in order to facilitate this development and to provide for the widest possible participation by private enterprise, U.S. participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulation. The intent of Congress is expressed that all authorized users have nondiscriminatory access to the system; that maximum competition be maintained in the provision of equipment and services utilized by the system; and that the corporation created by this act be so organized and operated as to maintain and strengthen competition in the provision of communication services to the public. The committee amended subsection (c) so as to express also the intent of Congress that the activities of the corporation and of the persons or companies participating in its ownership shall be consistent with the Federal antitrust laws. The committee felt that such added declaration of intent was necessary to dispel fears that were expressed that the legislation might be construed as exempting the corporation and the participants therein from the antitrust laws.

Subsection (d) originally read that it is not the intent of Congress to preclude the creation of additional communication satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest. The committee amended this subsection to provide also that nothing in this act shall preclude the use of the system for domestic communication serv-

ices where consistent with the provisions of the act. This clarification was made to avoid any possible inference that may be drawn from the other provisions of the bill that Congress had made a policy determination that use of the system be limited to international communications. While it is unlikely that the system will be usable initially for domestic services in the United States because of technical and economic limitations, it is conceivable that eventually use of the system for domestic services may become feasible and entirely consistent with the act.

Section 103. Definitions: Paragraph (1) defines the term "communications satellite system." This term refers to communications satellites in space whose purpose is to relay telecommunication information between satellite terminal stations, together with associated equipment and facilities for tracking, guidance, control, and command functions which are not part of the generalized launching, tracking, control, and command facilities for all space purposes.

In paragraph (2) the term "satellite terminal station" is defined. This term refers to the complex of communication equipment on the earth's surface, operationally connected with one or more terrestrial communications systems and capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system. As used in this definition, the term "operationally connected" is intended to include connection by wire or radio between the terrestrial system, on the one hand, and the terminal station on the other hand, whether or not such terminal station is a fixed or mobile station.

Paragraph (3) defines "communications satellite" to mean an earth satellite which is intentionally used to relay telecommunication information.

In paragraph (4) "associated equipment and facilities" is defined to refer to those facilities, other than satellite terminal stations and communication satellites, which are constructed and operated primarily for the purpose of a communication satellite system.

In paragraphs (5) and (6) the terms "research and development" and "telecommunication" are defined.

In paragraph (7), which was added by the committee, the term "communications common carrier" is defined to have the same meaning as the term "common carrier" has when used in the Communications Act of 1934, as amended, and, in addition, includes, for purposes of section 303 of the act (relating to the election by carriers of directors of the corporation) and section 304 (relating to voting stock ownership by carriers) any person or entity which owns or controls, directly or indirectly, or is under direct or indirect common control with, any such carrier. The term "authorized carrier," except as otherwise provided for purposes of section 304, paragraph (b)(1) of that section, is defined to mean a communications common carrier authorized by the Federal Communications Commission under the Communications Act to provide services by means of communications satellites.

Paragraphs (8), (9), and (10) have also been added by the committee and are self-explanatory.

TITLE II—FEDERAL COORDINATION, PLANNING, AND REGULATION

Section 201. Implementation of policy. This section delineates the functions of the President, the National Aeronautics and Space Administration, and the Federal Communications Commission with respect to implementation of the bill.

Subsection (a) sets out the functions of the President with respect to the communications satellite system.

As the bill came to the committee, in paragraph (1) of this subsection the President would aid in the development and would foster the execution of a national program for the establishment and operation of the system. This has been amended to give recognition to the President's responsibilities with respect to the planning of such a system.

Three other amendments were made in subsection (a).

Paragraph (3) originally would have the President coordinate the activities of governmental agencies with responsibilities in the field of international communications to insure that there is compliance with the policies of the bill. This has been broadened to apply to all governmental agencies with responsibilities in the field of telecommunication rather than only those concerned with international communications, bearing in mind the potential future use of the satellite system for domestic services.

Paragraph (4), as the bill came to your committee, would have the President exercise "general supervision" over the relationships of the corporation with foreign governments or entities and international bodies to assure consistency with the national interest and foreign policy of the United States. The word "general" has been deleted as being suggestively restrictive of the President's powers and responsibilities with respect to the formulation and execution of the foreign policies of the United States.

Paragraph (7) is also amended to have the President exercise his authority so as to help attain coordinated and efficient use of the spectrum and to help attain technical compatibility of the system with existing communications facilities here and abroad. The paragraph originally would have had the President "insure effective and efficient" use of the spectrum and "insure" technical compatibility. The amendment will make clear that no new authority is granted to the President to accomplish these ends, but that he will rely on his present authority.

Other paragraphs relate to Presidential review of the development and operation of the system, insuring that timely arrangements are made under which there can be participation and use in the establishment and use of the system; and the taking of steps to insure that the system is available and appropriately used for general governmental purposes not requiring a separate system to meet unique needs.

Subsection (b) places certain responsibilities on the National Aeronautics and Space Administration. Thus it is to advise the Federal Communications Commission on the technical characteristics of the system; consult with the corporation on such characteristics; and furnish the corporation, on a reimbursable basis, launching and associated services required for the establishment, operation, and maintenance of the system approved by the Federal Communications Commission, and to the extent possible furnish other services on a reimbursable basis to the corporation when requested to do so.

The subsection, as contained in S. 2814 referred to the Senate Commerce Committee, would also require, in paragraph (2), that the administration coordinate its research and development program in space communications with that of the corporation. Believing this to be an unduly onerous requirement, the committee has substituted the requirement that the administration cooperate with the corporation in research and development to the extent the administration deems appropriate in the public interest. The objective of the amendment is to insure cooperation between the corporation and the administration in matters of research and development, but to leave to the administration the determination of the nature and extent of the corporation that may be required in the public interest.

A further requirement, that the administration assist the corporation in its research and development program by furnishing, on a reimbursable basis, such satellite launching and associated services as the administration deems necessary for the most expeditious and economical development of the system, has been amended to indicate that such services are to be furnished only on request of the corporation.

Subsection (c) specifies duties of the Federal Communications Commission with respect to the system and satellite terminal stations. A number of amendments have been made in the various paragraphs of this subsection.

Paragraph (1), as written in S. 2814 when referred to our committee, would require the Commission to insure effective competition in the procurement by the corporation of apparatus, equipment, and services, and to prescribe appropriate rules and regulations to this end.

This paragraph has been amended to state specifically that the Commission may require competitive bidding, where appropriate, to achieve such competition. It also has been amended to make it equally applicable to the procurement by communications common carriers of apparatus, equipment, and services required for satellite terminal stations where such carriers are authorized to construct and operate such stations. As the language read originally those carriers would not be subject to such regulation. The committee saw no reason for any distinction in this respect between satellite terminal stations of the corporation and those of the carriers, and concluded that the rationale for requiring effective competition with respect to the former applies equally to the latter. A provision has also been added to require the Commission to consult with the Small Business Administration and solicit its recommendations on measures and procedures which will assure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation. Finally, the clause empowering the Commission to promulgate rules and regulations in order to implement the policies of the legislation regarding competition, has been made a separate paragraph (11) applicable to the implementation of each of the Commission's responsibilities specified in subsection (c).

Paragraph (2) also has been amended. As it read originally, it would require the Commission to insure that carriers authorized to provide services via communications satellites have nondiscriminatory use of and equitable access to the communications satellite system on just and reasonable terms and conditions, and that the Commission would regulate the manner in which facilities of the system were allocated among such users. Paragraph (7) contained similar language with respect to satellite terminal stations, except that it did not, nor did the bill elsewhere, contain any reference to allocation of terminal station facilities.

To make a more orderly arrangement in the bill, this language in paragraph (7) was transferred to paragraph (2) and combined with the similar requirement originally applying only to the system. In addition, the power of the Commission to allocate facilities would also be made applicable to terminal station facilities, since it is obvious that the exercise of such power could be frustrated if it applied only to satellites and not to terminal stations, which are an essential link in satellite communication. With this amendment, the Commission will be able to

effectively discharge its responsibilities in this respect.

Several other changes have been made in paragraph (2). The term "authorized carriers" has been substituted for the term "communications common carriers authorized by it to provide services by way of communication satellites" to conform with new subsection 103(7). Also, the words "charges, classifications, practices, regulations and other" have been inserted before the words "terms and conditions" to have conformity with the Communications Act, which will apply to activities under this bill.

Paragraph (3) provides that the Commission shall, on advice by the Secretary of State that "commercial communication to a particular foreign point by means of the communications satellite system should be established in the national interest," institute appropriate proceedings under section 214(d) of the Communications Act to require the establishment of such service by the corporation and appropriate common carriers. The paragraph has been amended to add the words "and satellite terminal stations" after "communications satellite system," since the former are equally important to such communication.

Paragraph (4) originally stated that the Commission is to insure that the facilities of the communications satellite system are technically compatible and interconnected operationally with the satellite terminal stations and with existing communications facilities. Under this language, it could be inferred that there was no parallel requirement that terminal stations be made technically compatible and interconnected operationally with the system and existing communications facilities, so that the only way to insure such compatibility and interconnection would be by modification of the satellite system. The paragraph has been amended to make such requirement clearly apply to such terminal stations, so that compatibility and interconnection can be assured through control over the parameters of either the system or the terminal stations.

No changes have been made in paragraphs (5) and (6). Paragraph (5) requires the Commission to prescribe such accounting regulations and engage in such rule making procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communications services. Paragraph (6) requires that the technical characteristics of the satellite system and the terminal stations be approved by the Commission.

Paragraph (7) has been amended so as to empower the Commission to 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 carriers jointly as will best serve the public interest, convenience, and necessity; and it also provides that the Commission shall exercise this authority without preference either to the corporation or the authorized carrier.

This provision was the subject of considerable discussion by the committee. It should be pointed out that during the hearings most of the communications common carriers appearing before our committee urged that they should establish and maintain the ground stations in the United States. In supporting this position the carriers pointed out, among other things, that the ground stations are terrestrial facilities which would become an integral part of the domestic network and should be owned and operated by the carriers who are directly responsible for service to the public.

It was pointed out to your committee, by the carriers, that if the corporation owns the ground stations it could result in divided responsibility in the provision of service to the public and would, therefore, have an adverse effect upon the quality and reliability of such service. In addition, several of the carriers have done extensive research and development work in planning these ground stations and have already constructed such stations for experimental purposes. These are significant factors which are directly related to the public interest, convenience, and necessity and which should be taken fully into account by the Commission, along with all other relevant factors, in the exercise of the Commission's powers to grant authorizations for ground stations.

While the common carriers have urged the desirability of their operation of ground stations, it does not seem appropriate to legislatively limit the Commission in the exercise of its licensing functions. In view of the various statements made throughout the numerous hearings on this proposal, our committee's intention must be made quite clear.

It is for this reason that the second sentence that appears in S. 2814, section 201 (c)(7), as reported by the Senate Aeronautical and Space Committee, which provides that the Commission should "encourage" establishment of ground stations by the carriers has been changed to provide that there shall be no preference shown either to the corporation or the carriers.

The intention of this change in language is to make clear that there is no legislative prejudgment as to who shall establish a ground terminal station. The Commission would be authorized to give full consideration to all relevant technological, economic, and operating factors in determining what meets the public interest, convenience, and necessity.

Paragraph (8) is a new provision which would require Commission authorization for the corporation to issue any shares of capital stock (except the initial issue of voting stock) to borrow moneys, or to assume any obligation in respect of the securities of any other person. Such authorization is to be given upon a finding that such action by the corporation 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 the act by the corporation.

This amendment is considered important in carrying out the stated policy and purposes of the act of insuring that the benefits of this new technology are reflected in both the quality of communication services to be rendered by the corporation and the charges for such services. It is imperative that the corporation's capital structure be carefully regulated and controlled to avoid excessive capitalization or disproportionate amounts of equity or debt capital which could have adverse effects upon the corporation's revenue requirements and the charges for its services and impair its ability to provide efficient and adequate service. The proposed authority is in general similar to the powers vested in the Federal Power Commission under the Federal Power Act as applied to electric utilities and the Interstate Commerce Commission under the Interstate Commerce Act as applied to transportation carriers. However, in adopting this amendment your committee desires to make it clear that it is not exempting from the application of the Federal Securities Act the securities issues covered by this amendment.

Paragraph (9) is a new provision which would give the Commission the responsibility of insuring that no substantial additions are made to the facilities of the system or satellite terminal station unless such additions are found by the Commission to be in the public interest, convenience, and necessity. This paragraph is intended to supplement section 214(a) of the Communications Act which requires common carriers to obtain Commission authorization of certain limited types of additions. By paragraph (9), the Commission's authority would be extended to all substantial additions by the corporation and by the carriers. The proper development of space communications in a manner consistent with national policy requires that the Commission be in a position to closely scrutinize and control proposed additions to facilities if they are of a substantial nature.

Paragraph (10) complements paragraph (9) by empowering the Commission in accordance with the procedural requirements of section 214(d) of the Communications Act of 1934 to require that additions be made to facilities of the system or satellite terminal stations where it finds that such additions would be in the public interest, convenience, and necessity.

Paragraph (11) would give the Commission authority to make rules and regulations to carry out its responsibilities under this act. The Commission must necessarily make both substantive and procedural rules and regulations in order to effectively implement the various provisions of the act. This authority, originally appearing only with respect to paragraph (1), has therefore been extended to other provisions as well.

TITLE III. CREATION OF COMMUNICATIONS SATELLITE CORPORATION

Section 301. Creation of corporation: Section 301 authorizes the creation of a communications satellite corporation. It specifies that it will be a private corporation for profit and will not be an agency or establishment of the U.S. Government. The corporation would be subject to the act and, to the extent consistent therewith, to the District of Columbia Business Corporation Act. The right to repeal, alter, or amend this act is expressly reserved.

Section 302. Process of organization: Section 302 provides that the President shall appoint incorporators, by and with the advice and consent of the Senate. Such incorporators would serve as the initial board of directors until the first annual meeting of shareholders or until their successors are elected and qualified. They shall also arrange for an initial stock offering and take other actions necessary to establish the corporation, including the filing of articles of incorporation, as approved by the President.

This amendment is consistent with the requirement of section 303(2) that directors named by the President be so appointed. Inasmuch as the incorporators are to serve as the first board of directors, and can do so for a year, their appointment should be subject to the same safeguards as are required of the President's one-fifth membership of succeeding boards. There can be no doubt that the first board, with its power to name the president of the corporation and all other officers, will serve a most important function in charting its course.

Your committee is hopeful that in making his choices, the President will seek fair representation from the major political parties and a good cross section of the professions and industries which will be expected to take part in the U.S. commercial communications satellite effort. For example, there should be incorporators drawn from large and from less large communications common carriers, from persons wise in the problems of finance, from industries supplying rockets, electronic gear, tracking mechanisms, and the like. There should also be incorporators knowledgeable in the area of Federal Communications Commission regulation. In this way the President can call upon persons who have experience in the various fields involved in the work of the corporation.

Section 303. Directors and officers: Subsection (a) relates to the composition of the board of directors of the corporation which

shall consist of 15 members all of whom shall be citizens of the United States, and one of whom shall be elected annually by the board to serve as chairman.

Three members of the board shall be appointed by the President, with the advice and consent of the Senate, effective the date on which the other members are elected. In order to insure reasonable continuity on the board of the Presidential appointed directors, the committee, by amendment, increased the terms of such directors from 1 to 3 years with provision for staggering the respective termination dates of the initial appointees over a 3-year period.

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. However, 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 affiliates for more than three candidates for membership on the board.

Provision is also made to require cumulative voting under the District of Columbia Business Corporation Act rather than limiting such voting to the election of directors by common carrier shareholders as was provided for in S. 2814 when it was referred to your committee.

Subsection (b) provides for the appointment of a president of the corporation and such other officers as may be named and appointed by the board of directors 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 and no officer may receive a salary other than from the corporation during the period of his employment by the corporation.

Section 304. Financing of the corporation: Subsection (a) authorizes the corporation to issue capital stock with voting and dividend rights but without par value. The issuance of this stock except for the initial issue will be subject to the approval of the Federal Communications Commission under paragraph (8) of subsection 201(e). The initial offering is to be sold at a price not to exceed $100 a share and in a manner to assure the widest distribution to the American public, subject to the provision of subsections (b) and (d).

Subsection (b) governs ownership of the voting stock by communications common carriers, which for the purpose of section 304 are defined by subsection 103(7) to include any person, or entity owning or controlling, directly or indirectly, such a carrier, as well as any person or entity under direct or indirect control of such carrier. Paragraph (2) prohibits any carrier, so defined, from directly or indirectly owning voting stock in the corporation unless authorized by the Commission. Fifty percent of the voting stock authorized for issuance at any time is to be reserved for purchase by such authorized carriers; however, these carriers may not purchase in the aggregate more shares from the reserved portion than the public does from the nonreserved portion. Further, at no time after the initial issue is completed shall authorized carriers directly or indirectly own more than 50 percent of the voting stock issued and outstanding.

Paragraph (3) of subsection (b) prohibits any stockholder, other than an authorized carrier, or any syndicate or affiliated group of such stockholders, from owning more than 10 percent of the issued and outstanding voting stock. Another prohibition is contained in subsection (d), relating to alien ownership, which states that no more than 20 percent of the voting stock held by persons other than authorized carriers may be held by persons of the classes described in subsection 310(a) of the Communications Act.

Paragraph (1) defines an authorized carrier, for the purposes of section 304, to be a communications common carrier authorized by the Commission to own stock in the corporation. This paragraph has been amended in two respects by your committee. First, language has been added to specify that the Commission may issue such authorization by classes of carrier as well as by individual carriers, so that a carrier may be authorized as one of a number of carriers authorized at the same time, or it may be authorized by an action of the Commission addressed to it singly. No application is necessary for the Commission to act, so that it may issue such authorization on its own initiative, as well as on application by a carrier or carriers. Second, paragraph (1) has been amended to add a standard governing authorization. Thus, it is required that the Commission find that ownership by the authorized class or carrier "will be consistent with the public interest, convenience, and necessity."

Subsection (f) authorizes the Commission, on application of an authorized carrier and after notice and hearing, to compel any other authorized carrier to transfer for a fair and reasonable consideration to the applicant a number of shares of voting stock owned by such other authorized carrier, as the Commission determines will advance the public interest. The term "authorized carrier" relates, of course, back to the definition of communications common carrier in subsection 103(7) to include persons or entities related to the carrier itself.

When S. 2814 was referred to your committee, this subsection provided that the amount of shares to be transferred was to be a number that would be reasonable "in the light of the estimated proportionate use of the corporation's facilities by the applicant" and other factors. Your committee has deleted the quoted language in view of the concern expressed by some that it could lead to undue importance being placed on the extent of use as a measure for voting stock ownership. It was urged that a carrier using a large portion of the corporation's facilities would by resort to this device be able to increase its stock ownership and thereby possibly gain a dominant position in the corporation. It was, therefore, believed best to remove this specific standard from the bill, and instead insert language stating that the Commission "shall promote the widest possible distribution of stock among the authorized carriers" whenever consistent with the public interest.

In addition, whenever such a transfer is directed by the Commission, such transfer is to be for "a fair and reasonable consideration."

Subsection (c) authorizes the corporation to issue nonvoting securities, bonds, debentures, and other certificates of indebtedness. Any such issuance is subject to the approval of the Commission under paragraph (8) of subsection 201(c). It also provides that such nonvoting securities, etc., are eligible for inclusion in the rate base of an owning carrier to the extent allowed by the Commission, but that voting stock of the corporation owned by such carrier is not eligible for such inclusion. The bill as it came to the committee, was silent with respect to rate base treatment of voting stock, and it was deemed advisable to explicitly state the intent of the bill. In addition, the bill made other securities, etc., eligible only for inclusion in the owning carrier's rate base for international services. This was felt to be too restrictive, and that greater latitude should be given to the Commission. Therefore, the language was changed to delete references as to the specific rate base in which the investment of a carrier in nonvoting securities could or could not be included and full discretion was given to the Commission to permit such securities to be eligible to the extent it found it necessary.

Section 305. Purposes and powers of the corporation: Subsection (a) confers on the corporation certain powers in order to achieve the objectives and carry out the purposes of the act. These powers are (1) to plan, initiate, construct, own, manage, and operate commercial communications satellite systems either by itself or in conjunction with foreign governments or business entities; (2) to furnish channels of communication for hire to U.S. common carriers and to other entities, foreign and domestic; and (3) to construct and operate satellite terminal stations when licensed to do so by the Commission.

Subsection (b) sets forth some of the activities authorized to be carried out by the corporation. Those set forth are (1) to conduct or contract for research and development related to its mission; (2) to acquire physical facilities and hardware necessary to its operation by construction, purchase, or gift; (3) to purchase satellite launching and related services from the U.S. Government; (4) to contract for services of the communications satellite system with users thereof, including the U.S. Government; and (5) to develop plans for technical specifications of all elements of the communications satellite system.

Subsection (c) provides that the corporation shall have the usual powers conferred on a stock corporation by the District of Columbia Business Corporation Act in order to carry out the purposes described above.

TITLE IV—MISCELLANEOUS

Section 401. Applicability of Communications Act of 1934: This section provides that 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 fully subject to titles II and III of that act. As amended by the committee, this section also provides that the provision of satellite terminal station facilities by one communication common carrier to one or more other such carriers shall be deemed to be a common carrier activity fully subject to the Communications Act. The reason for this amendment is because the provision of facilities by one common carrier to other carriers has not been regarded as a common carrier undertaking. The corporation, by the terms of this legislation, will be subject to both the provisions of this legislation as well as to the Communications Act. However, if common carriers in their operation of any terminal station for which they may be authorized by the Federal Communications Commission are subject only to the provisions of this act but not the Communications Act, as well, there will be a regulatory hiatus between the corporation and the common carriers. Thus, the corporation in providing facilities to communications common carriers will be fully subject to provisions of the Communications Act, while a common carrier engaged in a similar activity will not be subject insofar as that activity is concerned. The committee's amendment will avoid such a hiatus.

Also, the committee amended this section to provide that whenever the application of the provisions of the Satellite Act of 1962 shall be inconsistent with the applications of the provisions of the Communications Act, the provisions of the Satellite Act shall govern.

Section 402. Notice of foreign business negotiations: This section is to insure that the corporation in its business negotiations with international or foreign entities over facilities, operations, or services, will conform to relevant foreign policies of the United States. Section 402 should be read

with section 201(a)(4) as both are concerned with the role of the corporation in relation to U.S. foreign policy. Together these sections assure that this role will be carried out in a manner which contributes to the success of that policy. Section 402(a)4 recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporations with foreign governments, entities or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy. Section 402, on the other hand, is concerned with the narrower problem of the corporation's business negotiations with international or foreign entities. With respect to these negotiations, the corporation is to notify the Department of State when entering into negotiations and that Department is to advise the corporation of relevant foreign policy considerations. Moreover, during the negotiations the corporation may request the assistance of the Department; such assistance has customarily been furnished by the Department to communications carriers.

Section 403. Sanctions: Subsection (a) provides that U.S. district courts may, on petition of the Attorney General, grant equitable relief as may be necessary or appropriate to prevent or to terminate (1) conduct by the corporation inconsistent with the policy and purposes of the act; (2) violation by the corporation or any person of any provision of the act; (3) obstruction of or interference with, by the corporation or any person, any activities authorized by the act; (4) refusal, failure, or neglect by the corporation or any person to discharge duties or responsibilities under the act; or (5) any threat by the corporation or any person of such violation, obstruction, etc. During the hearings a question was raised as to whether the sanction provision of this bill might be construed to furnish a legal basis for issuance of an injunction against labor union activities in a labor dispute. Although it was indicated that this sanction did not apply, your committee has adopted an amendment to this subsection that removes all doubt.

Subsection (b) provides that nothing in section 403 shall be construed as relieving any person from punishment, liability, or sanction which may be imposed otherwise under this bill.

Subsection (c) is new. It has been added to make clear that the corporation and communications common carriers have a positive duty to comply with the applicable provisions of the bill and rules and regulations promulgated thereunder. Thus, for example they must independently take action: to foster effective competition under paragraph (1) of subsection 201(c); to provide authorized carriers with nondiscriminatory use of and equitable access to the communications satellite system and satellite terminal station, etc., under paragraph (2) of subsection 201(c); etc., without waiting for rules and regulations to be issued by the Commission. Further, they must comply with such rules and regulations as are issued. Failure to observe these duties will make them liable to the imposition of sanctions.

Section 404. Reports to Congress: Subsection (a) requires the President to submit annual reports to Congress describing and evaluating progress under the national program referred to in paragraph (1) of subsection 201(a), together with recommendations for such action, legislative or otherwise, as he believes desirable.

Subsection (b) requires the corporation to submit annual reports to the President and Congress.

Subsection (c) is new, and requires the Federal Communications Commission to transmit annually to Congress (1) a report on its activities and actions on anticompetitive practices as they apply to the communications satellite programs, (2) an evaluation of such activities and actions with a view to recommending such additional legislation as it may consider necessary, and (3) 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. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LONG of Louisiana. When the Senator states that the bill has the support of the administration, does he include in his statement the amendments the House added to the bill?

Mr. PASTORE. So far as I know, yes. In fact, representatives of the Department of Justice and the FCC appeared before the committee. We made certain refinements. The Senator will notice that vast improvements have been made in the bill in order to protect the public interest. I shall fight as hard for the retention of those provisions as, I suppose, the Senator from Louisiana will fight to promote the so-called Kefauver amendment.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ALLOTT. I have listened with very great interest to the presentation of the Senator from Rhode Island. I congratulate him and the other members of his committee on the bill. I think it is the only logical approach to take to the question. I do not think the arguments I have heard raised are legitimate arguments. For example, when we talk about charging off all the costs of our missile system against the communications system, it is like selecting a small speck or hole on a mountain, and charging the whole mountain with that hole. The things we expect to get out of our missile system are so great and so vast that this proposal can constitute only a small speck of what we can get out of the program. I wish particularly to congratulate the Senator from Rhode Island for a very excellent and lucid presentation.

Mr. PASTORE. I thank the Senator.

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.

AUTHORIZATION FOR VICE PRESIDENT OR PRESIDENT PRO TEMPORE TO SIGN ENROLLED BILL H.R. 10788

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Vice President or President pro tempore be authorized to sign the enrolled bill H.R. 10788, to amend section 204 of the Agricultural Act of 1956, during the adjournment of the Senate.

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

MEREDITH WILLSON—THE MUSIC MAN

Mr. MILLER. Mr. President, on Tuesday, June 19, the 24th North Iowa Band Festival and Music Man Marching Band Competition Festival will be held at Mason City, Iowa, birthplace of the famed musician, composer, and author, Meredith Willson. One hundred and twenty-one bands from 34 States will participate in what will be the biggest and most elaborate event of its kind ever presented. The premiere of the motion picture based on the world-famed musical comedy, "Music Man," will be held at Mason City on the same date. Produced by Warner Brothers, Robert Preston stars in the title role as Prof. Harold Hill and Academy Award winner Shirley Jones stars as the prim librarian. Warner Brothers is to be commended for making it possible for millions of Americans to enjoy this splendid and wholesome entertainment.

With so much front-page news being given juvenile crime nowadays, it is heartening to note the creative and cultural activities of so many of our young people throughout the country in symphonic and marching bands. Some 8,500 teenage boys and girls will participate in this great festival.

For many years, Mr. Lester Milligan, executive secretary of the Mason City Chamber of Commerce, has taken a leading part in organizing the North Iowa Band Festival, which has had a memorable impact on the lives of so many boys and girls who have participated.

As one of Iowa's native and favorite sons, Meredith Willson, who will be the principal guest of honor at this year's festival, provides a living symbol of the appreciation of good music which typifies the people from my State of Iowa. His career has been outstanding and inspirational, and I ask unanimous consent that a biographical sketch of Mr. Willson be printed at this point in the RECORD.

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

BIOGRAPHICAL INFORMATION ON MEREDITH WILLSON

Meredith Willson was born in Mason City, Iowa, in 1902. He started his career as a flutist with John Philip Sousa's Band and the New York Philharmonic, turning to conducting and composing in 1929. The next 12 years found him musical director of San Francisco radio station KFRC and of NBC's western division. Then, moving to Hollywood, he became musical director for outstanding network radio programs.

In 1942 he joined the Army, emerging at the end of World War II with the rank of major. During the next 5 years he starred in important network radio programs, innovating his famous "Talking People."

In 1950 he became identified with Tallulah Bankhead's "The Big Show" as musical director and radio personality. He has continued in similar capacities in both television and radio. His wife, Rini, former singer of concert, opera and radio, appears with him on personal appearance lecture tours which they make in the fall and spring.

Mr. Willson's compositions include many symphonic works, plus such popular song hits as "May the Good Lord Bless and Keep You," inspired by his mother's goodbye to her Sunday school class, "I See the Moon," "You and I." He has written five books in-

cluding a novel, "Who Did What to Fedalia." His best-selling autobiographical works include "And There I Stood With My Piccolo," "Eggs I Have Laid" and his latest volume, "But He Doesn't Know the Territory." The fifth book is "The Music Man."

His largest venture is Broadway's most highly acclaimed musical comedy of the past and current seasons, "The Music Man," for which he wrote book, lyrics and music including the marching song, "76 Trombones."

"The Music Man," now in its third year, has won many of the theater world's highest awards, including the New York Drama Critics Awards for the best musical, best lyrics and best music; the Outer Circle Award; five Tonys in the Antoinette Parry Annual Awards, as well as the best musical award from Variety and Sign magazines.

Mr. Willson has received from the State of Texas and the Texas Music Educators Association the "outstanding figure in American musical life" award given to the person "who has done the most to advance the cause of good music in the form of the widest public acceptance," and the Distinguished Iowan Award—1958.

Willson's newest project for Broadway is the score for "The Unsinkable Molly Brown," which is to be produced by Dore Schary and the Theater Guild.

The Los Angeles County Library recently gave him a lifetime gold library card for his records, books and "Marian the Librarian" in connection with National Library Week.

He was honored recently by the city of Los Angeles as honorary chairman of National Music Week.

A FREE PRESS

Mr. MILLER. Mr. President, one of the great bulwarks of freedom in our form of government is the free press. Public opinion can make or break the American way of life. Informed and enlightened public opinion is essential to the preservation of our form of government and to the formulation of a national purpose in keeping with the ideals which gave birth to the United States of America.

This being so, it is understandable why so much concern has been expressed recently over what appears to be a calculated effort on the part of this administration to exert undue influence upon the members of the free press. The noted columnist, Mr. James Reston, has indicated alarm over the one-sidedness of some news accounts being fed the American people when the President makes known his views on major issues. This is front page, nationally televised news. It receives top billing almost everywhere. When voices of opposition to the President's views are sounded, they too often receive much less coverage. The result is that public opinion is in danger of being formulated without the benefit of adequate information on both sides of great national issues.

It requires real courage for members of the free press to adhere to their ethical standard of reporting all the news—good or bad—which affects the President and his administration. Stories have been circulated that the writers of news accounts or editorials unfavorable to the President or his administration find themselves in the White House doghouse. At the very least, they no longer receive the same courtesies and luncheons which so-called friendly members of the press receive. White House subscriptions to their papers may even be cancelled.

Accordingly, I want to pay tribute to two of the Nation's great newspapers today, whose news accounts are noted for their coverage in depth, for the presentation of both sides of the issues, and especially for their objective, courageous editorial policy. I refer to the Christian Science Monitor and the Wall Street Journal.

A classic example of the Monitor's fearless editorial policy appears in the lead editorial of June 12, entitled "Mr. Kennedy's 'Myth and Reality'." It points out that the myths, so-called, are not all on the side of those who are opposing the policies of this administration; that there are myths to which President Kennedy and his advisers also cling.

These are that the Federal Government and the Kennedy administration nobly express the national interest; that businessmen are selfish and arrogant; and that the President is the only injured party in the current conflict which has resulted in loss of confidence on the part of American business.

These—

Declares the Monitor—

are typical leftist myths. They deserve to be scrutinized and brought up to date just as surely as do those of the right.

As I recently pointed out at the Parsons College Commencement, the Supreme Court of the United States, in the steel-seizure case decision in 1952, made it clear that the President has no inherent power to invoke what he believes to be the national interest. Such inherent power exists in the throne of a king, but it does not exist in the office of the President of the United States. It is entirely proper for the President to declare what he thinks is the national interest or in or contrary to the national interest. And he can invoke it where Congress, by a specific law, has given him the power to do so. He can go to the people and to the Congress to try to persuade them on his views of the national interest. And if both sides of the issue are adequately presented to the American people by the free press, no one can quarrel with this. But he cannot absent a specific act of Congress, invoke what he thinks the national interest is. Apparently the President thinks he can, because he recently said that the administration will not hesitate to invoke the national interest where the best interests of the country—in his opinion—warrant it. I would recommend that he and his advisers in the White House ask the Attorney General to read the Supreme Court's opinion in Myers against United States.

I sincerely trust that this timely, objective, and courageous editorial in the Christian Science Monitor, published in the President's home city of Boston, Mass., will not result in its being excluded from the subscription list of the White House. I ask unanimous consent that the editorial be printed in the RECORD.

In the June 14 issue of the Wall Street Journal, the lead editorial, entitled "Confidence in Question," courageously takes issue with the President's views on business confidence, as expressed by him in his recent speech at the Yale commencement. The question of confidence, says the Journal, "must be viewed in terms of the sum of Government economic policy, the main direction of its thinking and acting." It then proceeds to take the administration to task, as it should, for its deficit spending, inflationary policies which go contrary to the obligation of Government to provide for honest money; for its wasteful and nonessential spending programs; for its failure to establish priorities in spending; and for its inconsistent tax policies. "Such a spectacle is not likely to increase any sensible person's confidence," declares the Journal. To which I say, "Amen," with gratitude to the Journal for striking a real blow for freedom of the press. I ask unanimous consent that this editorial be printed in the RECORD.

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

[From the Wall Street Journal, June 14, 1962]

CONFIDENCE IN QUESTION

The question of business confidence is a little more complicated, we fear, than President Kennedy made it sound this week. Or perhaps we should say more sophisticated, to use a word currently much in vogue in Washington.

As the President sees it, there is a true issue of confidence and a false issue. The true issue is that if business, labor and Government neglect their obligations to the public, "then confidence might well be weakened." The false issue is the assertion that any and all unfavorable turns of the speculative wheel are the result of a lack of confidence in the national administration.

Now certainly it would be erroneous to put the blame for the stockmarket slide, or for any new recession if it comes to that, wholly and solely on the administration. Yet the power of the Government to encourage or discourage confidence is plainly enormous. So the question of confidence must be viewed in terms of the sum of Government economic policy, the main direction of its thinking and acting.

What, to start with, are some of these obligations of the Government to the public? It would seem that a fundamental one is the provision of honest money. The U.S. Government has failed this test for the better part of 30 years. And it's no use arguing that deficit financing does not always produce immediate price inflation; the fact is that a Government course which has the effect of inflating the money supply is a risky course because it is speculating with the people's purchasing power.

Another basic obligation is to use the people's taxes carefully and judiciously, avoiding waste and nonessential spending. This too is honored in the breach. In Washington's eyes the defense exigencies impose no imperative to cut back unnecessary spending or to establish priorities. Instead the waste and the political handouts accumulate, as the effort is made to create ever more pressure groups.

Such a spectacle is not likely to increase any sensible person's confidence. More specifically, practically every move the administration calls probusiness is countered by another which would have to be described in different terms.

In this election year tax cuts are promised for the year to come, but they are not linked to any thought of retrenchment of Federal expenditures. Government officials speak of

their attempt to help business with an investment tax credit and liberalized depreciation rules. At the same time they attack investment at home and abroad wih proposed tax changes on foreign subsidiaries and tax withholding on dividend and interest income.

The Government professes to show its regard for business by appointing a committee of businessmen to study the serious and persistent deficit in America's international payments position—an issue involving foreign confidence in the dollar. We hope the businessmen will have something useful to recommend. But it is hard to see how they can do much about it so long as the Government itself insists on this huge spending at home and abroad, which is the main reason for the payments deficit.

Administration officials are also fond of saying that business should welcome vigorous enforcement of the antitrust laws. That is true, so long as such enforcement does in fact help to preserve competition.

What is overlooked here is the need to reexamine some aspects of the antitrust laws themselves—not only because they are vague and confusing but because they may no longer be suitable for the sophisticated corporate conditions of the present day. The economic danger of harassing overregulation is far greater today than any risk of underregulation.

And speaking of regulation as it affects confidence, it would be difficult for anyone to forget the price-setting implications of Mr. Kennedy's moves in the steel dispute.

Perhaps most important in a catalog of questions of confidence is the underlying Government attitude. Big Government, the President assures us, is going to get bigger, and that's all right. Deficits and mounting debt can be viewed with equanimity if not embraced as positive virtues. It is scarcely a secret that some of the administration's advisers and consultants strongly favor a vast enlargement of the "public sector," by which euphemism is meant still greater aggrandizement of Government.

Call the totality of the attitude antibusiness or what you will; in practice it must press against business either through taxation or further weakening of the Nation's financial system or both. And business, let us not forget, is nothing more nor less than the work of the Nation; at stake are the interests of labor, management, and Government and the question of future economic growth.

Business growth, as the President observes, ultimately rests on an economic confidence in the Nation's ability to invest and produce and consume. The Nation's potential growth is enormous. But it is not unreasonable to ask why there should be exuberant confidence in a Government that so far seems bent on curbing the people's incentive and ability to produce, consume, save and invest.

[From the Christian Science Monitor, June 12, 1962]

MR. KENNEDY'S MYTH AND REALITY

President Kennedy is guilty of precisely what he criticized the business community for doing. Business, he charged at the Yale commencement, has based its recent wave of nonconfidence in the Federal Government on myth, ancient cliches, illusion and platitude, old records, longplaying, left over from the middle thirties.

But Mr. Kennedy based his counterargument also on myths.

Kennedy myth No. 1: that the Federal Government, and by implication the Kennedy administration, nobly expresses the national interest. There was no room in his argument for that other role of the national administration: a cool, hard-hitting political machine devoted to acquiring, using, and retaining power.

Kennedy myth No. 2: that businessmen are selfish and antisocial. While chiding American business generally for trying to live in the past, the President gave no hint that large and growing sections of the business community have long since discarded the narrow self interest of the days when business was riding high, and are as modern and concerned with valid contemporary problems as himself. A large proportion of businessmen were dismayed when United States Steel first announced its price rise.

Kennedy myth No. 3: that he is the only injured party in the conflict which boiled up with the steel incident. There was no hint that Mr. Kennedy was aware of what happens when the President of the United States mobilizes the vast power of retaliation of which he is capable, and holds it in his hand, aimed and loaded, and leaves it poised for everyone to see, for quite a while, until the sharpness of the threat sinks in, before he lowers his hand and talks about conciliation.

These are typical leftist myths. They deserve to be scrutinized and brought up to date just as surely as do those of the right.

KENNEDY ARGUMENT STRONGLY PARTISAN

The Yale speech was offered and received as a friendly overture to business. The President seemed to be taking the lofty position of a man interested only in what is objective and good for the Nation. But in fact he delivered a partisan lecture to the American people in which he managed to select for criticism only those myths which business tends to accept.

Then came the cold threat again:

"If a contest in angry argument were forced up it, no administration could shrink from response, and history does not suggest that American Presidents are totally without resources in an engagement forced upon them because of hostility in one section of society." Not until after saying this does the velvet close over the hand again.

There is much that is thoughtful and persuasive in the President's talk about the myths of the past which need to be supplanted with modern fact. This newspaper has often supported the idea of a separate capital budget for the Federal Government and the broader concept of fiscal responsibility which he asks for. We agree with his facts that the Federal Government and bureaucracy have grown less rapidly than the economy as a whole. We wouldn't question his point that the most important ingredient in business confidence should be "the Nation's ability to invest and produce and consume"—and that political confidence in a particular administration is not required. Otherwise we would have bad business every time a reformist administration came to power.

PRESIDENT HONESTLY WANTS COLLABORATION

These are good points, well worth discussing. So is the President's list of the more "sophisticated" and intricate policy conflicts faced by the United States, where intelligence should be focusing.

It is the partisan component in what masquerades as an objective statement of national interest, that cannot be allowed to pass.

We believe the President honestly wants the best possible degree of national collaboration in meeting modern economic problems. But the way to achieve it is not to attribute all the myths to one's political opponents. It is not to ignore the growing problem of Federal controls, even if the National Government is growing less rapidly in its physical measurements than most people think. Nor is it the path toward national collaboration to threaten a real political fight, if business wants one, and in the same speech to ignore the valid concern in business quarters with that tough-minded, gimlet-eyed Kennedy use of political power.

It is a rational and often proved necessity—not a myth—in the United States that the fine line between effective and damaging use of political power has to be watched.

If Mr. Kennedy would recognize that groups of citizens are not venal or archaic because they do not now fully trust him on this point, if he would see that all the myth is not on one side and talk accordingly, then he could more easily earn that modern national consensus that he wants. And the country could turn from wrangling, as he put it, to the more intricate questions of domestic economic growth and its adjustment to the balance-of-payments problem.

YUGOSLAVIA, POLAND, AND THE COMMUNIST BLOC

Mr. HUMPHREY. Mr. President, during last week's debate on the foreign aid authorization, a great deal of heat was generated over the question of whether or not Tito's Yugoslavia was inseparably alined with the Communist bloc. I do not mean to suggest that this was a debate between Tito's apologists and Tito's detractors. The fundamental question before us was whether aid to a Communist- or Marxist-dominated country could ever conceivably be in the interests of the United States.

I believe we must completely understand what are the national interests of this country, and then understand the policies we should pursue to forward those national interests. There are times when policies must be changed because they no longer fulfill the purpose of our national interests. There is a tendency in our country, however, to get into a rather fixed or immobile position on policies even after they have ceased to serve the national interest. What we are really talking about, in other words, is what strategy, policy, or tactics we should pursue in any country or in any area of the world to promote our national interest. In other words, we are debating about our tactics in the ever-present and continuing struggle with the Sino-Soviet axis.

As we know, the Senate came within a hairsbreadth of deciding this question of tactics in the negative, that is, of forbidding all U.S. assistance to "any country known to be dominated by communism or Marxism." Only in the nick of time was the force of this amendment blunted by the joint efforts of the majority and minority leaders, whose wise amendment permitted the sale and use of surplus agricultural commodities and the proceeds resulting therefrom to Communist or Marxist governments but under certain conditions. Perhaps the most important effect of this amendment, which had my wholehearted support, was to restore to the President virtually all the discretion he had exercised in past years with regard to the commitment of U.S. aid to Communist Yugoslavia and Poland.

To my mind—and I so stated during the discussion of the Mansfield-Dirksen amendment—broad Presidential discretion in the use of funds is an indispensable ingredient of the foreign aid program. Only the President has the full facts, the full knowledge, on which to

decide for or against an aid commitment. What is more, it is the President who is held accountable by the Constitution for the conduct of the Nation's foreign policy. Either we trust the President of the United States, under our system, to administer aid funds in accordance with the sense of Congress, or we put Congress in the role of an administrator, an executor of the laws. This would violate the concept of the separation of powers.

History is replete with examples of the trouble which results when a multimember legislature assumes executive functions. With the passage of the restricting amendment on June 6, the Senate took a somewhat heedless step in this direction—the direction of a multimember legislature assuming executive functions. It did so, of course, under the widespread feeling, spoken or unspoken, that the administration had ignored the wishes of Congress as expressed in past foreign aid authorizations and appropriations. I do not believe the administration is guilty as charged or as indicated, although I concede that congressional desires sometimes seem to carry less weight with the executive branch than do expressions of congressional will. I believe every Senator is aware that on all too many occasions the expressed desire of Congress is not carried out by executive action. But if so, it was perhaps fitting that the Proxmire and Lausche amendments, as they are known, brought these simmering, subterranean sentiments to the surface, where they could be voiced and then disposed of.

Nevertheless, I was disturbed to find many Senators taking what, with all due respect to them, I regard as an excessively narrow view of the cold war and the political function of our foreign aid. I wish to make it quite clear that foreign aid is not merely an economic program; it is a political program. Foreign aid is a part of the national security policy of the United States. Foreign aid helps other countries—at least, we hope so—but its essential purpose is to help the United States. In other words, it is intended to promote our national interests, which surely is a legitimate function.

Mr. DWORSHAK. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Not at the moment.

No Member of the Senate has denied or could deny that Tito is a dictator or that he is a Communist dictator. But no matter how much lip service Tito may pay to such vague concepts as "proletarian internationalism," he is not the man to knuckle under to the direction of Moscow in either his foreign or his domestic policies. Whatever else he may be, Tito is a nationalist. He likes being a leader in his own right; I seriously doubt, on the basis of Tito's past performance, that he would accept the cringing satellite status of a Janos Kadar of Hungary or a Walter Ulbricht of East Germany.

Another point which we are prone to forget is that there has been a constant fluctuation in Soviet Yugoslav relations. Sometimes the pendulum has swung one way, sometimes another. After the death of Stalin, Khrushchev went to "Canossa"—that is, publicly admitted in Belgrade that Stalin had been wrong toward the Yugoslavs—and relations between the two countries markedly improved for a time. Even then, in 1956, strong voices were raised in the Senate against continuing aid to Yugoslavia. I might add, however, that Congress then followed the express desire of President Eisenhower and Secretary of State Dulles and supported the discretionary authority which was included in the foreign aid bill as recently considered in its original form by the Senate.

Thereafter, Soviet-Yugoslav relations cooled once again. The U.S.S.R. reneged on some of its aid commitments, and Tito's ambivalent position during the Hungarian revolt was highly displeasing to Khrushchev. Now the pendulum is swinging back again toward what appears to be improved relations—influenced, in all likelihood, by economic rather than political considerations. But, as I said at the time of the debate on the amendment, the request for improvement in relations comes from Moscow, not from Belgrade. To me, this is additional proof that our policy in the past, with all its limitations and all the risks involved—and there is great risk; I do not deny that—has caused great uncertainty in the Kremlin, has contributed to independence in Belgrade, and has necessitated a reexamination of the Yugoslav-Soviet relations by Mr. Khrushchev and Mr. Gromyko.

Who is to say that this new rapprochement will be either far reaching or permanent? Why should we assume that Tito and Khrushchev are inseparably linked together, or, even if they are, that international communism is necessarily the stronger for it? Some experts even think that an improvement in Soviet-Yugoslav relations could actually speed up the centrifugal tendencies within the Communist bloc. It could make the differences between Khrushchev and his "hard line" Stalinist rivals all the more difficult to bridge, and widen the gap between the Soviet Union and Communist China. Friendship with Tito on the part of Khrushchev, goes this line of thought, could paint Khrushchev with the brush of "revisionism," which is one of the worst fates that can befall a Communist leader. I do not necessarily subscribe to this point of view; I merely cite it as one of the points which have been expressed by some experts in the area of Soviet relations, but it is worth thinking about. Whatever we do, we must not become insensitive to the factional divisions within communism.

I wish Senators in their study of the Soviet or of the China-Soviet bloc would understand that there are fractures or cracks in the so-called monolithic structure, and that some of the cracks are very serious. In fact, there is more actual and potential disunity within the Communist bloc than meets the eye.

I should like to cite some information brought to me yesterday by an official of our Government who has just returned from India. I shall digress from the subject of Yugoslavia for a moment. The information is that at present helicopters made by the Soviet Union—Soviet helicopters—are transporting Indian mortars and heavy and light artillery for the Indian Army to the Communist Chinese border, in order to strengthen the Indian Army forces against Chinese Communist aggression. This is made possible by the aid of Soviet helicopters.

If one has a simple, orderly mind, in which everything is departmentalized, then he will ask, "How can this be? Is it not true that the Chinese are Communists? Are not the Russians Communists? How could the Russians do anything to aggravate relations with their Chinese Communist allies?" The fact is that the Soviet Union acts according to what it believes are its national interests.

I believe it would be well for us to assume that there are fractures in the Sino-Soviet bloc. It seems to me that as one of our foreign policy objectives we should encourage the loosening of the bonds that hold the structure together.

Let me repeat the remarkable passage from the cable sent to Washington by our Ambassador in Belgrade, the Honorable George Kennan—one of our foremost experts on the Soviet Government and Soviet foreign policy. According to the text released yesterday to the press, Ambassador Kennan said that the Congress has 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."

Mr. President, I am sorry Ambassador Kennan did not earlier remind us of his views in regard to this matter. I suppose he did so through the official channels of the State Department. But since most thoughtful Americans regard him as an intelligent, able, and competent man in the field of foreign policy and United States-Soviet relationships, so I believe we should give considerable weight to his views, particularly since he is duly accredited at Belgrade, Yugoslavia, and, furthermore, because he is known to be one of the experts who in a very firm manner has conducted our relations with the Yugoslav Government. He keeps in mind our national interest at all times. As Mr. Kennan pointed out, Congress took definitive action to cut off economic aid at the very time when, through diplomacy, and because of the economic situation, our economic aid was being phased out—not by fiat or edict, but by determination of what would be in our national interest.

Mr. President, yesterday I said—and I repeat it now—that Ambassador Kennan and Ambassador Cabot, who is our representative at Warsaw, Poland, should be brought home at once, for

consultations, not only with the State Department, but also with the appropriate congressional committees and with the Members of Congress of both parties. I believe we need to talk to these men, and I believe they need to talk to us. When they do return, I hope that the opinions so succinctly stated by Ambassador Kennan will be amplified and documented. After all, he made some rather sharp remarks; and I believe that all Senators should have an opportunity to question him and to request further evidence supporting the conclusions he has reached. I concur, basically, in his conclusions; but I am sure that some Senators take exception to them. So I believe it is all the more important that individual Members of Congress should be given the opportunity of ascertaining the facts as best we can under these difficult circumstances. Only in this way can we dispel some of the myths and fiction that have beclouded our understanding of political realities on the fringes of the Iron Curtain.

Yesterday the President of the United States spoke very bluntly and openly about this matter. I can well imagine that the President feels there has been some expression of lack of faith and trust, in view of the limitations we have placed upon him.

I repeat that if the action which was taken was ever to have been taken, certainly we took it at the wrong time, because at this time there is a greater degree of independence of political action on the part of the two nations which were specifically mentioned—Yugoslavia and Poland—than there has been at almost any other time in their respective postwar histories—at least, since they have been under Communist domination.

The Senator from Alabama [Mr. SPARKMAN], the Senator from Vermont [Mr. AIKEN], and other prominent Members of this body who have long studied these problems of foreign policy have already shown how Yugoslavia has maintained its independence up to the present day. Whether due to American aid or not Yugoslav nationalism accords with the objectives of U.S. policy for more than a decade. In other words, our national interests have been served.

I do not believe the Senate has a right to act unless it feels that the national interest is being served thereby. Everything in our foreign-aid program—particularly in these highly controversial areas involving governments which are not representative governments in our understanding of the term—has been for the express purpose of strengthening our national security. Of course, I would be the last to say that on occasion we may not err in our judgment. Possibly we do. But thus far the evidence does not indicate that we erred with regard to our policy toward Yugoslavia and Poland. Let us not forget that Tito's break with Stalin in 1948 permitted the successful outcome of the postwar Communist revolt in Greece. Certainly without that, the civil war in Greece could have been continued for years. As I said in the Senate at the time of the debate on this amendment, the authorities in the Greek Government have made it quite clear that peace on the Yugoslav-Greek border is essential if there is to be stability and peace within Greece itself. After all, Greece is a part of NATO, and Greece is an important part of the southern flank of NATO. Greece and Turkey are valuable allies of ours; and their stability and safety and security depend in no small way upon reasonably good relations between Yugoslavia and Greece.

Let us not forget that Tito's break with Stalin in 1948 let to the settlement of the Yugoslav-Italian dispute over Trieste, at the head of the Adriatic. Let me say that the Trieste situation was then causing the United States serious concern, and was a threat to the peace. Tito's break with Stalin also permitted the development of a Yugoslav politico-economic system which differs markedy from that of the Soviet Union. But for Tito's action in 1948, southeastern Europe today might be one of the most explosive troublespots of the world.

Likewise, let us remember—as was pointed out by a number of Senators, during the debate—that 70 percent of Yugoslavia's trade is with non-Communist countries, and only 30 percent is with the Soviet bloc. Yugoslavia is dependent on the West for capital, raw materials, training, equipment, spare parts, and even some military supplies.

It appears to me that this dependency on the West is a vital factor in denying the Soviet bloc the kind of disciplined unity that it requires if it is going to exercise complete power in Eastern Europe.

Unless he wants to commit political and economic suicide, Tito will not willingly exchange his trade ties with the West for the bondage of Moscow. In fact, he has made this crystal clear within the last week.

It is interesting to note, as the press reports indicate, that recently other countries, even Hungary and Czechoslovakia, resisted the attempts of the Soviet Union to impose complete control over their foreign trade.

Yugoslavia, unlike any other Communist-ruled country, has forged economic and institutional links with the West. She participates in OECD, GATT, the International Monetary Fund, the World Bank, and a number of United Nations subsidiary organizations. In contrast to the almost uniform Soviet boycott of these organizations, Yugoslavia is enjoying a profitable association with them.

Any government that was completely under the domination of Soviet power would not take part, as Yugoslavia has, in these international economic organizations, in opposition to the Soviet Union. The Soviet Union has never participated in the World Bank, yet the Government of Yugoslavia is a very active participant. Unless Mr. Tito is driven to it, he will hardly forego the advantages of membership in these international organizations for the dubious benefits of subvervience to the U.S.S.R.

Finally, what about Tito's much-criticized espousal of nonalinement in the cold war? Well, Yugoslav nonalinement appears to sit even worse with the rest of the Communist world than it does with us. The fact is that virtually every Communist reference to Yugoslavia includes a contemptuous dig at Tito's claim to be above the blocs. Whereas some of us seem to feel that Tito's nonalinement is a blind for promoting the interests of international communism, the Communists seem to feel that Tito has sold out lock, stock, and barrel to NATO and the imperialists.

I have in my hand a statement from high government officials in Red China, which I am going to have inserted in the RECORD a little later. The headline of the New York Times for September 18, 1961, reads, "Red China Scores Policies of Tito. Peiping Rejects Assertion Yugoslav Is Above Blocs."

The article goes on to cite some rather derogatory statements from Communist China about Mr. Tito. Here is what they say, for example:

> These arrogant designs of the Tito group are exactly what U.S. imperialism wants.

It continues:

> To the U.S. imperialists, the Tito group, as their instrument, serves yet another specific purpose. In the face of the vigorous development of the national liberation movement in Asia, Africa, and Latin America, U.S. imperialism is seeking to sabotage this movement with the help of the Tito group. Sabotage activities by this group would be facilitated if it could, as much as possible, maintain its position of being "above the blocs."

Listen to this one. This is what the Chinese Reds had to say about Yugoslavia. I do not think even a U.S. Senator went this far:

> On the other hand, the Tito clique is a renegade from the camp of socialism. Behind the "above the blocs" signboard, it is dead set against the Socialist camp, has spared no efforts in trying to break the unity of the people of the world, and has carried out active maneuvers as a lackey of U.S. imperialism, thus playing a reactionary role in the struggle of the people for peace, democracy, national independence, and socialism.

A little later I am going to quote some more from this article. The statements I have just read indicate that Mr. Tito does not stand in such good favor in some parts of the so-called Communist bloc.

I said the facts do not back up either of these extreme views, namely, that Tito's nonalinement is a blind for promoting the interests of international communism. As the Senator from Vermont [Mr. AIKEN] so ably pointed out, Yugoslavia has frequently and publicly diverged from the position of the Soviet Union in the United Nations. No other Communist country, not even Castro's Cuba, has been so unresponsive to the leadership of Moscow at the U.N. Rather, Yugoslavia tends to vote with the leading neutrals, that is, with India and the United Arab Republic.

I may add that these votes are not, in the main, or in the majority, pro-Soviet. They may not be altogether to our liking—in fact, many times we do not like them—but it is far better to have such votes than to have complete solidarity with the positions of the Soviet Union.

It seems to me that our first interest in relation to the Soviet bloc is to see

that the bloc is not a monolithic structure, but, rather, that it exhibits its cracks and its fissures, each of which subtracts from its total strength.

I remember only a year and a half ago that the No. 1 issue in this body was the "troika" scheme the Soviet Union was trying to foist upon the United Nations. The Soviet Union was determined to wreck the United Nations. We remember when Mr. Khrushchev said that the Secretary General should no longer have the power he exercised, that this power would have to be diluted by a "troika," three relatively independent Secretaries General, supposedly pulling together, but any one of whom could exercise the right of veto over the others' action.

Yugoslavia threw its influence against the "troika." It said "No" and voted against the Soviet Union and for the United States. It threw its influence against the "troika," as did the majority of the neutralist and nonalined nations. That was a basic decision.

It would appear, Mr. President, that Yugoslavia shares our view of what the United Nations should be—at least on these issues.

I mention these matters not because I am happy with everything Yugoslavia does, not because the Yugoslav Government bears any great friendship for the United States, but because I believe the policy we have been pursuing has been in our national interest. I believe the action we took in the Senate, even with the modifications that were subsequently put into the foreign aid bill, were not in our national interest.

Mr. President, I wish to take this opportunity to insert in the RECORD a number of quotations from Communist sources concerning Yugoslavia's policies, her individual road to socialism, her acceptance of aid from the United States, and her role in the Communist movement. This information is available through our State Department, our libraries, and through our offices at the U.N. General Assembly.

If we were to study some of these remarks by Khrushchev, by the Albanians, and the Communist Chinese, we would detect a picture quite different from the one painted by many Senators on the floor last week in the debate in which so many of us participated. Far from concluding that Yugoslavia is a willing and conscious instrument of Communist policy, we might even conclude from these documents and comments that Yugoslavia is a pillar of NATO. Such a conclusion, of course, would be mistaken. The truth, as usual, lies somewhere in the middle. Yugoslavia is ruled by the Yugoslav Communist League but it is, and probably will continue to be—at least, this is our hope and our policy—a Communist dictatorship independent of Moscow. We should not expect the Tito regime to be our ally—we can rest assured that it is not—but I predict that it will pursue a policy that ultimately serves Tito's own best interests. These best interests appear to be for Mr. Tito to stand on his own two feet and to stay out of the clutches of Soviet power.

If this policy should compel him to seek aid from the United States, why should we write off this chance to further disrupt the Communist monolithic unity? Why should we remove one of the major forces that permits and encourages some degree of independence on the part of Yugoslavia in her relations with Soviet Russia? Why should we neglect the opportunity to show the Yugoslav people, through our food shipments, that we are on their side, that we support their yearning for national independence?

Think how tragic it would be should we close the gate, so to speak, on our contact with these people through some of our great church organizations, which can carry the message of freedom as we know it better than anybody else. I remind the Senate again that much of our food program in Yugoslavia was being conducted by some of the great religious groups in the United States, one of them being the Lutheran World Service program, which has done such a remarkable job. CARE has also done much in this area.

On May 17, only a few weeks ago, Mr. President, the Albanian press said this about Tito:

> The aim pursued by Tito and his imperialist masters is ambitious and very dangerous. In fact it is a case of bringing the Trojan horse into the stronghold, into the camp of socialism, in view of the fact that there are now people who are prepared to destroy its wall and to introduce it inside with due ceremony, even reserving a place of honor for it.

Mr. President, the Albanian press said that Mr. Tito was a Trojan horse in the stronghold of socialism, brought into the camp of socialism. On June 6 in the Senate one of our colleagues spoke approvingly of a book which describes Tito as a "Trojan horse" within our midst, as a Trojan horse with a "potentiality for ruining the very foundation of free nations of the world."

Mr. President, Tito is a better man than I thought if he can simultaneously be a Trojan horse in their camp and in our camp and simultaneously undermine the Communist camp and the free world. If he is a Trojan horse in both places, then our foreign policy has been misdirected for years.

We should have forgotten about Khrushchev and instead should have trained all our guns on the Yugoslav dictator. If so, people should be held accountable for that.

In all our deliberations, only two Communist countries have been considered as possible recipients of U.S. assistance. One of these is Yugoslavia that I have discussed. The other is Poland.

Now, Poland is indeed a special case. There is little question that Poland is tightly trapped within the Soviet bloc. Geography alone could account for this, since Poland is uncomfortably squeezed in between Communist East Germany and the Soviet Union itself. Nevertheless, Poland has demonstrated a good deal of independence, and has not relinquished the limited independence won for herself in 1956. Those of us who have had contacts with Polish nationals know that this is true. She has continued to be an oasis of relative liberalism and relative personal freedom within the Soviet bloc.

It would be a blow to the hopes of the Polish people, who are a devoutly religious people, and a freedom loving people, should their country or they themselves, as citizens, as human beings, as good people, be deprived of their limited trade, cultural, and other ties with the West.

I hope we have not forgotten the demonstration which took place when Vice President Nixon visited Warsaw, without any advance notice. There was an outpouring of people to greet him. There were flowers in the streets. There was great enthusiasm on the part of the people of Poland. There were tears in the eyes of Polish mothers. It was a mighty demonstration of affection for the United States and a demonstration of their love for political freedom.

Mr. President, I fear that the depriving of trade, cultural, and other ties with the West, insofar as Poland is concerned, might well be the result should this country, owing to a little-noticed provision of the President's Trade Expansion Act, as amended, withdraw its most-favored-nation treatment of imports from Poland. I know how important this trade concession is to Polish officials. It enabled Polish exports to the United States in 1961 to rise by 10 percent; that is, $41 million worth. This year the rate is close to $50 million. This is the total. This year we are selling to Poland for cash upward of $15 million worth of industrial goods.

Mr. President, if we are able to conclude certain negotiations with Poland which are now under way, we shall be able to sell more of our goods on good terms.

I wish to have my colleagues take note of the fact that while we in this body take a great deal of pride in the limited trade conducted with the so-called Iron Curtain countries, our desirous, ambitious, prosperous allies are doing business with them left and right. Our good neighbor to the north, Canada, and our good friends West Germany, France, Great Britain, Italy, Denmark, the Netherlands, Belgium—all of those countries are trading with Iron Curtain countries.

In this country there is unemployment. There is grave concern about our economy. Many people are suggesting remedies for the problems which beset us, yet in a way we pat ourselves on the backs and say, "We conduct only a minimum of business with these countries behind the Iron Curtain."

Our friends and allies lecture us frequently because they say we are not sufficiently anti-Communist, even though we station our troops in West Germany and in Berlin, even though we put our troops in southeast Asia, in short, even though we assume the major responsibility for free world defense.

The others do the business and the trade. I am not prepared to say that we should be stepping up the trade. I am prepared to say that we ought to have a meeting with our allies and find

out what is going on. The show cannot run in two ways and still serve the national interest.

That is another matter which we shall discuss at a later time.

I merely wish to point out that I do not believe it is in our national interest to break off all our ties and relationships, particularly when they have been productive of some good.

Poland's favorable balance of trade with the United States is an important factor enabling her to cover her trade deficits with other free countries.

Poland's dollar earnings give her a cushion of foreign exchange from which she can fulfill her commitment to compensate U.S. citizens whose property was nationalized after World War II.

Mr. President, recently we entered into negotiations with Poland for the settlement of $40 million worth of defaulted prewar Polish Government bonds. When I visited Warsaw this past October, I mentioned the importance of negotiations and urged that they be undertaken. I was pleased to note, not because of anything that the Senator from Minnesota said, that our Government and the Polish Government took steps looking to a settlement of the $40 million of defaulted prewar Polish Government bonds. All the more discouraging, therefore, that neither the attitude we have displayed recently nor the concrete actions we have taken are going to speed the recovery of our citizens' property and investments.

It is ironic, Mr. President, that our self-defeating actions have come at a time when Eastern European countries may be growing even more restive under the economic dictation of Moscow. During the meeting of the Communist economic organization in Moscow this past 10 days, the Poles, Hungarians, and some Czech economic officials reportedly blocked a Russian plan to insulate the Communist bloc against the European Common Market. The Poles and other argued that expanded trade with the West was vital to their national interests and economies. Whether or not this incident occurred as reported—I am only citing what responsible newspapers in these countries have written—the attitude attributed to the Poles was logical in view of their past performance. The worst thing we could do, therefore, would be shut the door on Poland and pull the rug out from under those Polish officials who had the courage and independence to look westward and not to the east. I know of no better way to improve relationships between peoples and countries than through trade. Economics is a powerful force. I know of no better way to encourage some independence of action on the part of nations that belong to what is known as the Warsaw Pact or the Sino-Soviet bloc than to permit mutually beneficial trade with them.

My statement is not unique, nor is it any great discovery. Practically every responsible economist and diplomat has made that statement repeatedly, and it is a fact of history.

Mr. President, in my judgment I have said enough to show that our well-meant passion for the good of our country sometimes gets in the way of our commonsense. The fighting of the cold war requires cool heads and sharp, detached judgment. We cannot win the cold war with the heat of passion or with emotion. That is why we were wise to leave the President much discretion in the allocation of surplus foodstuffs, the sale of our food and fiber, and the use of the proceeds therefrom. I believe the remedial action that the Senate took a week ago Thursday will be helpful.

Food is rapidly becoming one of the most potent assets in the cold war. I think it is about time for us to recognize that food is another dimension of our power. We have the power of our military, the power of our technology, and the power of our science. We have the power of our capital. In one way or another all of that power is somewhat equated or matched by the power of the Soviet bloc. But there is one area in which we have an unmistakable advantage, an advantage that may be crucial in the long run. That advantage lies in our abundance of food and fiber. So I identify food as a source of power, a power for our national interest, a power for peace.

The Mansfield-Dirksen amendment has given the President wide latitude in the distribution of our agricultural commodities. The long-range interests of the United States certainly will not suffer because of the action of the Senate. On the contrary, our long-range interests will benefit if some of the food can be used wisely, prudently, and on a timely basis to feed the people behind the Iron Curtain as a part of our national security program.

Earlier in my remarks I said that I would ask unanimous consent to have printed in the RECORD a number of items all of which relate to the question I attempted to discuss today, namely, U.S. aid to Yugoslavia and Poland. I should like to cite some of those items. I was pleased to note the editorial in the Saturday, June 9, issue of the Detroit News. It is the lead editorial in a prominent newspaper that is known, at least in the Middle West, as a conservative journal. I know of no Communist leanings on the part of that newspaper or any of its staff. It is a reputable newspaper. The lead editorial is entitled "Help for Poland, Yugoslavia—Denial a Moscow Gain."

The editorial states:

> The Senate has partly reversed itself on the irresponsible disservice it did to the cause of those who fight communism and to those who, in satellite captivity, have communism thrust upon them.
>
> Having voted 57–24 to bar foreign aid to all nations dominated by communism or Marxism, within 24 hours it backtracked, 56–34, to exempt gifts or sales of surplus food. Before this so-called greatest deliberative body in the world preens itself on doing the right thing (for the wrong and surplus reason), it should give thought to how it has given Khrushchev the tactical opportunity to beat Ed Murrow and our propaganda services over the head.

The editorial continues for some length and discusses the aid program that we have had over the years in that area of the world. The final paragraph is worthy of some note. It states:

> This newspaper does not claim that our policy to Poland and Yugoslavia is bound to be a winner. But its reversal would lose both nations to Moscow's diktat. Then the people of both nations will have been given nothing to look forward to and nothing to oppose Khrushchev with. So, also their leaders. If we won't liberate them, we should not deny them the chance of recalcitrance. If Khrushchev has an Achilles' heel, let's keep it vulnerable.

Still another article is entitled "Why Aid to Tito?" by Russell Barnes, who is the foreign news analyst of the Detroit News. I think it is a very thoughtful article. It does not draw any particularly new conclusions, but it outlines in concise, and, I think, clear terms what has been the effect of our aid and what has been its objective.

The final paragraph of the article reads:

> What the controversy appears to boil down to is whether, since we aren't going to get an all-American Yugoslavia, we would prefer to have a Moscow Yugoslavia, or a Tito Yugoslavia. So far both the Eisenhower and Kennedy administrations have decided we are better off with a Tito Yugoslavia.

The article makes note of the fact that Nikita Khrushchev is back at the old stand trying to woo Yugoslavia back into the Soviet orbit. Mr. Barnes says:

> A fresh effort by the Kremlin to engineer a rapprochement between Moscow and Belgrade was attempted by Khrushchev 6 years ago, but failed because of Yugoslav anger at the Russian invasion of Hungary to put down the freedom revolution.
>
> Nikita is now back at it again. He has invited Tito to spend his summer vacation this year on the Black Sea coast. Belgrade has intimated Tito may accept. But diplomats speculate that if the Yugoslav leader does go, it won't mean he will take his Balkan country back into the Communist bloc.
>
> The tough, capable, independent-minded Tito, they say, could hardly be expected to sacrifice his country's freedom, particularly since Yugoslavia has been doing so well for a decade on its own. Ideologically, Tito opposes blocs and aspires to lead the nonalined nations. Economically, half of Yugoslavia's trade is with the West. The Balkan country would have difficulty getting along without U.S. aid and surplus food.

I ask unanimous consent that both articles may be printed in the RECORD at this point in my remarks.

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

[From the Detroit News, June 9, 1962]

HELP FOR POLAND, YUGOSLAVIA—DENIAL A MOSCOW GAIN

The Senate has partly reversed itself on the irresponsible disservice it did to the cause of those who fight communism and to those who, in satellite captivity, have communism thrust upon them.

Having voted 57–24 to bar foreign aid to all nations dominated by communism or Marxism, within 24 hours it backtracked, 56–34, to exempt gifts or sales of surplus food. Before this so-called greatest deliberative body in the world preens itself on doing the right thing (for the wrong and surplus reason), it should give thought to how it has given Khrushchev the tactical opportu-

nity to beat Ed Murrow and our propaganda services over the head.

Sixteen of the 34 Senators up for reelection next fall got into the original negative act, demonstrating to the folks back home how valiantly they are fighting international communism in Washington. That was courage by remote control. What it did not take into account was the plight of victims of Leninism left in the lurch in Poland and Yugoslavia, for example.

Since 1949, the year after Tito broke with Stalin, we have provided Yugoslavia with $2½ billion of assistance, three-fifths economic, the remainder military (obsolescent warplanes). We didn't do it to win Yugoslavia from communism. We did it so that the Yugoslavs would know that, if not liberated, they were not forgotten. A better tomorrow was not foreclosed for them as long as we could help them.

We did it also to give Tito greater freedom of action in his heterodox and not uncourageous defiance of Moscow overlordship. We did not expect him to trot right over into our fold. We did it to prevent his being thrust into Stalin's as a result of our default.

We knew he didn't practice democracy as we did—we help a lot of nations who don't, and self-righteous Senators don't let out a squeak about that. But we gambled on the chance that Yugoslavia would remain a sort of no-man's land in the Iron Curtain, a gray area, neither black nor white.

That our policy has not been unsuccessful is demonstrated by the fact that Khrushchev is still trying to woo Tito back to utopia and by Tito's leadership, in alliance with Nehru and Nasser, of a neutralist bloc which, while not actively promoting our cause in the cold war, is not indissolubly fitted into Moscow's military and economic planning.

The Senators might have spared a thought for the strange company Tito keeps—Nasser, who outlaws all Egyptian Communists, and Nehru, who has unseated a Red provincial government and has clapped into jail almost as many Communists as Stalin did.

As with Yugoslavia, so with Poland, where Gomulka, though he teeters on his tightrope, is no yes-man of Moscow's. To both nations we send our surplus grain which probably otherwise would stay in a storage bin here until another Billie Sol played his hand.

What would have happened if we cut off all aid? Poles and Yugoslavs would go hungry. Khrushchev couldn't feed them. He can't feed even his own Russians adequately. If desperation sparks revolt behind the curtain, do we sit on our hands? We did nothing in the last decade when Hungarians, East Germans, and Poles arose. We won't do anything next time except suitably to express shock and horror. It would be too late if that happened to recall that, although communism be the main cause of an uprising, our Senators would have been partly to blame for the empty stomachs that drove desperate men to action.

This newspaper does not claim that our policy to Poland and Yugoslavia is bound to be a winner. But its reversal would lose both nations to Moscow's diktat. Then the people of both nations will have been given nothing to look forward to and nothing to oppose Khrushchev with. So, also their leaders. If we won't liberate them, we should not deny them the chance of recalcitrance. If Khrushchev has an Achilles heel, let's keep it vulnerable.

[From the Detroit News, June 9, 1962]

FOREIGN AFFAIRS: WHY AID TO TITO?

(By Russell Barnes)

The Senate ventured into foreign policy-making this week and made a mess of it.

After voting to bar U.S. foreign aid to Communist-dominated countries, the Senators woke up to the fact that they would be hurting American farmers. So they reconsidered to exempt farm shipments to Poland and Yugoslavia.

The results were, first, to slap the Polish and Yugoslav peoples by denying U.S. aid and then, second, to rub it in by offering to make them a dumping ground for U.S. farm surpluses.

While the Kennedy administration may be able to get Poland and Yugoslavia back into the $4,662 million foreign aid bill, that couldn't completely cancel the propaganda hay the Communists will be able to make out of the Senate fumbling.

Poland was included under the Senate vote barring all aid to Marxist-Leninist countries, but Yugoslavia was actually the primary target.

Why is the Senate picking on Yugoslavia, a powerful Balkan country east of Italy across the Adriatic Sea?

The battle over the Yugoslav assistance appropriation has been occurring annually since 1948. At that time Tito broke with the Kremlin and appealed for help to the Western countries, although continuing to maintain a Marxist-Leninist type of government in Yugoslavia.

And over the more than a decade since the United States has supplied Tito with more than $2 billion worth of economic and military assistance.

Why, when Yugoslavia is undeniably Communist and powerful American factions object, has the United States continued to help the controversial Balkan country?

STRATEGIC ADVANTAGE

The answers lie in the broad field of U.S. strategy to prevent the Communist over the long pull from achieving their goal of world domination. The considerations include:

The greatest menace that could possibly confront the United States and the free world would result from a monolithic international Communist movement directed from a central headquarters, probably Moscow.

Tito's break with Moscow, taking powerful Yugoslavia out of the Communist bloc, constituted a split within the former monolithic Communist structure, and was therefore something we should properly encourage for our own national defense.

Tito's defiance of the Kremlin—his insistence he was just as capable as Russian theoreticians of determining what was good Marxism-Leninism—was later copied by the Poles, Hungarians, and Albanians in their declaration of independence from the Soviets, even though they weren't as successful.

While Yugoslavia claims it is Communist, orthodox Reds, notably Communits Chinese, disagree. They charge Tito is a "deviationist" (heretic) because he has struck out on his own line. Yugoslavia is more decentralized than other Communist countries. The land is in the hands of independent farmers. Nationalized businesses are forced to compete and earn profits.

Tito is undeniably a Communist, but he plays with the world neutralists, such as India and the United Arab Republic, rather than with the Communist bloc.

It couldn't be proved, of course, short of the event, but Western leaders have figured that in event of a Russian attack on Western Europe, Yugoslavia would fight with the West. The theory has been that the tough Yugoslav leader would decide that his own safety and the independence of his country would best be served by a Russian defeat.

While the United States and Western support of Tito since 1948 has admittedly been risky, so far the gamble has paid off. The Soviets have made several unsuccessful efforts to lure Yugoslavia back into the Kremlin fold. In 1955, Premier Bulganin and Party Secretary Khrushchev went to Belgrade and apologized to Tito for Stalin's behavior. The quarrel was eased but not ended.

WOOED BY MOSCOW

A fresh effort by the Kremlin to engineer a rapprochement between Moscow and Belgrade was attempted by Khrushchev 6 years ago, but failed because of Yugoslav anger at the Russian invasion of Hungary to put down the freedom revolution.

Nikita is now back at it again. He has invited Tito to spend his summer vacation this year on the Black Sea coast. Belgrade has intimated Tito may accept. But diplomats speculate that if the Yugoslav leader does go, it won't mean he will take his Balkan country back into the Communist bloc.

The tough, capable, independent-minded Tito, they say, could hardly be expected to sacrifice his country's freedom, particularly since Yugoslavia has been doing so well for a decade on its own. Ideologically, Tito opposes blocs and aspires to lead the nonalined nations. Economically, half of Yugoslavia's trade is with the West. The Balkan country would have difficulty getting along without U.S. aid and surplus food.

What the controversy appears to boil down to is whether, since we aren't going to get an all-American Yugoslavia, we would prefer to have a Moscow Yugoslavia or a Tito Yugoslavia. So far both the Eisenhower and Kennedy administrations have decided we are better off with a Tito Yugoslavia.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that there be printed in the RECORD at this point an article written by C. L. Sulzberger entitled "Imprudent Senate Diplomacy." The article is a careful analysis of our diplomacy with the Yugoslavs in recent years. It contributes to a better understanding of the complexity of the situation and of our diplomatic efforts.

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

[From the New York Times, June 9, 1962]

FOREIGN AFFAIRS: IMPRUDENT SENATE DIPLOMACY

(By C. L. Sulzberger)

PARIS, June 8.—The Senate errs even in fixing automatic limits on U.S. aid to countries having a Communist or Marxist form of government. This raises unnecessary issues of political semantics and restricts the freedom of maneuver needed in foreign policy by the Executive.

The essentials governing our overseas assistance program are U.S. national interest and plain charity. The two can usually be harnessed together, although crises may arise—as for example a crushing Chinese famine—in which contradictions are posed.

But the White House and the State Department must be left free to decide on necessary actions. They should not be curtailed in advance by ideological platitudes. We have had alliances or special relationships with a wide variety of political systems—Communist Russia, authoritarian Spain and Portugual; dictatorships in South Vietnam and Thailand; and, for a time and indirectly, National Communist Yugoslavia.

If the Senate tries to interpose dogmatic guidelines it will ultimately handicap the flexibility required in policy formulation. Had such a qualification existed, it would have prevented Washington from saving Yugoslavia in its struggle against Stalin.

And what would its effect be today on aid programs for Ghana or Guinea, whose complex administrative methods might puzzle many Senators? There is also a tinge of Marxism in Indian socialism. Should Albania ever break with China as well as Russia, we would be unable to move usefully if legislation ties our hands.

Washington is keenly aware of the importance of foreign aid, both economic and

military. Despite dogmatic labels in broad policy statements we have managed to bolster Yugoslavia and bail out Poland, thus giving momentum to polycentrist tendencies in the Soviet bloc.

The success of this costly program is not always easy to advertise. Thus, although we have given Tito more than $2 billion in economic and arms assistance, he is again flirting with Moscow. But there is an old South Slav proverb: "Only an idiot gets bitten twice by a snake from the same hole." And Tito has almost entirely decollectivized his agriculture—contrary to Khrushchev.

YUGOSLAVIA MOVES

Yugoslavia has denounced its Balkan alliance with Greece and Turkey, has resumed interest in the Slavic minority in Greek Macedonia, has again imprisoned the anti-Soviet (and anti-Titoist) heretic Djilas, and has received Khrushchev's Foreign Minister. Tito himself will vacation in the Soviet Union. Belgrade's foreign policy expressions are sympathetic to Moscow's line.

However, the reasons are perhaps as much economic as political. Most of Yugoslavia's trade is with members of the European Common Market. Now it is being pressed out of that market while refraining, on its own, from adhering to Russia's economic bloc, the Comecon.

While paying political lipservice to Moscow, the Yugoslavs don't want to join Comecon. Apart from obvious implications in loss of independence, they are aware of unfavorable price discrimination against countries trading with Russia as satellites as compared with advantages when they trade as free equals. Comecon members pay almost twice as much for Soviet crude oil as other European lands and receive barely 60 percent as much for the tobacco they sell Russia.

Tito has tried to balance his position by playing an active role among neutral nations. His chief partner is Nasser, who once told me Tito had showed him how to get help from both sides without belonging to either. Since Nasser has big ambitions in Africa, Tito has tried to make himself almost an honorary African. This enhances his political prestige but doesn't do much for his treasury.

If the United States is forced to limit future aid along strict ideological patterns, it may end up by pushing Yugoslavia, already squeezed by the Common Market, economically into the Russian bloc. This would be a self-negating policy. An unfriendly neutral is surely better than an outright opponent.

The Senate has every right to check on Executive diplomacy. But it is imprudent to try and confine diplomacy in advance.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an editorial entitled "Folly in Foreign Aid," published in the New York Times of June 10, 1962. This is another statement by the editor, who has studied this situation, and from his point of view expresses the feeling that it would be an unwise act to cut off our aid program.

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

FOLLY IN FOREIGN AID

The Senate authorized last week a $4,662 million foreign aid program, but with provisions that do great harm in one of the most sensitive areas of American foreign relations. The bill puts foreign aid on a rigidly ideological basis and bars all aid, except in surplus farm commodities, to countries dominated by communism or Marxism.

The prohibition is directly primarily against Communist-ruled Yugoslavia and Poland, which have been recently moving more closely to the Soviet line; but it could also be applied to countries in which Socialist Marxism predominates, including a number of democratic European countries, some of them our allies, and especially many underdeveloped countries in Asia, Africa, and Latin America that need our aid most acutely. The prohibition tends to put all of them beyond our ideological pale and is bound to arouse intense and worldwide resentment.

This was a complete reversal of our traditional aid policy, which attached no ideological strings to the Hoover famine relief in Soviet Russia, to UNRRA, to the Marshall plan. No doubt there are honest misgivings against aiding Communist or proto-Communist regimes. But the risk of not aiding the countries involved is infinitely greater than the risk of aiding them.

Our aid to Communist-ruled countries is designed to help their governments, if not openly hostile to us as are Cuba and Communist China, to maintain as much independence as they can achieve. It is also designed to show their people that they are not forgotten or abandoned, to encourage them to keep the torch of freedom burning. This policy coincides with the realities in even such completely Communist-controlled countries as are Yugoslavia and Poland. The Russians know that in case of conflict their armies would have a hostile population behind their lines in Poland, and that an attempt to make the Yugoslav people fight for Russia would precipitate the same kind of uprising that freed Yugoslavia from its ties to Hitler.

It would be folly to cut off aid to them, to shut the door in their faces and force them into monolithic unity within the Soviet bloc. This would be surely a no-win policy of the type the Goldwaters are so fond of denouncing. The Senate has already done much harm by passing its ban, then modifying it not on grounds of principle but rather to enable easier disposal of surplus commodities. It will take years to recover from the damage already done to American foreign policy.

Congress should now recover its senses and try to restore the status quo ante on this highly delicate question of foreign aid to such Communist countries as Yugoslavia and Poland and—even more so—to the Marxist but nonalined countries of almost all the rest of the world.

Mr. HUMPHREY. Mr. President, I now ask unanimous consent to have printed in the RECORD at this point the editorial entitled "Most of the Loaf," published in the Washington Post of June 9, 1962. It comments upon our efforts to restore some of the authority to the President in dealing with this problem.

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

MOST OF THE LOAF

The Senate has flawed what has otherwise been a record of responsibility in approving a $4.6 billion authorization for the foreign aid program. On the credit side, the Senate resisted the temptation to carve out the vitals of legislation that is as important as it is politically vulnerable. It would have been an exemplary performance if the Senate had not, on the debit side, succumbed to undeliberative recklessness in order to handcuff the President and prove that nobody in the upper Chamber is soft on Tito.

The worst harm was inflicted on Wednesday. The bill came to the floor with the wholehearted support of the Foreign Relations Committee, which submitted an exceptionally thoughtful report explaining the aims of aid. The report, which is excerpted elsewhere on this page, was all but ignored as first Senator PROXMIRE and then Senator LAUSCHE stampeded the Senate into affirming that no help would go to noxious Marxists.

Mr. LAUSCHE's amendment would have forbidden all aid to any countries known to be dominated by communism or Marxism. The language is vague, silly, and unworthy, and the vote simply demonstrates that Karl Marx will lose any popularity contest in the Senate. Fortunately, after strenuous protest, the Senate relented to the extent of giving its implied consent to the sales of surplus food to Poland and Yugoslavia. This still would forbid the Executive to conclude any development loans that might be in the national interest, but is nevertheless preferable to the simplistic foolishness of the Lausche amendment.

Concerning the reasons for aid to Communist countries, President Kennedy spoke sensibly in his news conference, pointing out the need for flexibility and the importance of holding out a candle of hope to nations in the Communist camp. He might have quoted his own eloquent statement in the Senate during a comparable debate in August 1957:

"Poland may still be a satellite government—but the Poles * * * are not a satellite people. To deny them help because they have not been able to shake off total Communist control would be a brutal and dangerous policy, either increasing their dependence on Russia, driving them into the slaughter of a fruitless, premature revolt, or causing them to despair of ever regaining their freedom."

Surely the same argument can be repeated today; in dealing with Communist countries aid should be regarded as a carrot intended to encourage increased independence—and not as a stick to punish an entire people for circumstances they cannot control and that we are unwilling to alter by force. This has been the basic rationale of our help to Yugoslavia, and the program has had a large measure of success. Since 1948, three Presidents and every Secretary of State have deemed it in our interest to continue such help, as the Foreign Relations Committee report noted in a section the Senate chose to ignore.

Of course, there are frustrations and few Americans would try to defend such derelictions as the jailing of Djilas. But foreign policy is not a popularity program, and it does not advance national objectives when the Senate, in a visceral mood, singles out those foreign leaders it wishes to thwack on the pate. There is need for more effective White House leadership in restating again the goals of foreign aid. The House and Senate, in conference, ought to expunge the remaining crippling amendments that serve Mr. Khrushchev's purposes better than our own.

Mr. HUMPHREY. Mr. President, I must say that the editorial is rather sharp, and I do not agree with all it says. However, I believe it represents the kind of discussion that is needed on this highly emotional and sensitive issue.

I also ask unanimous consent that there be printed in the RECORD at this point the article which appeared in the New York Times of Monday, May 28, entitled "U.S. Aid to Yugoslavia Is Hailed in Report by 20th Century Fund." It states, "Survey Finds Help Spurred Belgrade's Independence From Soviet—Notes Defiance of Tito by Djilas."

I am sure every Member of the Senate knows that the 20th Century Fund is a reputable foundation and study group and that surely it is not con-

sidered to be a particularly liberal or radical institution; to the contrary, it is considered to be a rather conservative and very respectable organization.

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

U.S. AID TO YUGOSLAVIA IS HAILED IN REPORT BY 20TH CENTURY FUND—SURVEY FINDS HELP SPURRED BELGRADE'S INDEPENDENCE FROM SOVIET—NOTES DEFIANCE OF TITO BY DJILAS

(By Murray Illson)

A 20th Century Fund report issued yesterday contended that U.S. aid had helped Yugoslavia to become independent of the Soviet Union.

The report also said that the aid had served U.S. foreign policy well and was an example to the uncommitted countries of aid "with no political strings attached." It said that the aid had contributed to a higher standard of living in Yugoslavia.

Yugoslavia, a Communist country, was described as "stanchly independent of Moscow" and frequently friendly to the West.

WRITTEN BY EDUCATORS

The report, entitled "Yugoslavia and the New Communism," was written by George W. Hoffman, professor of geography at the University of Texas, and Fred Warner Neal, professor of international relations and government at the Claremont Graduate School, California.

The 20th Century Fund describes itself as a nonprofit, nonpartisan foundation that sponsors studies in the fields of economics, social problems, and international affairs. Its headquarters is at 41 East 70th Street.

The authors observed that "the new Yugoslavia is an enigma to both East and West." They wrote that Yugoslavia "is an Eastern European dictatorship but one with certain elements of democracy and personal freedom."

"Yugoslav communism," they noted, "contains enough features in common with Soviet communism to make it unattractive to capitalist and democratic America."

YUGOSLAV VIEW NOTED

Yugoslav Communists, according to the authors, hold the view that "neither pure capitalism nor pure socialism exists" and that the "conflict between the two systems, at the level of states, is not fundamental."

"Therefore," the report said, "the Soviet conception of the inevitability of capitalist hostility is considered invalid, as, indeed, is the Marxist idea that capitalism inevitably breeds war."

The report noted that between 1950 and June 30, 1959, the United States granted Yugoslavia $1,157,600,000 in economic aid and $724 million in military aid.

The authors' reference to a higher standard of living in Yugoslavia was printed before the recent disclosure of that country's economic troubles and President Tito's statement that "onions have now become dearer than gold."

The authors also reviewed the ups and downs in the post-World War II relations between Marshal Tito and the leaders of the Soviet Union. They noted the opposition to communism by Milovan Djilas, a former close associate of President Tito. M. Djilas recently received a 5-year prison sentence on a charge of having divulged state secrets in his new book, "Conversations With Stalin." In addition, he was ordered to serve 3 years and 8 months of an unexpired sentence.

EARLIER TROUBLES CITED

In their report, Professors Hoffman and Neal told of M. Djilas' troubles with the Tito government over an earlier book "The New Class." Of that volume, the authors wrote:

"Its central theme is that ruling Communist groups are simply a new class of owners, historically no different from previous owning classes except that since they can subject others to their will completely, their monopoly of ownership is complete."

At a news conference last week preceding the issuance of "Yugoslavia and the New Communism," Professor Neal was asked to comment on recent indications of friendlier relations between the Soviet Union and Yugoslavia.

He suggested that because of the doctrinal differences between the Soviet Union and Communist China "the portents favor Yugoslavia and the Soviet Union moving closer together." He added, however, that he did not think the closer relationship would affect Yugoslavia's "nonbloc independence."

Professor Neal also was asked why the Tito government did not permit M. Djilas to travel abroad. He replied that he thought it was a mistake for that government not to permit such travel. But he added: "Remember, you are dealing with an Eastern European Communist country."

At this point, August Heckscher, director of the fund, who presided at the news conference, interjected a remark to the effect that the United States, too, had been known to refuse some of its citizens permission to travel abroad.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point two articles published in the Washington Post, written by Mr. Robert H. Estabrook. One article was published on May 10, 1962, and the other May 15, 1962.

Each of these articles makes but one point; that the express purpose of our aid has been in part achieved; namely, promoting a degree of independence and the fostering of nationalism in these countries, particularly in Yugoslavia and Poland.

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

[From the Washington Post, May 10, 1962]

YUGOSLAV DESIRES ECONOMIC FACTS

(By Robert H. Estabrook)

BELGRADE.—When President Josip Broz Tito spoke candidly last Sunday about Yugoslavia's economic difficulties, he in effect appealed to the Communist conscience to lead the people back to the proper path. If this did not work, he warned, there would be other means. How far is Tito prepared to reimpose regimentation on a country that has been unabashedly enjoying a rapidly rising standard of living?

With the help of massive foreign loans Yugoslavia reached an economic growth rate of nearly 12 percent annually after 1955. Much went into industrial expansion, but there also were higher wages and more consumer goods. Per capita income is about $380. But last year a projected 13-percent increase in exports somehow became a 2-percent decline, partly because of drought and the effects of currency reform in desubsidizing uneconomic production. Yugoslavia has a foreign debt of over $800 million. She fears possible discrimination by the Common Market against meat, agricultural commodities and raw materials which produce most of her foreign exchange.

Recently Yugoslavs have been on a spending spree. Worker councils have divided profits instead of reinvesting them. Before the ban on automobile imports took effect some 2,000 new cars caused jams at the border. A sort of amiable anarchy has prevailed, anachronistic in capitalist countries and incongrous in a Communist society. The taste of sweetness has lured a still largely undeveloped and undertrained country to live beyond its means.

So far the crackdown has amounted only to self-criticism, a wage freeze and Western style austerity, but it could become more. Decentralization is the byword in a Federal structure that seeks to weld a nation of 18½ million from 5 major Balkan ethnic groups, and the Government is reluctant to give the appearance of more centralism. Attempts will be made through local Communist Parties to induce worker council decisions more in conformity with national economic objectives.

Marshal Tito remains indubitably popular. He is a public hero who led the resistance whereby Yugoslavia liberated herself from the Nazis. He also is a thoroughgoing Marxist—purer, he thinks than those in Moscow. He is somewhat in the position of Martin Luther hoping in his heart to make up with the people, but on his own terms. Yugoslavia faces East politically but West economically. Experienced observers think it unlikely that any Tito wish to rejoin the Communist bloc as an independent will divert the country from its middle course unless trade opportunities in the West diminish. They also think new terror unlikely.

As with other true believers, Tito cannot tolerate heresy from the inner circle; that is as good an explanation as any of the embarrassing case of Milovan Djilas with which everyone is familiar although not a word has been printed here. Civil liberties in the Western sense are rudimentary. There is no freedom to criticize the regime, and the press reflects governmental wishes. Fear of the secret police remains, but there are no mass abuses as in the past. Western publications and broadcasts are received unhindered. In bustling Belgrade, where the tasteful new airport vies with garish Communist monoliths, life is vigorous without the deadly dullness of the satellites.

There are even private enterprise overtones, especially among cab drivers. Newspapers and Radio Belgrade carry paid advertising from individuals or firms. Each enterprise is expected to make a profit and manage its funds. Those with up to five employees may remain private. Nominally there is no coercion. Although the Government would like to increase the size of agricultural holdings for efficiency, forced collectivization has long since been abandoned.

But the Communist Party remains the directing force. Despite some outmoded theories and a practical showing that the public is more interested in perquisites than ideology, this is a Communist society with innovations. The worker councils, however, hold the seeds of new political institutions with growing public participation in local decisions. It is possible that within this context more liberties may develop.

One great question is whether this system, with its inefficiencies, can bring a Western standard of living or whether the gap will increase. Yugoslavia could do more to specialize and to develop tourism, but much depends upon Western understanding of her delicate position. Her proud, dignified and truly friendly people deserve that.

[From the Washington Post, May 15, 1962]

HAS AID TO TITO MET U.S. AIM?

(By Robert H. Estabrook)

LONDON.—Back in a world of concerns about Laos and Britain's Common Market negotiations, economic worries encountered in Yugoslavia seem a bit remote. They are nonetheless important, for they bear upon Yugoslavia's orientation as well as upon whether she will retain some of the economic liberalism that has blossomed within the decentralized structure. Since 1950 the United States has advanced more than $1.5 billion in economic help, much of it recently in development loans. After the Yugoslav

break with Stalin substantial military aid was supplied. Has it been worth while?

Not if the United States expected thereby to acquire an ally. Whatever the popular attraction to the fruits of private enterprise, the Yugoslav Communist Party remains the country's directing force. President Tito regards himself as an interpreter of Marx. Although Yugoslavia is not technically part of the Communist bloc, on most big questions Tito sides with or apologizes for the Soviet position. It used to be said that the Western interest was to see the less objectionable brand of communism succeed relatively more than the Soviet variety. It does not follow that the Yugoslav brand is preferable to an alternative to Marxism in the new neutral countries of which the Belgrade Government is so solicitous.

Tito's failure to condemn the Soviet breach of the nuclear test moratorium at the Belgrade conference last September caused a crisis with the West. Tito's rationalization of the Soviet tests was taken by Americans as almost a personal affront, and the ensuing bitterness caused some salutary reexaminations. Now the consensus among Western diplomats is that anything else would have been out of character from an aging prophet.

Still, Tito's Marxism is anti-Stalinist. There is something to the quip about Khrushchev becoming a Titoist. Only because the Soviet hierarchy now appears to accept Yugoslavia's independent position are better relations possible. Recently Soviet Foreign Minister Gromyko paid a visit to Belgrade and professed more understanding of Yugoslav views. Better relations could mean increased philosophical alinement as well as more trade, but no one expects Yugoslavia again to become a satellite. Her relations with Communist neighbors are hardly convivial—particularly with Stalinist Albania.

Yugoslav "impressions" after the Gromyko visit are interesting. One high official contends that the building of the wall represented Khrushchev's acknowledgment that he cannot absorb West Berlin. The Russians want a Berlin settlement, this official feels, but not until forthcoming nuclear tests are out of the way. He also found interest in a test ban after the Soviet series, with some adaptation of the neutral plan whereby eminent scientists would conduct necessary verification. He believes that there will be little substantive movement on disarmament, however, until China has nuclear weapons; this could force Soviet and Western positions closer together.

Apart from ideology, Yugoslavia's economy is linked to the West. Less than 30 percent of her trade is with the Communist bloc. Help from the West succored Yugoslavia in 1950 when she faced near starvation. Since then trade with the West has flourished, and thoughtful officials would like even more ties. One American export, the supermarket, has taken hold in a way to gladden a grocery chain's heart. Introduced at the Zagreb fair in 1957, self-service markets account for two-thirds of the food distribution.

This economic link gives the West a useful lever, although lack of understanding by the Common Market or the United States could compel Yugoslavia to look East. Because of overspending, the economy is in a delicate situation, and there is concern about how Draconian the crackdown will be. Up to now Tito has not employed repressive measures. Yugloslavia's Federal system—there is a sort of domestic aid program to depressed Macedonia and Montenegro—make it unlikely that decentralization will be altogether reversed.

Insofar as it has helped protect Yugoslav independence, develop the economy, and forge trade bonds, American aid has paid off. There are definite limits to how far the ties can go. But the system is certainly less harsh and more elastic than in other Communist countries, and a pragmatic new generation is emerging with less revolutionary fervor. Tito has said that there are differing roads to communism. If and when Yugoslavia arrives, the destination may be something quite different from the original objective.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a letter to the editor of the New York Times written by David L. Larson, assistant dean of the Fletcher School of Law and Diplomacy at Tufts University. The letter is entitled "Aid to Yugoslavia Upheld."

I might add that Dean Larson is considered to be an extremely able man in the field of diplomacy. Of course, as the assistant dean of the School of Diplomacy he is known not only here but also throughout the world as a very competent student in the field of foreign policy.

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

AID TO YUGOSLAVIA UPHELD—OUR HELP BELIEVED TO HAVE ENABLED HER TO RESIST SOVIET PRESSURE

To the EDITOR OF THE NEW YORK TIMES:

The recent articles about Yugoslavia in your paper (April 10, 20 and 21) may be indicative of several things: the Sino-Soviet ideological split, the failure of the New Economic System in Yugoslavia, the controversy over U.S. economic and military aid to Yugoslavia, the Albanian quarrel with the U.S.S.R., and the suppression of Milovan Djilas and his new book.

These and many other factors may be involved in the growing rapprochement between Belgrade and Moscow. However, these are probably only related aspects of a more basic problem: the European Economic Community (EEC).

The essence of Tito's ideology seems to be pragmatic materialisms, or economic development by any means. Economic development is and has been the main precept of the Communist Party of Yugoslavia next to the preservation and consolidation of its own power, which of course is dependent on economic and military strength.

Trade and foreign economic assistance are vital to the achievement of economic development in the shortest possible time. This places Yugoslavia in a difficult economic and political dilemma. On the one hand is the resounding success of the EEC with Greece, Spain and Great Britain about to become associate or full members. On the other is Comecon in Eastern Europe with increasing economic consolidation and development.

BETWEEN EAST AND WEST

About 50 percent of all Yugoslav trade is with the West, about 25 percent with the East and the balance with Africa, India and the "uncommitted" countries. As a result, Yugoslavia is somewhat isolated and stands somewhere between East and West.

Were Yugoslavia to join the EEC, she would eventually become integrated into the West and lose some of her proud sovereignty and independence of action. If Yugoslavia turns to the East for greater economic support, she can extend some ideological support to Moscow against Peiping as a quid pro quo and hopefully retain a larger degree of sovereignty and independence.

However, it would seem that Tito's political concessions are secondary to the economic considerations of growth and trade. In 1961 Yugoslavia's rate of growth was about 7 percent of gross national product and her balance of payments resulted in a minus 2 percent, or an excess of imports over exports. This represented a drop of about 8 and 15 percent respectively from the proposed norms.

Tito and his economic advisers apparently attributed the reduced rate of growth to decentralization (the Times, April 20) and the unfavorable balance of trade to the exclusive nature of the EEC (the Times, Feb. 12). The net effect of this reasoning is a return to centralized economic responsibility and closer trade relations with the U.S.S.R.

BASIS OF POLICY

Neither of these developments is in the national interest of the United States, which has largely based its foreign policy toward Yugoslavia on the liberalization of internal affairs and the development of closer relations with the West.

Recent conversations with representatives of the U.S. Government and the EEC (Common Market) clearly indicate that they are not fully aware of the current position of Yugoslavia and have made no concerted effort to resolve the problem. Yugoslavia may be moving closer to the U.S.S.R. in order to obtain more economic aid and trade concessions from the West, but this does not excuse the lack of a viable policy on the part of the United States or the EEC.

Yugoslavia is presently a Communist country. However, it is also one of the most strategic countries in the world from a political and geographic point of view. The U.S. policy of extending economic and military assistance to Yugoslavia over the past dozen years has been in the mutual interest of both countries. It would be unfortunate if these efforts were lost through lack of understanding or neglect.

DAVID L. LARSON.

Mr. HUMPHREY. I ask unanimous consent that there be printed in the RECORD at this point, also, the statement by Secretary of State Dean Rusk before the Select Committee on Export Control of the House of Representatives on February 5, 1962.

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

STATEMENT BY THE HONORABLE DEAN RUSK, SECRETARY OF STATE, BEFORE THE SELECT COMMITTEE ON EXPORT CONTROL, HOUSE OF REPRESENTATIVES, FEBRUARY 5, 1962

Mr. Chairman, members of the committee, I am very pleased to have this opportunity to discuss further with you our policies and problems in the field of export controls. In your letter of January 10, Mr. Chairman, you raised two important general questions. Several additional points were raised by the committee staff. I would like to discuss now those basic questions raised in your letter, and I am prepared at your pleasure to respond to the questions provided by the committee staff.

First, Mr. Chairman, with regard to your question on the status of our relations with Yugoslavia: Last October, before this committee, I indicated that our policy is similar to that toward trade with any friendly European or neutralist country, and that Yugoslav requests for economic and technical assistance are considered on their merits. I also indicated that the developments within that country which are encouraged and facilitated by our policy are definitely in the interests of the United States and the free world. The facts continue to bear out the usefulness of that policy.

The decision, taken more than a decade ago, to provide assistance and support to Yugoslavia, an avowedly Communist country which had broken away from the Soviet bloc, was imaginative and courageous. At that time it was recognized that this decision involved the risk that our assistance would ultimately strengthen the Soviet bloc,

in the event Yugoslavia, by desire or necessity, returned to the bloc. It was also apparent, however, that this decision provided an opportunity to determine whether peaceful evolutionary changes could occur in Communist countries; whether a Communist country could break away from Moscow's domination and establish its independence; and whether the West could establish relations with such a country more fruitful than those limited relations we had come to expect with the members of the Soviet bloc. The results of our policy, based on that decision and carried out over a decade, have more than met our expectations.

The independence of Yugoslavia has been firmly established. Yugoslav support was withdrawn from the civil war in Greece. The Trieste question was resolved. Border and minority issues with Austria were shelved. Albania was geographically isolated from the Soviet bloc, thus permitting its ultimate defiance of Moscow. And finally, during the ensuing decade the Yugoslavs developed a politico-economic system which differs markedly from that of the Soviet Union. Yugoslavia remains the outstanding example of successful defiance by a Communist country of Soviet imperialism. It has shown the world that escape from the Soviet system is possible, and that development in close cooperation with the West produces results superior to those possible under the tutelage of the Soviet Union.

These developments have resulted in closer and more constructive relations between Yugoslavia and the West. These developments have also become institutionalized in Yugoslavia and would be difficult to reverse. We can confidently expect continuing benefit to the West from Yugoslavia's position. We can also expect this important area in the Balkans to continue to be denied to the Soviet Union, if our policy continues to acknowledge, support, and respect the independence the Yugoslavs are determined to maintain.

In explaining our policy toward Yugoslavia we are frequently asked questions that reveal a concern about its basic relationship to the United States. We are reminded that Yugoslavia is not an ally despite U.S. aid. We are asked whether Yugoslavia is truly a friendly country. And we are reminded that Yugoslavia is, after all, still a Communist country. To this I would say that we would make a mistake if we were to limit our attention to those things which our policy is not designed to achieve, and which we have never contemplated it would achieve. Our trade and aid policies are not designed to purchase friendship or to purchase allies. The Yugoslav Government remains Communist. It frequently holds positions on international issues with which we cannot agree. Nevertheless our relations are productive and have expanded greatly since 1948 as a result of our policy and Yugoslavia's response to our policy. Trade with Yugoslavia has increased. Cultural and other contacts have increased. Our diplomatic relations with Yugoslavia are friendly and frank.

The Yugoslav Government has cooperated in making our assistance effective. The Yugoslavs have shown good faith in their commitments to us, and have made it possible for us to accord Yugoslavia, in the field of foreign trade, the same treatment accorded Western European countries. We have continued to evaluate carefully and critically all information from whatever source in assessing Yugoslavia's actions since 1948. In this connection, section 143 of the Mutual Security Act of 1954, which was retained in the Foreign Assistance Act of 1961, requires the President in furnishing assistance to Yugoslavia to continuously assure himself, in the words of the act, "that Yugoslavia continues to maintain its independence, and * * * that Yugoslavia is not participating in any policy or program for the Communist conquest of the world."

We have established no information which would in any way cast doubt on Yugoslavia's independence or which would suggest Yugoslav participation in such international Communist programs. On the contrary, we are aware that Yugoslavia not only competes in a real sense with the Soviet bloc in commercial and cultural activity in the underdeveloped areas of the world, but also serves as an example of the dangers that are inherent in close association with, or overdependence on, the Soviet bloc.

We have encouraged a situation in which Yugoslavia has preferred to strengthen its ties with the West and weaken them with the East. Less than 30 percent of its trade is with the Soviet bloc. Its sources of capital, raw materials, training, equipment, spare parts and even military supplies are largely in the West. We know that this is desirable, and that it has produced tangible benefits for this country. The alternative which is sometimes urged is to treat Yugoslavia in our trade and other policies as a member of the Soviet bloc. Such an alternative would be sterile and defensive, without the promise of real gain. We believe the question answers itself as to whether we would prefer that the Yugoslavs fall back into dependence on the Soviet bloc and thus reorient their country toward the East. We are convinced that the present policy, supported by three administrations and fully tested by time and events, is effective and in the interests of this country.

By describing as fully as I have the general considerations underlying our policy toward Yugoslavia, I do not mean to ignore a more specific question which the committee has raised concerning exports to that country. If I may characterize the concern of the committee as I understand it, it is that important equipment or materials shipped from the United States to Yugoslavia may be either diverted to Cuban or Soviet bloc destinations or reexported to such destinations after delivery in Yugoslavia.

The question of possible diversions, transshipments or reexports of U.S. commodities is not limited to Yugoslavia. The Department of Commerce devotes great effort in its operations to minimizing the possibility of such transactions involving any country. While that Department is better able to provide you with information in this complex area than I am, and while it has, I know, already provided the committee with a great deal of information, I believe that it would be appropriate for me to comment on this subject as it relates to trade with Yugoslavia particularly.

I understand the committee has expressed concern at the matter of jet aircraft sales to Yugoslavia, which I discussed briefly at the time of my previous appearance before this committee. We have asked our Embassy to confirm with the Yugoslav Government the arrival of all the jet aircraft purchased in this country by the Yugoslav Government. As I indicated in my previous testimony, these sales, made since 1959, have comprised in all 78 F86–E fighters, 70 TV–2 jet trainers and 130 F86–D all-weather fighters. The Yugoslav Government on January 27 officially confirmed that these aircraft are all within Yugoslavia. While we have obtained this specific assurance from the Yugoslav Government in response to the committee's interest in this case, I should point out that the contractual obligations originally entered into between the Yugoslav and the United States Government provide a guarantee against reexport, as do all such sales contracts arranged by the U.S. Department of Defense.

I think we must recognize frankly that some people have questioned whether the assurances of the Communist government in Yugoslavia can be trusted. We consider that the matter of governmental assurances in undertakings with the Yugoslav Government does not differ essentially from the nature of such problems with other non-Soviet-bloc countries. These agreements cannot be policed at all times, but the extent to which individual agreements are carried out does generally become known. The touchstone in international relations among non-Soviet-bloc nations must be the confidence which one government is able to place in the commitments of another government, and the degree of confidence will depend on the previous record of performance of the country concerned. Our assessment of the record is in every case based on all our information from the many sources available to this Government. I can state frankly that the Yugoslav record with regard to its commitments to this Government has been good.

We have discovered only one irregularity in the handling by Yugoslavia of goods of U.S. origin. This case, involving borax shipped in 1957, was brought promptly to the attention of the Yugoslav Government, which cooperated in stopping the transshipment then in progress. We have the categoric written assurance of the Yugoslav Government that transshipment of U.S. origin goods will not take place, and we have no evidence of any irregularity since the one case of record in 1957. We continue to give these matters the attention demanded by our responsibilities in this field, and to make every effort to ascertain, through our own independent channels, that our interests are safeguarded. We have no evidence of any kind which would indicate that our confidence in the Yugoslav commitments might be misplaced.

Finally, let me say that since I last appeared before you, we have reviewed with the President our policy toward Yugoslavia in the light of all recent developments and information, including that discussed previously with this committee. We have satisfied ourselves, Mr. Chairman, that our policy toward Yugoslavia continues to serve our national interest.

Mr. HUMPHREY. Mr. President, this testimony is very pertinent to the discussion, since it points out what happened in terms of economic aid and trade with the Yugoslav Government and the Yugoslav economy. The Secretary discusses very frankly some of the political and economic problems of this country and Government. He does not try to gloss over the problems. He arrives at a judgment that it is in our national interest to continue this activity.

I also ask unanimous consent that there be printed in the RECORD at this point material prepared by the Office of Public Services, Bureau of Public Affairs of the Department of State, headed "Yugoslavia." This material does not offer much new information, but it is a concise review of our policy with Yugoslavia.

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

YUGOSLAVIA

Yugoslavia is not a part of the Soviet bloc and has not been since 1948 when it broke with the Soviet Union over its refusal to accept interference in its internal affairs. Since that time it has, with help from the West, including substantial help from the United States, steadfastly resisted efforts of the U.S.S.R. through various blandishments and pressures to reassert its control over Yugoslavia. Yugoslavia's defiance of the U.S.S.R. has had profound effects on the political and ideological unity of the international communism movement. The

reverberations of Yugoslavia's assertion of national independence are continuing at the present time.

U.S. policy toward Yugoslavia has sought to offer Yugoslavia an alternative to dependence on the Soviet bloc and to make it possible for Yugoslavia to establish its independence firmly and irrevocably. It has sought to integrate Yugoslavia with the world economy and to reestablish its cultural ties with the West.

The success of this policy is measured by its results. Yugoslavia's independence has been firmly established. Freed from Soviet dogma, the Yugoslav system, while it remains basically Communist, has evolved in the direction of liberalization and decentralization. More importantly, it has developed institutions which are more compatible with Western than Soviet concepts. The result is that Yugoslavia bears little resemblance to the Soviet satellite it was 13 years ago. There have been other benefits of this policy. Tito withdrew his support for the civil war in Greece. The Trieste question was resolved. Albania was geographically isolated from the Soviet bloc, permitting its present defiance of Moscow. Austrian-Yugoslav differences over minorities and border issues have been submerged in the interest of more cordial relations. Finally, Yugoslavia now has good relations and prosperous economic ties with Italy and Greece.

That Yugoslavia is independent of Soviet control is demonstrated by substantial evidence. Yugoslavia does not participate in international Communist organizations or meetings. It did not, for example, attend the meeting of 81 Communist Parties in December 1960; it did not participate in the 22d Party Congress of the CPSU. It is not a member of the Warsaw Pact, nor the Soviet-controlled CEMA. It does, on the other hand, participate in a host of Western-oriented organizations such as the OECD, GATT, IMF, IBRD, and many U.N. subsidiary organizations which have been boycotted by the Soviet bloc.

Evidence sometimes cited to support the allegation that Yugoslavia remains a part of the international Communist movement in Yugoslavia's support of the Soviet Union in international forums. In fact, Yugoslavia's position on international questions more frequently coincides with the positions of a number of nonalined states such as India, Indonesia and the U.A.R. As is attested by the comparative voting record in the U.N., these countries often agree on international issues with the Soviet Union. The record also shows, however, that Yugoslavia does not hesitate to oppose the Soviet Union, and has done so on very important issues, including those issues involving Soviet efforts to vitiate the effectiveness of the United Nations Organization itself. On each of these issues, the Yugoslav position coincided with that of the United States.

Such support in international forums, however, has not been the purpose of U.S. policy. Our policy has been to insure that Yugoslavia would not have to depend on the Soviet Union. Yugoslavia has welcomed this assistance and, significantly, has preferred a policy with implications of a growing relationship with the West. Since the break with the bloc more than 70 percent of Yugoslavia's foreign trade has been with the non-Communist world. The United States has supplied the Yugoslav Air Force with United States equipment, surplus to its military needs but which is useful to the Yugoslavs. This has created a situation in which Yugoslav needs for spares and equipment cannot be met by the Soviet Union, but can be met by the West.

This situation, which is preferred both by the Yugoslavs and this Government, can only work to our advantage since the controlling positions are held by Yugoslavia and the United States—not by the Soviet Union. In this regard, when the Soviets sell Mig fighters to Cuba, for example, or tanks to Egypt, thus creating a situation where logistic support can be easily furnished (or denied) by the Soviet Union, but not by the West, we recognize this as being favorable to the Soviets. But if this is true, how can the Yugoslav shift from dependence on the Soviet Union to close association with the West, encouraged by our policy, be interpreted as other than a beneficial result for the West?

This analogy can be usefully extended. It will be readily agreed that if one of our allies were to withdraw from NATO and adopt a policy of close relations with the Communist world this would be considered a foreign relations disaster. Analogous conclusions cannot be avoided as to the importance to the Soviet bloc of Yugoslavia's break with the bloc in 1948, its close relations with the West, and the fact that it has not participated since that date in any policy or program for the Communist conquest of the world.

The example of Yugoslavia in establishing its independent position and the actions of the West to support that independent position have had a powerful effect on the peoples behind the Iron Curtain. Popular pressures exist within the Soviet bloc toward a more genuine expression of national policies. It is in the national interest of the United States to encourage the development of more genuinely national policies behind the Iron Curtain, in order to improve the chance for eventual self-determination and national independence in each of the Eastern European countries.

The U.S. Government must continue to be alert to manifestations of genuine national policies within the Communist world, and to afford them the treatment they merit. Any other policy would ignore the possibility of peaceful change, and would leave only the negative, defensive, and defeatist concept that what belongs to the Soviet bloc will remain so.

Mr. HUMPHREY. I also ask unanimous consent to have printed in the RECORD at this point an article published in the New York Times of June 15. The article relates to the matter I discussed at the beginning of my remarks, and deals with the reports of our Ambassadors to Poland and Yugoslavia, warning on cuts in aid to those countries. Again I say that I believe these Ambassadors should be called home for further discussion. I know that many of my colleagues want to ask them some questions, because of the pertinent nature of their remarks.

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

[From the New York Times, June 15, 1962]

U.S. ENVOYS WARN ON CUTS IN RED AID—CABOT IN POLAND AND KENNAN IN YUGOSLAVIA FEAR SHARP WORSENING OF RELATIONS

(By Max Frankel)

WASHINGTON, June 14.—The U.S. Ambassadors to Yugoslavia and Poland have cabled home bitter warnings of the drastic consequences of moves in Congress to deprive those Communist nations of special aid and trade benefits.

George F. Kennan has written from Belgrade that committee actions on Capitol Hill already amounted to the greatest windfall Soviet diplomacy could encounter in this area.

John Moors Cabot in Warsaw has predicted a drastic worsening in relations with Poland.

The Ambassadors' concern, which was echoed by President Kennedy at his news conference today, stems from related developments in the Senate and House.

The Senate has passed a foreign aid bill that bars all help to Communist countries except the shipment of surplus food. Getting this exception required a last-minute effort by the administration.

And in the House, the Ways and Means Committee has sent to the floor a trade bill that would deprive Poland and Yugoslavia of most-favored-nation status, that is, of the lowest tariffs extended to any trading partner.

Ambassadors Kennan and Cabot both said that the withdrawals of benefits would enable the Soviet Union to pose as the only reliable friend of the Poles and Yugoslavs and impose economic hardships on the peoples of both countries at a difficult time. They also said the moves would jeopardize Western efforts to encourage liberal forces in the two societies and severely handicap U.S. diplomats in future attempts to influence those governments.

Mr. Kennan added that even if Congress reestablished the benefits, the damage already done would not be entirely remedied.

The administration, in a highly unusual step, made available excerpts from the ambassadorial messages of the last week, slightly paraphrasing them to protect cable codes. Copies of the dispatches also are to be circulated on Capitol Hill in the next few days.

Ambassador Kennan virtually pleaded to be called home so that he could try to correct the appalling ignorance in Congress and in the American press about the situation in Yugoslavia and U.S. policy toward President Tito.

Administration sources said both he and Mr. Cabot might be invited to bring their cases to the legislators.

MAJOR SETBACK

President Kennedy cited the distress of these long-experienced diplomats at the attitude of Congress.

"Both of them regard this action as a major setback and a great asset to Moscow," he said. "I don't think we should do those favors to them if we can help it."

The President pleaded for the opportunity to be flexible in dealings with Communist nations, the same opportunity that he said he always supported for President Eisenhower in the past.

There have been many changes in the Communist bloc in the past decade, some of which should "encourage friends of freedom," the President said. All he wanted, he added, was to keep the Western World in the continuing race between freedom and totalitarianism "and not to desist in 1962."

One apparent reason for the publication of the ambassadorial messages was to dissociate U.S. diplomats from the congressional action.

Mr. Kennan, in a message yesterday, said Yugoslav officials had "acted incredulous" when he told them he had not been forewarned of the punitive legislation.

FINDS MOVE UNNECESSARY

Ambassador Kennan's first long reaction to the congressional moves reached the State Department on Monday. He said they were totally unnecessary if the purpose was to reduce aid to Yugoslavia. Aid was already being reduced considerably for a variety of reasons and at his own recommendation, he wrote.

The chief result, he argued, was that Congress had made "a signal demonstration of ill will to a people who up to now have been generally and increasingly friendly to us."

The Ambassador said he agreed that President Tito's recent statements and actions had been provocative. But he found it little short of tragic that Congress had allowed itself to be provoked.

All this came, he wrote, at a time "when years of untiring effort by the devoted people of this post were beginning to bear fruit,

when basic forces had begun to move in our direction, when recent demonstrations of anti-Western tendencies were beginning to create visible strains in Yugoslav officialdom and society, and when continuing restraint, patience, and subtlety of approach might have led to results of significance, not only from the standpoint of the Yugoslav position but also from the standpoint of developments within the Soviet bloc."

Yesterday, Mr. Kennan added that he feared Congress had particularly embarrassed those Yugoslavs involved in arranging last month's visit of Foreign Minister Koca Popovic to the United States.

Citing disastrous weather in Yugoslavia this spring, Mr. Kennan said that "never in recent years have the Yugoslav people needed external support more urgently." He said he expected his Embassy soon to feel in direct ways the offense the episode had given to high Yugoslav officials.

Mr. Cabot's message of June 8 was much less extensive, but he twice predicted an inevitable and drastic turn in relations with Poland.

Congress' action, he said, "will also probably bolster the position of those Polish officials who argue that only the Soviet Union is a reliable friend to Poland and a certain source of economic support."

INDIA JETS STUDIED

President Kennedy received two other aid questions today. They related to India's desire to purchase Mig jet fighter planes from the Soviet Union and Britain's need of help in coping with Chinese refugees in Hong Kong.

Asked whether the United States had made alternative offers of military supplies to India, the President indicated a desire to keep the problem in quiet diplomatic channels for the time being.

He said his administration was considering the problem and in effect confirmed consultations on it with Britain and other governments. Ambassador J. Kenneth Galbraith will return to New Delhi this weekend and report further, Mr. Kennedy added. [Question 3.]

The concern here is not only about a Soviet military foothold in India but also about further trouble in Congress with aid appropriations for New Delhi.

On helping Britain in Hong Kong, the President said the United States had contributed heavily toward food purchases and would consider any other requests. The British have said that, above all, the British needed help toward hospital and school construction and less tariff discrimination so that Hong Kong could develop the industry needed to support newcomers from Communist China. [Question 13.]

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article published in the New York Times of June 13, dealing with the tariff bill which is now being processed in the other body, which would deny most-favored-nation treatment to Yugoslavia and Poland.

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

TARIFF BILL AIMS BLOW AT POLAND AND YUGOSLAVIA—ASKS PRESIDENT TO PUT END TO MOST-FAVORED-NATION STATUS FOR TWO COUNTRIES

(By Felix Belair, Jr.)

WASHINGTON, June 12.—White House sources acknowledged today that a little-noticed provision of the trade expansion bill "has just about tied the President's hands" in trying to promote Polish and Yugoslav independence from the Soviet Union.

The obscure mandate directed the President, "as soon as practicable," to end the "most-favored-nation" treatment for both Communist countries.

A report on the bill today from the House Ways and Means Committee names the two countries and says they are to be treated under the bill the same as Cuba and other members of the Soviet-Chinese bloc.

OBJECTION UNAVAILING

Poland and Yugoslavia have enjoyed favored treatment under the existing Reciprocal Trade Agreements Act. The act provides that such preferential tariff treatment must be denied to countries dominated by "international communism."

Over strenuous White House objection the House group struck out a provision by which three successive Presidents, by finding that neither was under Moscow's control, had ruled Poland and Yugoslavia eligible for the lowest tariff rates accorded any trading nation.

A witness before the House Foreign Affairs Committee denounced the Senate's action last week in banning aid to all Communist countries except for surplus farm products. If allowed to stand, he warned, the ban would "hamstring" the President in fighting the "cold war" and trying to bring about changes in Eastern Europe.

Meanwhile, in a special message today, the President asked Congress to approve an American contribution of $2,800,000 for completing a children's hospital in Krakow, Poland.

TESTIFIES AT HEARING

John Richardson, Jr., head of Radio Free Europe, was the witness at the session of the Foreign Affairs group. He warned that the contribution could not be made if the aid ban was enacted.

The administration hopes to have the ban eliminated when the aid bill goes to Senate-House conference negotiations.

The way the bill now reads, no country with a Communist form of government could qualify for favored treatment.

Some trade authorities contend that the effect of the limitation will be more psychological than real. But the consensus is that in conjunction with the Senate's ban last week on all but surplus commodity aid to the two countries and the pending amendments to the Export Control Act, the result may be to nullify the President's "fragmentation" policy.

The objective of this policy, pursued by Presidents Harry S. Truman, Dwight D. Eisenhower, and Kennedy has been to help Yugoslavia and Poland, through trade and aid, to maintain some freedom of maneuver against the Soviet Union.

How to pursue the policy now while denied the tools for carrying it out is what concerns officials of the State Department and the White House.

It required a major effort by the Republican and Democratic leadership last week to reverse a blanket denial of aid to any countries having a Communist form of government or following Marxist principles.

The upshot of the reversal was to say that Yugoslavia and Poland could receive surplus farm products on a giveaway basis, but could not receive aid for economic development in the form of repayable dollar loans.

WOULD ENLARGE LAW'S SCOPE

The amendments to the Export Control Act would restrict trade with the two Communist countries even more than a denial of favored tariff treatment. They would enlarge the purpose of the law, with the aim of curbing those countries' economic as well as military expansion.

The present control law is designed to prevent the shipment to Communist-bloc countries of anything that would add to their military potential.

The pending amendments, sponsored by Representative A. PAUL KITCHIN, Democrat of North Carolina, would prevent anything of economic value from being sent, according to many trade experts.

State Department officials expressed apprehension that the combined effect of the aid and trade restrictions might force the kind of economic integration that the Soviet Union could not achieve on its own.

But more immediate results are expected by these officials, and are forecast by Polish diplomatic sources. They include the abrogation of last year's agreement, whereby Poland promised to pay $2 million a year for 20 years in compensation for nationalized property of American citizens.

Also, according to Polish sources, there would be no point in continuing current negotiations looking to a $40 million settlement with American holders of defaulted prewar Polish Government bonds. Lack of dollar exchange would necessitate both steps, the sources said.

Mr. HUMPHREY. Mr. President, this denial is commented upon by writers Arthur J. Olsen and Felix Belair, Jr., respected correspondents of the New York Times.

TRADE BILL BARS AID TO RED LANDS

(By Arthur J. Olsen)

POZNAN, POLAND.—The United States is making a smooth and persuasive bid to increase its sales of consumer goods to Poland at a moment when the trade prospects are threatened.

The Senate voted to cut off aid to Poland and Yugoslavia, then modified the ban to permit the shipment of surplus farm commodities.

The House Ways and Means Committee approved a bill to withdraw favored tariff treatment from Polish goods.

The U.S. show, which neatly balances machine tools and fashion models, sawmills and sailboats, is the most popular display at this 56-nation trade fair. By rough estimate, three visitors enter the smaller U.S. pavilion for every one to view the business-like West German displays and the propaganda-heavy Soviet show.

ENVOY GIVES RECEPTION

Guests at the America Day reception given by Ambassador John M. Cabot today enthusiastically applauded the display of commodities and listened politely to the welcoming speech of Jack N. Behrman, Assistant Secretary of Commerce.

Speaking against a background of uncertainty on U.S. trade policy on Poland, Mr. Behrman notably did not commit the United States to foster a general expansion of trade with the Communist country.

"It is our desire to present facets of U.S. industry and agriculture, and their products and services to consumers," he said.

"These items would also directly contribute to the development of the Polish economy and the satisfaction of your own needs," Mr. Behrman went on. "We would be most happy to see an expansion of trade in such items."

The Assistant Secretary is likely to learn in talks with Polish authorities later this week in Warsaw that not much of Poland's limited supply of foreign exchange is available for buying consumer goods.

Polish trade officials here said that a general decline in purchase of industrial goods from the United States would be likely to follow a withdrawal from Poland of most-favored-nation treatment. Under a policy in effect since December, Polish goods are charged import duty no higher than that assessed against commodities of any other nation.

As a result of the favored treatment, Polish exports to the United States rose by 10 percent to $41 million in 1961 and are

approaching a $50 million annual rate this year.

U.S. sales of industrial goods, $15 million worth in 1961, also rose. Poland manages her dollar trade with the United States to insure an annual favorable balance of at least $20 million, which is used to cover hard currency deficits with other Western countries.

Also, I have an article by Flora Lewis from Bonn, Germany, relating to the efforts of the Soviet to integrate the Communist-bloc trade group as an effective balance to the Common Market.

The report reads, in part:

The Poles spoke of a split on bloc trade policy in Moscow. The Russians, with support from East Germany, Bulgaria, and the Czechoslovak party leaders, wanted to tighten the bloc in reaction to the Common Market growing strength.

But the Poles and Hungarians and Czech economic officials were opposed, according to this report, arguing that it was vital to Communist goals as well as to their national economies to keep expanding their own trade with the West as much as possible.

For whatever good those stories may be—and I think there is merit to their study—I ask unanimous consent that the article be printed in the RECORD.

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

COMMUNISTS ON MOVE

(By Flora Lewis)

BONN, June 12.—According to a West German press report from Poland, a Soviet attempt to integrate Communist-bloc trade as a counterbalance to the Common Market has been blocked by Poland and Hungary.

The report appeared today in the conservative Deutsche Zeitung by a correspondent who said the information came out during the opening reception of the Poznan Fair from the Polish delegation to last week's Comecon meeting in Moscow.

Comecon, the Communist bloc's economic organization, held a surprisingly brief session on June 6 and 7, which ended with two communiques. One was brief and vague. The other was lengthy and described in detail the fields where integration was desired, but experts here took it as a wordy outline of the goal rather than a review of decisions taken.

POLICY SPLIT REPORTED

The Deutsche Zeitung's correspondent in Poznan reported that the Poles said Soviet Premier Nikita S. Khrushchev did not get the agreement he wanted on giving Comecon important new powers now.

The report said that the Poles spoke of a split on bloc trade policy in Moscow. The Russians, with support from East Germany, Bulgaria, and the Czechoslovak party leaders, wanted to tighten and increase trade inside the bloc in reaction to the Common Market's growing strength.

But the Poles and Hungarians and Czechoslovak economic officials were opposed, according to this report, arguing that it was vital to Communist goals as well as to their national economies to keep expanding their own trade with the West as much as possible.

There is no way to check the report in the West, but it fits logically with the known trade ambitions of Poland, Hungary, and Czechoslovakia and with views expressed privately recently by Polish Foreign Minister Adam Rapacki.

PREDICTED BY POLES

The Poles, who seem to have realized the implications of the Common Market for the Communist countries much earlier than the Russians, have been predicting for some time that it would lead to efforts to consolidate East bloc trade.

Rapacki indicated that Poland would try to resist such efforts because it would mean to give up the hard-currency earnings and free choice of imports that Western trade brings and accept instead the disadvantages of barter.

One of the major gains that Wladyslaw Gomulka's more independent Communist regime brought to Poland was a trade policy that put the country's economic welfare above the Communist bloc's political advantage. This policy has been a key factor in raising Polish living standards.

While the Czechoslovak and Hungarian regimes have different notions of political orthodoxy at home, both have relied heavily on improved living standards to keep their populations docile. And world trade, rather than just taking what they can get inside the Communist bloc, has been a vital part of the policy.

POSSIBILITY OF PLANT

To these three countries, tighter integration of bloc trade would mean switching exports that earn hard currency to their needier political partners. They would then be forced to curtail purchases in the West and replace them with what bloc members have to offer.

There is always the possibility that the reports of a split in bloc trade policy coming out of Poland have been spread deliberately with Moscow's assent. But because of immediate national interests and the technical Polish sources involved, it does not seem likely.

The Moscow communique on last week's Comecon meeting did not mention the Common Market.

The Communist countries have been talking about integrating their economies for years, and they have made some progress in specializing output; for example, directing Hungary to produce trucks for export, Poland railroad equipment, Bulgaria fruit and vegetables, and so on.

CENTRAL AGENCY LACKING

But they still trade with each other by bilateral deals, lacking any central clearing agency that could faintly approach the cooperation made possible by the Western system of free currency and liberal trade.

Comecon announced that from 1959 to 1961 trade among its members increased by 14.2 percent a year, against 8.5 percent in the years 1956 to 1958. Compared with the dramatic jumps in Common Market trade, and considering that everybody's trade is rising, the Communist figures are meager.

The report from Poland suggests that Premier Khrushchev was unable to impose his demand for more bloc integration because he no longer controls the satellites as Stalin did.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD the entire article I referred to earlier, entitled "Red China Scores Policies of Tito." The article bears the dateline of Hong Kong, September 17, 1961.

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

[From the New York Times, Sept. 18, 1961]

RED CHINA SCORES POLICIES OF TITO—PEIPING REJECTS ASSERTION YUGOSLAV IS 'ABOVE BLOCS'

HONG KONG, September 17.—President Tito and Yugoslavia's policies are subjected to violent criticism in the latest issue of the Chinese Communist publication Hung Chi.

The violence of the attack is viewed here as a reaction on the part of Peiping to President Tito's role of host to the recent conference of nonalined countries. The Yugoslav leaders' activities as a leading neutral have been a constant source of pain to Peiping, which has long sought to exert its influence on the uncommitted nations, especially in Asia and Africa.

Hung Chi, published by the Central Committee of the Chinese Communist Party, sets out to demolish Marshal Tito's claim to be above blocs. It charges him with serving "U.S. imperialism."

The article, according to Hsinhua, the official Chinese Communist press agency, which carried excerpts from it today, is headed "Tear Down Tito Group's 'Suprabloc' Mask."

"Since it turned traitor to the socialist camp, the Tito group has persistently tried to present itself as being above blocs and carried out activities detrimental to the unity of all peace-loving forces and countries in effort to serve U.S. imperialism," Hung Chi declared.

"Broad masses of people and farsighted persons in Asia and Africa have come ever more clearly to perceive what tactics the Tito group has employed to serve U.S. imperialism and what kind of nonsense is the group's 'above blocs' stand."

The Yugoslav Government "pretends to be neutral in an attempt to confuse the world public," the article continued. The Yugoslav stand, Hung Chi said, is "completely different from the policy of peace and neutrality followed by many nationally independent countries."

Hung Chi said these countries had opposed colonialism and aggression by imperialism, "particularly by U.S. imperialism, and had been able to establish amicable relations with the Communist bloc."

Mr. HUMPHREY. Mr. President, another article is translated from a publication in Peking, and is entitled "Red Flag Raps Yugoslav Economic System." It is dated June 13, 1961. "Red Flag" is the name of the publication. It is a theoretical biweekly of the Central Committee of the Communist Party of China. In its issue of June 1, 1961, it published an article by Liao Yuan, exposing the truth about the so-called "self management of enterprises" in Yugoslavia. It contains the "truth" from their point of view—a rather jaundiced truth.

Interestingly, at one point the article refers to the law of "supply and demand," which is good, native, down to earth capitalist doctrine.

Mr. President, I ask unanimous consent that the text of the substance of the article be printed at this point in the RECORD.

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

[Translation]

IV. RED FLAG RAPS YUGOSLAV ECONOMIC SYSTEM

PEKING, June 13.—Red Flag, theoretical biweekly of the CCP Central Committee, in its June 1 issue carried an article by Liao Yuan exposing the truth about the so-called "self-management of enterprises" in Yugoslavia.

The article says that for more than 10 years the Tito clique of Yugoslavia has been carrying out the so-called "self-management of enterprises." They have virtually abolished the Socialist planned economy and handed over the formerly state-owned plants and mines, enterprises of communication and transport, trade, agriculture and forestry, public utilities, and enterprises of other branches of the economy to the so-called "working collectives" to carry out management "independently" (through the

"Workers Council" and the "Administrative Committee"—NCNA). In accordance with the market supply-and-demand situation, all enterprises decide at will on the quantity, variety, and prices of their products, purchase raw materials and sell their products in the domestic and foreign markets by themselves, decide at will on the method of distributing profits and wages, and are responsible for profits and losses.

In essence, the self-management of enterprises of the Tito clique, the article points out, takes the seeking of more profits as the highest standard of the economic activities of the enterprises, and the so-called material stimulus as the only motivating force of the economic activities in the enterprises. It encourages the capitalist manner of management and advocates the capitalist free competition of the big preying upon the small.

The Yugoslav modern revisionists are renegades to Marxism-Leninism and agents of the U.S. imperialists. They subsist on doles of U.S. imperialism. They are engaged in traitorous dealings in opposing the Socialist camp, sabotaging the Communist movement, and undermining the national democratic movements of various countries. Precisely as the statement of the 1960 Moscow meeting of representatives, of the Communist and Workers Parties has pointed out: "The Communist parties have unanimously condemned the Yugoslav variety of international opportunism, a variety of modern revisionist theories in concentrated form."

Since it turned traitor to the Socialist camp, the Tito group has persistently tried to present itself as being above the blocs, has opposed the Socialist camp and the international Communist movement, and carried out activities detrimental to the unity of all peace-loving forces and countries in an effort to serve U.S. imperialism.

Despite the efforts of the Tito group to advertise its position of being above the blocs, it is nevertheless known to all that as early as in 1953 Yugoslavia formed with Greece and Turkey a military-political bloc—the Balkan Alliance. By so doing the Tito group linked itself with the aggressive NATO bloc and CENTO, both of which were rigged up by the United States. At present Yugoslavia is still a member of that alliance. This fact alone is sufficient to show what stuff and nonsense is the Tito group's so-called position of being above the blocs.

These arrogant designs of the Tito group are exactly what U.S. imperialism wants. The U.S. weekly Saturday Evening Post in an article on May 17, 1958, said that Tito is purposely exporting Titoism, and this role could be played by no one else. The writer of the article maintains that the interest of the United States is consistent with that of the Tito group. He further revealed that U.S. imperialism is looking forward to two, three or half a dozen Yugoslavias. It is therefore quite natural that the Tito group should have been so highly praised by U.S. imperialism for its despicable role as an interventionist and instigator during the counterrevolutionary riot in Hungary.

To the U.S. imperialists, the Tito group, as their instrument, serves yet another specific purpose. In the face of the vigorous development of the national liberation movement in Asia, Africa, and Latin America, U.S. imperialism is seeking to sabotage this movement with the help of the Tito group. Sabotage activities by this group would be facilitated if it could, as much as possible, maintain its position of being "above the blocs."

The Tito clique pretends to be neutral in an attempt to confuse the world public, but its "above the blocs" stand is completely different from the policy of peace and neutrality followed by many nationally independent countries. These countries, in pursuing a policy of peace and neutrality, proceed from the stand of safeguarding their national independence, and they have opposed colonialism and aggression by imperialism, particularly U.S. imperialism, fought for winning and safeguarding their national independence, and striven to develop their national economy, and have been able to establish amicable relations with the Socialist countries. These nationally independent countries are playing a positive role in the struggle against imperialism and for the defense of world peace.

On the other hand, the Tito clique is a renegade from the camp of socialism. Behind the "above the blocs" signboard, it is dead set against the Socialist camp, has spared no efforts in trying to break the unity of the people of the world, and carried out active maneuvers as a lackey of U.S. imperialism, thus playing a reactionary role in the struggle of the peoples for peace, democracy, national independence, and socialism.

In the Asian, African, and Latin American peoples' struggle against imperialism headed by the United States, the Tito clique always sides with imperialism.

The Tito group has also done its best to extol the Alliance for Progress, a devilish trick cooked up by the U.S. imperialism to induce the other Latin American countries to join in its intervention against Cuba. It has spread such nonsense as that U.S. imperialism has "begun to realize that times are changing" and that "genuine unity and solidarity (of American—NCNA) can only be established on the basis of mutual equality," and therefore it has "indicated its readiness to make readjustments and correct its mistakes."

On the Lao question the Tito group has also exerted itself to the full to take up the cudgels for U.S. imperialism and whitewash its crimes.

The press of the Tito group has also helped U.S. imperialism to threaten the Soviet Union and China by asserting that the peaceful solution of the Lao question "depends on the Soviet Government," and that the Soviet Union and China should not "take the change of U.S. policy as evidence of weakness."

Yugoslav revisionism is the outcome of the U.S. imperialist policy of bribing with huge sums. It is by no means accidental, therefore, that the Tito group has been so zealous in rendering service to U.S. imperialism in every respect under the signboard of being "above the blocs."

Mr. MILLER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I shall be more than happy to yield; but before doing so, I desire to refer to a statement of the Moscow Conference of Representatives of Communist and Workers Parties, dated December 6, 1960, together with Khrushchev's speeches in 1957, 1958, and 1959; also an article published in the Albanian publication, Zeri i Popullit, of May 17, 1962. I ask unanimous consent that these statements be printed at this point in the RECORD.

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

STATEMENT OF THE MOSCOW CONFERENCE OF REPRESENTATIVES OF COMMUNIST AND WORKERS PARTIES, DECEMBER 6, 1960

Having betrayed Marxism-Leninism, declaring it obsolete, the leaders of the League of Yugoslav Communists have set up their own anti-Leninist revisionist program in opposition to the 1957 declaration; they have set up the League of Yugoslav Communists in opposition to the entire world Communist movement; they have torn their country away from the Socialist camp, making it dependent on the so-called aid from the United States and other imperialists, and have thereby created a danger that the revolutionary gains achieved by the heroic struggle of the Yugoslav people will be lost.

The Yugoslav revisionists are carrying on subversion against the Socialist camp and the world Communist movement. Under the pretense of the policy of nonadherence to any blocs, they are developing activity which harms the unity of all peaceloving forces and states.

STATEMENTS OF NIKITA S. KHRUSHCHEV COMPILED BY THE DEPARTMENT OF STATE, SOVIET WORLD OUTLOOK: "A HANDBOOK OF COMMUNIST STATEMENTS"

1957 (Hungary): "Now in this fight which broke out on the Hungarian question, what did we get? We got absolute unity and the rallying of the Communist ranks of the whole world. Yugoslavia remained isolated. Who spoke in its favor, in the questions connected with the Hungarian events? Dulles, Eisenhower, Guy Mollet, and so forth—what a lot.

"I am convinced that that company is not to the liking of Comrade Tito—not good company. I used to tell this to Comrade Tito, and he afterward told me: "Listen, do stop repeating." And I did indeed repeat it many times, for good words should be repeated. I was always greatly impressed by the words of August Bebel. He said: 'If you, revolutionary workers, are praised by the bourgeoisie, think—what nonsense have you committed for which it is praising you?' " (Speech in Czechoslovakia, Prague radio broadcast, July 11, 1957.)

In 1958: "I would not wish to offend anyone. But, on the other hand, I cannot refrain from asking the question which deeply concerns all Communists everywhere. Why do the imperialist bosses, while striving to obliterate from the face of the earth the Socialist states and squash the Communist movement, at the same time finance one of the Socialist countries, granting that country credits and free gifts?" (Speech to VII Congress of the Bulgarian Communist Party, June 4, 1958.)

Same speech: "Of course the program of the League of Yugoslav Communists is an internal affair of Yugoslav Communists but, insofar as this draft program contains an insignificant and insulting appraisal of other parties and Socialist countries and a revision of the fundamentals of the Marxist-Leninist theory, our party considers it its direct duty to come out with criticism of the anti-Marxist statements in this document."

Speech in East Germany, July 10, 1958: "August Bebel put it very well in his time: 'If the enemy praises you, think what foolish thing you have done that he praises you. This is correct. Hence, when the enemy abuses you, then you are following the right path and are faithfully serving your working class and your people.' While meeting Comrade Tito I said on several occasions: Why do the American imperialists praise you? Why do they give you wheat? What is this 'Yugoslav socialism,' then this could not please the American imperialists. They scent, as it were, something not quite Socialist in you. This is precisely what they like. This is the law of the class struggle."

Speech at the 21st Congress of the Soviet Communist Party, January 27, 1959: "The Yugoslav leaders allege that they stand outside the blocs, that they stand above the camps, but actually they belong to the Balkan bloc comprising Yugoslavia, Turkey, and Greece. The later two countries, as is known, are members of the aggressive NATO bloc, and Turkey is besides a party to the Baghdad Pact. The leaders of the League of Yugoslav Communists resent it very much when we tell them that they are sitting on two chairs. They give assurances that they are sitting on their own Yugoslav chair. But that Yugoslav chair is for some reason

eagerly supported by the American monopolies. And this is why their nonalined position and neutrality, which are advertised so much by the leaders of the League of Yugoslav Communists, smell strongly of the American monopolies which are feeding Yugoslav socialism."

[From an article in Zeri i Popullit, Albania, May 17, 1962]

THE FIASCO OF YUGOSLAVIA'S SPECIFIC SOCIALISM AND THE NEW MANEUVERS BY BELGRADE REVISIONISTS

In the course of the past few years, Yugoslavia has had $2 billion worth of economic loans from the United States and other Western countries, not counting military and other aid. Of course these billions of dollars were given to Yugoslavia with definite political aims in mind, such as repayment for the services rendered by the Tito group to imperialism.

The Yugoslav revisionists are reaping what they have sown; they have renounced socialism and they are now paying the consequences.

The Belgrade revisionists and their supporters can babble as much as they like about the building of socialism in Yugoslavia; actual facts show the opposite.

Nothing remains now of the alleged Yugoslav way toward socialism. Practice has shown irrefutably that our party and the other Communist parties were quite right to criticize the anti-Marxist and anti-Leninist character of this way and to denounce the policy of division and undermining pursued by the Yugoslav leaders. They have clearly shown that Tito's specific socialism has nothing to do with socialism. The Yugoslav revisionist leaders have inflicted much damage on the cause of socialism and the struggle of the peoples for liberty and national independence, for democracy and social progress, for peace and socialism.

The Tito gang is linked politically, economically, and militarily to imperialism. The remarks about socialism and neutrality, used according to necessity, are but masks to which the Yugoslav revisionists resort in order to disguise their dependence on imperialism and the services which they render it. In reality there is nothing Socialist or neutral in Yugoslavia. Yugoslavia is linked to NATO through the Balkan Pact. It is not for nothing that the United States has given it billions of dollars and military equipment.

The arming of Yugoslavia by American imperialism is not being done without a definite aim. It is an integral part of the general armament of the imperialist powers and of their allies, and therefore it constitutes a permanent danger and threat to the Socialist countries of the Balkans, especially our country, for its annexationist aims in regard to Albania are well known. Hence, under these circumstances to collaborate with the Tito gang means to play the game of imperialism. Neither the demagogy of Tito nor the sophistry of his partisans can change what is known and what has been proven by the whole world: That Tito is the apprentice, and American imperialism his boss.

At present there is not in Yugoslavia a Marxist-Leninist party capable of achieving the great ideas of scientific communism. The League of Yugoslav Communists and the Yugoslav State machine have long since fallen into the mire of revisionism, of the betrayal of the interests of the Yugoslav peoples and the international Communist and workers movement. To nurture illusions and hopes that it is still possible for the Yugoslav revisionist leaders to correct themselves and to return to the good road in order to build socialism means to have lost entirely all feeling for objectivity, to be in flagrant contradiction with what is shown by the daily practice of present-day life in Yugoslavia, or else to judge not on the basis of a Marxist-Leninist analysis of facts but on the basis of the idealist reasoning of the revisionists.

Mr. HUMPHREY. Mr. President, it seems to me that this is a documentation which will shed some light upon the policies which have been pursued by this Government, and why they have been pursued, insofar as extending limited economic and food assistance to those two countries is concerned.

I know this is a difficult decision. I know it is filled with risk. I know there are possibilities that it could backfire. I know that a more cautious person would not even take the time to discuss this subject. I know that an unfair critic might say, "Senator HUMPHREY stood up in the Senate for Tito and Gomulka." I have not. I stand up for the United States of America. In this struggle, we need to keep foremost before our eyes and in our minds what is the best course we can pursue in the national interest. One of the interests we ought to pursue is to seek for a degree of independence on the part of countries which are today dominated by the Communist Party. We should seek to magnify the divisions within the Communist bloc. We should seek to shatter and fracture the so-called monolithic structure of the Communist bloc. When we have done that, I believe we shall have served our national interest; and that will have served the interest of people everywhere.

I now yield to the Senator from Iowa.

Mr. MILLER. I have listened with much interest to the excellent presentation by the Senator from Minnesota. I would be the first to recognize that the discussion over the desirability of foreign aid to Yugoslavia and Poland is not a partisan issue.

Mr. HUMPHREY. The Senator is certainly correct.

Mr. MILLER. But I am sure the Senator from Minnesota would be the first to concede that there may be honest differences of opinion among Members of the Senate not only on opposite sides of the aisle, but on the same side of the aisle and among Members of the Senate and members of the administration, over what is the national interest, and particularly what is in the national interest.

Mr. HUMPHREY. I have said so repeatedly. I think the Senator has stated the situation very well. I am making no charges against anyone. I was simply trying to document what I believe were the reasons why our Government has pursued this course thus far. I would be the first to recognize that developments could take place which would require a change of policy. But the national interest will remain the same, even if the policy has to be changed.

Mr. MILLER. I understand. As an example, the Senator from Minnesota quoted from a statement by Mr. Kennan, who has expressed some concern. I believe the Senator has placed in the RECORD some of Mr. Kennan's remarks concerning our position now, following the Senate-passed bill, with respect to assistance to Yugoslavia, the same being limited to Public Law 480 surplus grain disposal at the very most, if indeed that is possible.

On the other hand, the Senator's Democratic colleague, the able Senator from Connecticut [Mr. DODD], is on the other side of the question as to whether this program is or is not in the national interest.

After examining the voting record in the Senate last week, I believe that while the Senate partially reversed itself, a substantial majority of the Senate made its voice heard as to its belief that it is in the national interest not to extend any more aid to Yugoslavia, except possibly Public Law 480 aid.

I believe the Senator from Minnesota has expressed a minority view of the Senate. I believe he probably expresses the attitude of the administration, and I commend him for supporting his administration. But I wish to make it clear that the Senator from Minnesota has been speaking for what I believe is a minority viewpoint of the Senate concerning what is in the national interest in this particular area.

Mr. HUMPHREY. What Ambassador Kennan was saying was that the original action, the all-inclusive action, known as the Lausche amendment, had done, as he put it, injury to our cause in Yugoslavia. I say most respectfully that I was not trying to draw a final judgment. I was quoting Ambassador Kennan's reported words. First, he felt, as I indicated yesterday when I read the dispatch, that the reversal which the Senate made in terms of Public Law 480 assistance had a salutary effect; but the psychological effect of the original action had left its mark and had injured some of our relationships.

I wish to make it quite clear that I have never been very happy about our having to do business, so to speak, with dictators. I believe that the reversal which the Senate made on Thursday of last week was desirable. I actively supported it. I had something to do with obtaining that reversal. I had talked with the President and with State Department officials about it before the Senate acted on it.

In the main, I believe the action which the Senate took will give the President, if the action can be sustained through both bodies, the degree of flexibility which he needs in this instance.

Probably, engaged as we were in the business of passing a law in the field of foreign aid, we have said so many things that injure our diplomacy that it is rather hard to go around and patch everything up. It is sort of like insulting a fellow all day until he is made a loan. When the loan has been made, he expresses gratitude for the moment, but he goes away saying, "I won't forget what that fellow said before I got the money."

I do not consider that I am in the minority; I consider that I am in the majority. I stand with men like Eisenhower, Truman, and Kennedy; with the leaders of the two previous administrations and of this administration. I believe their policies were well conceived in this area and were fairly well conducted. I voted for President Eisenhower's request on the very same item

three times; and many Members on both sides of the aisle disagreed on this issue. I remember that the former distinguished Republican leader, Senator Knowland, at one time disagreed on this subject matter, as one of President Eisenhower's lieutenants.

Mr. MILLER. But my point was that here in the Senate the Senator's point is the minority viewpoint.

Mr. HUMPHREY. No, I think not; I think it is the majority viewpoint.

Mr. MILLER. Well, from the entire tenor of the Senator's speech, I detect that he feels that we should have done nothing insofar as concerns adopting an amendment in regard to aid to Yugoslavia and Poland.

Mr. HUMPHREY. I think it would have been better to have left the original language in the bill; I think that is true.

Mr. MILLER. I believe the Senator from Minnesota is among a minority of Senators who take that position, because a substantial majority of Senators do not feel that way. Some may have changed their minds——

Mr. HUMPHREY. I am hopeful of that.

Mr. MILLER. In fact, a year ago they might not have reached that viewpoint. But at least last week it was their viewpoint.

I am not criticizing the viewpoint of the Senator from Minnesota as not being in the national interest. I merely say that a majority of Senators feel that it was in the national interest to do what we did.

The Senator from Minnesota has given several quotations from various Communist newspapers and publications, cutting at Mr. Tito.

Mr. HUMPHREY. Yes.

Mr. MILLER. The Senator did so in a way that would seem to indicate that he takes them at their face value. I point out that we cannot take any Communist publications at their face value. It may be that these are merely tactical articles published for the purpose of trying to convince the West that a fight is going on between Tito and other Communist leaders. Such a fight may be going on; but I believe we should be very careful not to believe that an irreversible struggle is going on between these dictators, even though some articles may seem to indicate that one is going on.

Mr. HUMPHREY. Well, if the Senator from Iowa does not think a struggle is going on between these dictators, at least I can point out that there has been quite something of a skirmish. I was about to tell a little story in that connection; but I think I shall do so later, privately. But at least these people have not been making love to each other. Instead, certainly they have been fighting each other. Anyone who has monitored the broadcasts from these countries knows that for years the relationships between Tito and Moscow have amounted to a first-class tactical fight.

By the way, we have not done anything to put out that fire; we thought it was all right.

Mr. MILLER. The Senator's statement reminds me of what I see among members of the Democratic Party, where fights are going on. But, unfortunately, when a Republican comes along, the various Democratic groups stop fighting each other, get together, and oppose him. So I am afraid that, similarly, Tito, Khrushchev, and Mao Tze-tung would stop fighting each other, and would present a united front—in any serious situation—against the West. In such a case, I am afraid they would stop fighting each other, and would regroup and present a united front against the West.

Mr. HUMPHREY. That could be. But if we wish to carry that argument to an extreme, we could say that all the talk by Khrushchev about the United States was just a ruse, and that he does not mean it. Of course we know that he means it; but if the Senator wishes to carry the argument to its absurdity, he can do so.

I do not think we should labor this point, because I do not think either one of us would look very good in the RECORD if we tried to deny that there has been an ideological struggle between the Stalinists and the Titoists and between Khrushchev and Tito, and between the Chinese Communists and Khrushchev, and between Moscow and Belgrade. If at this moment, however, a major military showdown developed, I suppose we would not expect Tito to be our ally; and I suppose that if the odds were sufficient, he would fall over into the Soviet camp. But it has always been my view that one of the real deterrent factors, over and beyond the nuclear deterrent, has been the fear on the part of the Soviet Union that the people in the satellite countries might rise up in event of war between the Communists and the West.

Mr. MILLER. I am one of the first to recognize that that is a possibility. I like the reference to the Achilles' heel, which was made in one of the articles the Senator inserted in the RECORD.

But I wish to make clear that what the Senate did last week was not so much a matter of not expressing faith in the President or in one of his ambassadors as it was, I believe, an expression of what the Senate believes to be in the national interest, which in this particular case is different from what the President thinks.

Mr. HUMPHREY. I think that is correct. I believe there was no intention on the part of Senators to express any lack of faith in the President. I think for many years a feeling has been developing that perhaps the entire foreign aid program to these countries should be stopped; and we happened to come to a point where some Senators expressed that feeling rather strongly. Furthermore, every time we have a foreign aid bill under consideration, it is likely that some disagreement about it will be expressed, because many persons in our country are tired of foreign aid. So, many think that is a good political course to follow—in other words, that one will not lose too many votes back home if he says he is opposed to U.S. aid to Yugoslavia and Poland. In fact, it might be possible to gain a few votes in that way, because the easiest way for a person to say he is 100 percent in favor of the United States is to say that he is opposed to the Communists. Of course, that may not frighten the Communists; but at least anticommunism has been used by many persons as a springboard for political success.

However, I believe sometime we should begin to determine how we are going to try to weaken the Communist system and to strengthen our own system and to enable our country to have an overwhelming amount of power, so as to be able to survive under any circumstances.

But, certainly, anti-Communist speeches have been used for years by public speakers in our country. However, if we were to give as much consideration to doing something about the Communists, in addition to denouncing them in public statements, Khrushchev would now be only a page in history; he would have faded from the scene.

Mr. MILLER. But certainly the Senator from Minnesota agrees that Senators should have the courage to speak out against communism.

Mr. HUMPHREY. Yes.

Mr. MILLER. I am sure that, in addition, all of us wish we had sufficient know-how to be able to deal with them as effectively as we wish we could. But certainly Senators should have spoken out against communism.

Mr. HUMPHREY. Of course, it takes about as much courage to speak out against communism as it does to speak in favor of Mother's Day. [Laughter.] Certainly one does not have to be very brave to speak against communism. But it does require a little sense in order to know what to do about communism internationally. I wish some of the energy which has been devoted to denouncing Communists and communism had been used to formulate a program devoted to eradication of the Communist movement.

Mr. MILLER. But certainly the Senator from Minnesota knows that there is in vogue a cliche about being an anti-anti-Communist and that nowadays there are some who make speeches against communism, at the risk of being ridiculed.

There are some people who nowadays make speeches against communism at the risk of getting ridiculed. I think this is kind of a warped situation. I agree with the Senator that we ought to be not only articulate and decisive in our expressions against communism, but also effective in our actions against communism. Sometimes there is an unfortunate lack of a nexus between the two.

Mr. HUMPHREY. The Senator is correct. I join him in that statement.

Mr. MILLER. I want the Senator from Minnesota to know that the Senator from Iowa swallowed very hard when it came to the Dirksen-Mansfield amendment last week which restored the discretion in the administration to distribute foodstuffs to Yugoslavia and Poland, if indeed that can be done, because the amendment is pretty tight. I will tell the Senator why I swallowed hard on it. I note from the RECORD that in 1961 the taxpayers of the United States gave Yugoslavia $31½ million in foreign aid and loaned her $116.4 million, while at the same time the Government of Yugoslavia did not have the fiscal integrity to pay $69,341 for 1961 and $169,512 for

1960 as its share of the assessments for the Congo operations to the United Nations.

Mr. HUMPHREY. May I say Yugoslavia has never denied it is going to pay those assessments. In fact, one difference between the Soviet Union and Yugoslavia is the matter of assessments for the Congo and the Gaza Strip.

Mr. MILLER. I find it difficult to understand why, if we have given $31 million for aid and $116 million in loans, Yugoslavia cannot pay $69,000 for 1961 and $169,000 for 1960 in assessments to the United Nations. It is because of such an attitude that the United Nations is in such deep fiscal trouble.

Mr. HUMPHREY. I am sure the Senator wants to be factual. The fact is that Yugoslavia, for whatever reasons one wants to ascribe to that country—and I do not say it was out of benevolence—supported the U.S. attitude and policy on the Congo. It supported the peacekeeping operations. The fact that it may be 1 year behind should not indicate that Yugoslavia will not pay its assessments, because any country may be up to 2 years behind before it is in default.

Mr. MILLER. The Senator from Iowa is thoroughly familiar with that requirement. My point is that when the taxpayers of the United States are giving Yugoslavia $69½ million, it is little enough to expect Yugoslavia to pay its just debts to the United Nations currently.

Mr. HUMPHREY. I think it ought to do so. I agree.

Mr. MILLER. It is obviously failing to do so in concert with the Soviet Union, in an effort to break the United Nations.

Mr. HUMPHREY. I respectfully disagree with that.

Mr. MILLER. I will be happy to eat my words when I see Yugoslavia come before the United Nations and start practicing fiscal integrity.

Mr. HUMPHREY. Will the Senator agree with me that the Soviet Union sought to destroy the United Nations through the "troika"?

Mr. MILLER. That may be, but that does not mean it is the only way in which the United Nations can be destroyed.

Mr. HUMPHREY. Surely, it was one of the key issues.

Mr. MILLER. It was one of the key issues, but it was not greater than the fiscal ability of the United Nations to pay its way.

Mr. HUMPHREY. Yugoslavia is not considered to be in default to the United Nations. While it may be a year behind, that is not——

Mr. MILLER. It is 2 years behind. It is placed in arrears. It is these arrearages which have perpetrated the financial crisis in the United Nations.

Mr. HUMPHREY. If the Senator is trying to make the point that the money we have given to Yugoslavia has not been well spent and that everything there is not quite jolly, I agree.

Mr. MILLER. I am not trying to make that point.

Mr. HUMPHREY. Ambassador Kennan has said that we are not going to expend as much, that we are cutting down our expenditures much below what they were under the previous administration. But the point I was trying to make is that I thought we ought to leave in the law the authority to the President to exercise the policy we have, if it seemed to be desirable. I did not want to handcuff him. That was all. I am glad we gave the President authority in the field of food and fiber, even though there are some limitations.

Mr. MILLER. I know that is the Senator's policy, and I know it is followed in good conscience. My point is that I think a majority in the Senate, myself included, felt that in previous years it might have been better if we had tied some hands. This need not be so if we had plenty of money and if there were not some nations which are practicing fiscal integrity before the United Nations who need this aid, if we are not going to give it to Yugoslavia; and I think it is better to spend that money in the other nations. The Senator knows that if we must make a choice between a nation which is practicing fiscal integrity and another which is not, we should seek to extend our aid to the one that is practicing fiscal integrity, so that the vitality of the United Nations will not be sapped. That is what motivated the statement of the Senator from Iowa.

Mr. HUMPHREY. That is a valid criticism. Of course, the Senator could say the same thing about France. France has not paid the special assessments either, and it is a pretty good ally.

Mr. MILLER. I think that would be true if we were applying the policy across the board. We were applying it to Yugoslavia.

Mr. HUMPHREY. If that is the criterion to be used, we could have included France, and I do not think we would do that.

Mr. MILLER. It is not my understanding that we give aid to France.

Mr. HUMPHREY. It is my understanding that we gave France plenty of aid.

Mr. MILLER. We give France military assistance.

Mr. HUMPHREY. I would not mind having a drawing account in the amount of aid we have given France.

Mr. MILLER. How much are we giving France now?

Mr. HUMPHREY. We gave her billions.

Mr. MILLER. How much are we giving France now?

Mr. HUMPHREY. We are giving her some aid now through NATO.

Mr. MILLER. That is military assistance.

Mr. HUMPHREY. Yes, but it is rather expensive.

Mr. MILLER. Those are not grants or economic loans.

Mr. HUMPHREY. Let me hasten to add that I am for it. What we have done for France is money well spent. It is a great country, made up of great people, but I think the Senator must be careful what examples he uses here.

Mr. MILLER. I am; and I think the difference is that we are giving military assistance to France, and that is in line with our NATO commitments. It is not the same as giving loans or grants to Yugoslavia. That is different.

Mr. HUMPHREY. I think the Senator has a point.

Mr. MILLER. I thank the Senator.

Mr. HUMPHREY. I thank the distinguished Senator for his contribution in this discussion.

RESEARCH AND DEVELOPMENT IN DEPARTMENT OF DEFENSE

Mr. HUMPHREY. Mr. President, when the Senate was considering the Department of Defense appropriation bill, I had intended to place in the RECORD a statement relating to the growing influence of efforts in the field of research and development in the Department of Defense.

A MILESTONE IN GAINING EFFICIENCY IN $12 BILLION WORTH OF FEDERAL RESEARCH AND DEVELOPMENT

I should like to invite attention to the fact that the Senate Committee on Appropriations has taken an historic step forward toward improving the management of scientific information in the U.S. Government.

On the basis of a suggestion, which I was personally happy to submit, the committee incorporated the following language on page 10 of Senate Report No. 1578, 87th Congress, on H.R. 11289:

COORDINATION OF RESEARCH

The lack of an integrated system for the dissemination and exchange of scientific and engineering information within the Department of Defense and with the National Aeronautics and Space Administration, the Atomic Energy Commission, and other Federal agencies with defense-related interests results in duplications, useless expenditure of funds, and other shortcomings that impair the efficiency of various Federal research, development, test, and evaluation programs involving billions of dollars. The Department, through the Office of Director, Defense Research and Engineering, has initiated action to overcome this weakness. The Department is requested to prepare, in time for the consideration of appropriations for the next fiscal year, a detailed report on this matter indicating what has been done, and what additional steps will be required to provide for such an integrated system.

IMPORTANCE OF STATEMENT IN REPORT

This single paragraph is, I believe, a key to America's survival in an age of peril.

It is a key to greater efficiency in conduct of $7.1 billion of federally supported defense research in the 1963 fiscal year and of $12 billion in overall U.S. Government research.

Why?

Because, for the first time, the Defense Department is formally requested—by the Senate Committee on Appropriations—to set up an integrated system of information, involving all the services, the Advance Research Projects Agency, and the Office of the Secretary of Defense.

What is more, for the first time, the Senate Appropriations Committee has notified a major Federal agency that it expects that this system must fit in with other agencies' systems. This means that there must be a unified information network between the Department of Defense, the National Aeronautics and

Space Administration, and the Atomic Energy Commission, among other defense-related agencies.

Thus, we have advanced another step toward a goal which the Senate Committee on Government Operations has been striving for during these past 4½ years.

The Senate report is, I believe, an historic milestone.

But we still have a long way to go.

THE STATUS QUO—INFORMATION CHAOS

The plain fact is that the information situation in the executive branch and among federally supported contractors and grantees amounts to virtual chaos.

Information can be found—amidst this chaos—but to do so often requires a sizable, expensive, protracted search.

The search may prove so long that, in utter frustration, decisions are often made without adequate information, the quest for prior data is thus abandoned as not being worth the time and expense.

Among industry, the saying is popular:

If a research and development project costs $100,000, it's easier to do it—if necessary—again, rather than to try to find out if it has been done before.

This is a tragic commentary on information weaknesses.

ADMINISTRATIONS' AND SCIENTISTS' PROBLEMS

Hundreds of administrators—whether Federal, corporation, university, foundation or others—are unable to quickly or reliably learn who has done what, or who is doing what in federally supported research.

Hundreds of thousands of bench scientists and engineers are similarly unable to identify others'—past or present—work for leads or ideas.

Inquiries may have to be directed to a dozen different agencies, to 3 national libraries, to 1,000 or so specialized information centers, to hundreds of individual facilities, and still it is doubtful that an adequate picture can ever be obtained under present circumstances.

TOWER OF BABEL

There is not 1 uniform system, nor 2, nor 10; there are hundreds of incompatible systems. They use different vocabulary and methodology.

As a result, to try to inquire or to communicate between agencies, and even within agencies, is like trying to be understood in a Tower of Babel. Everybody talks a different language.

It is the American taxpayer who is paying the price for this information chaos.

EVEN PRESIDENT KENNEDY WOULD BE UNABLE TO TRACK DOWN INTERAGENCY RESEARCH

Not even the President of the United States could today—within a period of a few hours or even a few days—find out what he would like to know. Even he would not be able to learn exactly how tax money is being used in—inhouse or extramural—research on any one of hundreds of major topics of interagency research.

WHY WE HAVE FOCUSED ON DEPARTMENT OF DEFENSE

The Senate subcommittee has concentrated on improving information activity in the Defense Department, because the success of Defense's effort spells national and international survival and freedom.

The defense effort is also the largest, costliest effort.

DEPARTMENT OF DEFENSE SPRAWLS INTO OTHER DOMAINS

But the Defense Department's research and development sprawls over the whole Federal effort. And, in virtually every major area of Federal research today, there are invariably not only Department of Defense, but 3, 4, 5, or as many as 15 other agencies interested in interrelated research.

In meteorological research, for example, no less than 14 Federal agencies are supporting research in weather and related problems.

An information bank, upon which all the agencies could draw, is therefore essential.

THE SUM OF $491 MILLION FOR RS–70

I cite the example of the interagency need for information on the RS–70, mach 3 supersonic airplane.

The present defense appropriations bill authorizes $491 million for initial research on it. I emphasize "initial" research.

As I pointed out 3 months ago, although billions will, in the final analysis, be spent on the RS–70, there is no interagency information system to help correlate research on it.

I have urged Mr. Najeeb E. Halaby, Administrator of the Federal Aviation Agency, to set up such a system. Thereby, all of the Federal agencies—FAA, DOD, NASA, and others—would have the same system as would the private contractors, universities, and other sources working on the problem.

I have not yet heard from Mr. Halaby as to what he proposes to do.

SERIOUS WEAKNESSES IN THE DEPARTMENT OF DEFENSE

The situation within the Department of Defense and in each of the services is particularly severe.

The Army, Navy, Air Force, and Advanced Research Projects Agency each has a considerable number of weapons systems under research and development, where cross-fertilization of ideas is still, unfortunately, at minimal levels.

For example, in Navy research on antisubmarine warfare, the lack of a unified, integrated information system remains a serious impediment.

The present bill authorizes $286 million for antisubmarine warfare research.

There is little assurance that this over $¼ billion will yield that much value in usable and unified information. It is not that the research, itself, is inadequate; it is because the management of research information is, according to industry, far from satisfactory.

Few corporations or military officials wish to be regarded as "rocking the boat." Few are willing to commit themselves, in black and white, to protest against present policies. We do, however, have strong reason to believe that the Navy, which has outstandingly pioneered in PERT systems and in other management innovations, has a long way to go to coordinate and disseminate scientific information satisfactorily.

LACK OF FULL-TIME OFFICIALS

Strange as it may seem, at the highest policy levels of the Office of the Secretary of Defense, and at the highest military staff levels in the armed services there is not a single officer devoting full time to the problem of managing information on research and development.

I ask: "Why?"

UNANSWERED QUESTIONS

Why is it that a Department which spends well over one-third of a billion dollars a year for computers for administrative activities alone states that it is difficult to find computer time to record $7 billion worth of research and development?

Why have the services been allowed for years to ignore a Department of Defense directive that all service reports be transmitted to ASTIA?

Why is ASTIA still treated like a castoff, as a minor joint service, administered by the Air Force, instead of as, perhaps, a joint agency reporting to the highest level; that is, the Office of the Secretary of Defense?

Why does the Defense Department not have a detailed, indexed breakdown of all current and completed research and development work in its own in-house laboratories?

Why have not resources been assigned for a comprehensive cumulative index of ASTIA's collection?

Why have specialized information centers been loosely set up by the scores—sometimes duplicating ASTIA, often containing less than ASTIA's specialized collections, and often with incompatible systems?

In international information exchange, why does Defense not enforce reciprocity from our allies by securing current information from their research and development effort—often supported with U.S. dollars—comparable to the detailed information which we lavish overseas?

I could ask a dozen other yet-unanswered questions.

NOTICE SERVED ON THE PENTAGON

And so, I serve notice to the Pentagon that this request on the part of the Appropriations Committee is not made casually.

It is my intention, as one Senator, to follow up on this request, both as a member of that committee and as chairman of the Subcommittee on Reorganization and International Organizations which offered the suggestion.

Fortunately, we are not alone.

The able Director of the new Office of Science and Technology in the Executive Office of the President, Dr. Jerome Wiesner, has demonstrated keen interest.

Dr. Wiesner and his staff have begun significant discussions with Department of Defense officials.

An interagency Task Force Report on Information has been prepared for Dr. Wiesner. The Federal Council on Science and Technology has been reviewing this report.

A report by a panel of the President's Science Advisory Committee, under the chairmanship of Dr. Alvin Weinberg, Director of Oak Ridge National Laboratory, is in the making.

MANY PAST REPORTS—DEAD LETTERS

But the files of the executive branch, particularly the Pentagon, are full of reports which were never acted upon and directives which were never carried out.

One could probably fill a sizable room with a collection of past reports on the subject of security restrictions, alone.

Nobody has yet succeeded—whether he is in the White House, in the Bureau of the Budget, in the Office of Secretary of Defense, in the Congress, or anywhere else—in bringing durable order into the Pentagon's information situation.

Let me say that I do not doubt the good intentions of Secretary McNamara, nor of Dr. Harold Brown or many other Department of Defense leaders for whom I have the highest respect.

What they confront is a 24-hour day, crowded with scores of other high-priority issues. They also confront massive inertia and massive-vested interests to preserve the disorganized status quo.

WHAT IS NEEDED

There is, to be sure, no panacea for the information problem.

No supermachine or supersystem will satisfy the varied information needs in billions of dollars of research and development effort.

We need a network of information systems—a system of systems—a clearinghouse capability for current research, for completed research, for meetings, for audiovisuals and for other information phases.

We need to have every responsible source deal aggressively with its own problems and quit passing the buck to others.

Thus—

AN ACTION PROGRAM

First. Dr. Wiesner's office must have a full-time information unit. It must take charge of overseeing agency progress toward an interagency information system. The snail's pace of past years must give way to reasonable dispatch.

Second. The Bureau of the Budget must cease treating the handling of scientific information as if it were a mere fly speck in a $92 billion budget. It must enforce information improvements on an agency and an interagency basis.

Third. The Secretary of Defense should personally follow up on that one of his 85 current studies which bears upon improved research and development management and communication.

Secretary McNamara has ably come to grips with problems of infinitely greater complexity than this. But, he and Dr. Brown have yet to give this particular issue their intensive attention.

Fourth. Defense research contract officers must be alert to their information responsibilities. They are often among the weakest links in the chain—neither supplying necessary information to contractors, nor enforcing the furnishing of complete, up-to-the-minute information from contractors.

Fifth. Many of the leading private contractors are no more advanced in setting up modern information systems in their own establishments than is the Pentagon. Contractors must put their own information houses in order.

Sixth. Professional societies must, like the alert American Rocket Society and the American Society of Metals, wake up to the information revolution which is upon them. Mere marginal improvements in primary and secondary journals will hardly suffice to meet needs when fundamental systems innovations are necessary.

Seventh. The National Science Foundation must take the bit in its teeth. It must strengthen its evaluation of current Defense- and NSF-supported communications research, instead of merely funding and watching others fund such research and then merely listing the work. It must recommend definitive interagency actions to Dr. Wiesner's office and to the Bureau of the Budget.

Eighth. Here, in Congress, I hope that the expert Senate and House Space Committees, as well as the Joint Committee on Atomic Energy, will give this information issue their able attention.

The Atomic Energy Commission, for example, has one of the best Federal information systems. Yet, even that system falls short of complete coverage. It is particularly deficient insofar as breaking down and indexing inhouse research projects is concerned.

UNANIMOUS-CONSENT REQUESTS

I ask unanimous consent now that a memorandum, which I have prepared, together with five exhibits documenting the efforts of the subcommittee during 1961 and 1962, with respect to Department of Defense information improvement, be printed in the RECORD at this point.

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

MEMORANDUM, JUNE 13, 1962

From Senator HUBERT H. HUMPHREY, chairman, Subcommittee on Reorganization and International Organizations.

Re background on Defense Department handling of scientific and engineering information.

The following is a chronological description of some of the recent efforts by this subcommittee to strengthen the management and dissemination of scientific and technical information by the Defense Establishment and related agencies.

This particular chronology is confined to the years 1961 and 1962.

Actually, however, the efforts began as far back as 1957 by the Senate Committee on Government Operations as a whole.

An extensive series of hearings, documents, and reports have been published by both the full committee and the subcommittee on information activities throughout the executive branch.[1] [2]

YEAR 1961 CHRONOLOGY

(a) On April 17, 1961, the Subcommittee on Reorganization and International Organizations of the Senate Committee on Government Operations released a 278-page report entitled "Coordination of Information on Current Scientific Research and Development Supported by the U.S. Government."

The report pointed out that there was no indexed interagency inventory of an estimated 160,000 research and development projects, aggregating $8.1 billion in cost. The report highlighted (pp. 79–115) weaknesses in Department of Defense inventories of current research.

(This publication, initially issued as a committee print, was subsequently authorized to be issued as S. Rept. No. 263, 87th Cong., 1st sess., May 18, 1961.)

(So enormous was the demand for the report that copies have now been entirely exhausted in supply, unfortunately.)

Transmittal of report

(b) I sent copies of the report to Secretary of Defense McNamara and other officials, urging remedial action. In addition, I sent a copy to the House Appropriations Committee, suggesting consideration of the report's contents by the Department of Defense Subcommittee in particular.

House committee responds

(c) On June 23, 1961, the House Committee on Appropriations took note of the presentation; it urged close attention by Department of Defense to the information problem. The House Committee stated:[3]

"There has been recent criticism by another committee of the management of scientific information. It was stated that unknowing duplication and 'tragic and intolerable waste of men, money, and material' had resulted from poor management of these programs and it was recommended that a Science Information Exchange for the registration of all current research projects of the Government be established. This committee requests that the Department of Defense give this matter close attention."

(d) As a followup, I submitted through the office of Senator DENNIS CHAVEZ, chairman of the Senate Appropriations Subcommittee for the Department of Defense, a series of questions for transmittal to Secretary of Defense Robert S. McNamara.

(e) Deputy Secretary Gilpatric replied to the questions on July 3, 1961. He indicated the Department's interest in carrying out improvements in the handling of information.

Reprinting of article

(f) On July 20 I reprinted[4] the text of an article which I had written as regards tragic, unintentional duplication in federally supported research. I pointed up the service which could be rendered to the executive branch as a whole by the Science Information Exchange provided the latter were given full support by the Department of Defense and other member and nonmember agencies.

Second report on current research

(g) On September 20, 1961, the subcommittee released a second related report. This was entitled "Coordination of Information on Current Federal Research and Development Projects in the Field of Electronics."

This report cited serious weaknesses in Department of Defense handling of $2 billion worth of current electronics research and development information.

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[1] See bibliography of committee publications as presented by Hon. JOHN L. MCCLELLAN, chairman, Senate Committee on Government Operations, in connection with address in the Senate, January 31, 1962, urging the establishment of a Commission on Science and Technology, CONGRESSIONAL RECORD, pp. 1315–1317.

[2] For additional background as to the initial origins and development of the efforts of the Senate Committee on Government Operations in the field of documentation, see Reynolds, Walter L., chief clerk-staff director, "The Senate Committee on Government Operations and Documentation," American Documentation, vol. 12, No. 2, April 1961, pp. 93–97.

[3] H. Rept. No. 574, 87th Cong., 1st sess., on H.R. 7851, appropriations for the Department of Defense, 1962 fiscal year, p. 55.

[4] "STWP Review," Journal of the Society of Technical Writers and Publishers, "Unknowing Duplication in Research—A Perennial Tragedy," CONGRESSIONAL RECORD, vol. 107, pt. 10, pp. 12996–12997.

Once again, copies of the report were submitted to, among other sources, the Defense Department and to the Senate and House Committees on Appropriations.

(The total complimentary supply of this report has been unfortunately exhausted, but copies may be purchased for $1 from the Government Printing Office.)

YEAR 1962 CHRONOLOGY

Report requested from NASA

(a) On March 6, 1962, I requested a report from NASA as regards its scientific and technical information system, including the relationship of its system to the Department of Defense system.

Subcommittee report submitted to House committee

(b) On March 26, 1962, I submitted to Congressman GEORGE MAHON, chairman, House Subcommittee on Appropriations of the Department of Defense, a detailed 54-page mimeographed report.[5]

The report was based on findings by the staff of the Senate Reorganization Subcommittee.

The staff report pointed out that there are such serious deficiencies in the handling of scientific information within the Defense community that as much as $1 billion may be wasted.

Unlike the two previous reports, the report was devoted to all phases of the information problem—prepublication, as well as postpublication research. It mentioned that while tens of thousands of reports are being generated by the Department of Defense, only one-fifth of the reports have been finding their way to the Armed Services Technical Information Agency.

Excerpt from House report

(c) On April 13, 1962, the House Committee on Appropriations filed its report. The following paragraphs appeared in the House Report:[6]

"It was called to the attention of the committee that improvements in the management and dissemination of scientific and technical information could save not only money but the time of scientific and technical personnel.

"The committee once again states its desire for the Department of Defense to give careful, high-level attention to this point.

Thus, for the second year in a row, the House committee had taken cognizance of the Senate subcommittee's presentation.

Address in Senate

(d) On April 17, 1962, I spoke on the Senate floor calling attention to the language in the House report. I also pointed out that what is necessary[7] "is nothing less than a peaceful but profound information revolution throughout the executive branch."

Correspondence with Department of Defense

(e) On April 18, 1962, I wrote to Secretary of Defense Robert McNamara once again urging his personal attention to the issue of improving the handling of scientific and technical information in the Defense community.

[5] A reprint of my memorandum will be found in the hearings of the House Committee on Appropriations, Subcommittee for the Department of Defense, for the 1963 fiscal year, pt. 6, pp. 310–324. The mimeographed version is available from the Senate subcommittee; it is identified as S-3-11-62.

[6] H. Rept. No. 1607, 87th Cong., 2d sess., on the defense appropriations bill for the 1963 fiscal year, H.R. 11289, p. 48.

[7] CONGRESSIONAL RECORD, Apr. 17, 1962, p. 6758, reprinted with code number S-4-5-62 and available from Senate Reorganization Subcommittee.

NASA's reply on NASA–ASTIA realtionships

(f) On April 27, 1962, NASA forwarded its reply to the request, mentioned earlier. In answering, it indicated considerable progress in reciprocal information services by and for the Department of Defense, NASA, and their respective installations, contractors, and grantees.

Excerpts of that reply follow:

"THE SCIENTIFIC AND TECHNICAL INFORMATION PROGRAM OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, APRIL 1962

"Armed Services Technical Information Agency: Because of the similar nature of the NASA and ASTIA programs, and because of the broad commonality of interests between NASA and the Department of Defense, the closest possible degree of coordination and collaboration is maintained with ASTIA. Completely reciprocal service is maintained. ASTIA services are available to and used by NASA installations, contractors, and grantees. Department of Defense installations, contractors, and grantees can and do receive similar service from the NASA scientific and technical information program. This reciprocal service, of course, supplements the interlocking primary distribution mechanisms of NASA and the three military departments, by which originating agencies contribute technical reports directly to other interested activities regardless of their agency affiliations. The developing NASA documentation program is being geared very closely to the existing ASTIA system at all operational levels—from basic cataloging through specialized dissemination techniques such as microform or microfilm—to insure the greatest degree of compatibility throughout the two programs. NASA is participating directly in the present cooperative revision of the ASTIA Thesaurus, and is using the experience thus gained to assure the highest possible degree of compatibility in the essential area of retrieval vocabulary. Since all NASA reports feed into the ASTIA system, and since many military reports will of necessity feed into both systems, all possible steps are being taken to permit the untilization by either agency of the machined products of the other; with machine output from one being direct machine input to the other, duplicative processing of common materials is minimal."

Evaluation of NASA comments

The NASA report is, I believe, an overly optimistic statement.

NASA has developed highly advanced blueprints, so to speak, for information exchange. The blueprints are a long way from realization. This is despite the fact that NASA received an information mandate from the Congress as far back as 1958.

NASA has yet to service the information needs in depth of its own contractors or in-house laboratories, much less for the Department of Defense.

In the field, NASA's information centers are often being established side by side with the Department of Defense. But NASA's and ASTIA's systems inherently differ so considerably that communication between systems in Washington and in the field is more an ideal than an actuality or even an easy likelihood.

NASA's information efforts to date have yet to win the confidence of some of the leading professional societies or contractors. But, let it also be noted that the societies and contractors themselves (with a few notable exceptions, such as the American Rocket Society) do not appear to have given NASA or the Department of Defense information needs the attention which is deserved.

Fortunately, NASA does have a highly modern, unified information structure and plan. It possesses, moreover, in-house personnel and a principal information contractor with a very high degree of professional competence.

Dr. Brown's reply

(g) On May 8, 1962, Dr. Harold Brown, Director, Defense Research and Engineering, replied on behalf of Secretary of Defense McNamara. Dr. Brown's helpful reply (see exhibit A) offered some encouragement as to remedial steps being taken in the Department of Defense.

For example, he noted that ASTIA has received more resources.

But, in my judgment, the Department of Defense is still as poorly organized—structurewise and procedurewise—to integrate, store, retrieve, and disseminate information as ever before.

The armed services have yet to develop military or civilian leadership in depth, skilled in interdisciplinary communication science. Only the smallest cadre of such potential leadership exists thus far, and it has received little encouragement for the pains it takes or the competence it has developed.

Attached exhibits

Finally, in addition to the aforementioned exhibit, I am including:

Exhibit B, pertinent excerpts from a 1961 report by the House Committee on Science and Astronautics.

Exhibit C, excerpts from the Bureau of the Budget's report to the President on "Government Contracting for Research and Development."

(I am glad to state that the Bureau acted upon my own and the staff's suggestions in including recommendations for an interagency information system.)

Exhibit D, a letter to me from one of the country's leading publishers, B. P. Mast, Jr. His letter discusses another phase of the information issue not referred to above, yet a matter of great significance. I refer to communication through the trade press. I commend Mr. Mast's suggestion for a thoroughgoing exploration of how the trade press can be enabled to better serve the Defense (and, I may add) NASA communities.

Exhibit E, an article from Armed Forces Management magazine citing many weaknesses in ASTIA. The weaknesses persist, although comprehensive improvements are envisioned in ASTIA's bold 19-point program.

Exhibit F, excerpts from a more recent article in the same magazine on industry dissatisfaction with the Navy's information program on antisubmarine warfare.

EXHIBIT A

DEPARTMENT OF DEFENSE,
DEFENSE RESEARCH AND ENGINEERING,
Washington, D.C., May 8, 1962.

Hon. HUBERT HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: Since the Secretary of Defense has assigned to me the primary responsibilty for supervision of scientific and technical information activities within the Department of Defense, I have been asked to make further reply to your letter to him of April 18, 1962.

We certainly share the concern expressed in your statement to the Senate and clearly recognize that the handling of scientific and technical information within the executive branch and the Department of Defense must be greatly improved with all reasonable speed.

During the past year we have taken a number of additional steps for the improvement of our organization, policies, plans, and procedures governing the handling of scientific and technical information generated by the Department of Defense R.D.T. & E. program.

With respect to organization we have established a Deputy Director for Administration and Management within my office. One of his principal duties is to develop the

policies, plans, and procedures to assure the optimum Department of Defense program for the collection, storage, dissemination and retrieval of Department of Defense generated scientific and technical information and to assure positive coordination of the Department of Defense effort with other government agencies, educational institutions and industry.

One of our first actions with respect to planning was to review the so-called 19-point program developed by ASTIA. As a result, we have directed ASTIA to develop a comprehensive 5-year plan incorporating the 19-point program together with other proposals; and with the 5-year plan to be updated each year in terms of the work to be done and the resources required. To get started on the short-range objectives of this plan, we authorized additional funding and manpower spaces for the remainder of fiscal year 1962 and have increased the funding for fiscal year 1963 by $800,000 and have provided 102 additional personnel spaces. In this connection, we have considered ASTIA as a line item in the Air Force budget and will continue to do so.

Another significant part of our planning effort has been the initiation of a resurvey of the rather substantial number of specialized information centers that have been established within the Department of Defense over the past 10 years. These centers have made an important and major contribution in the collection, evaluation and dissemination of technical information in a number of critical fields for the benefit of Department of Defense users. The purpose of the current survey is to determine what can be done to achieve greater coordination between these specialized information centers and ASTIA. It appears certain that ASTIA could perform a good many of these functions now carried out by the specialized centers so that we can realize greater efficiency and economy.

The policies governing the operations of ASTIA are being revised and will provide that all technical reports and documents generated by the Department of Defense R.D.T. & E. program by defense laboratories, centers and other inhouse facilities as well as defense contractors and subcontractors will be forwarded to ASTIA without delay including top secret and restricted data reports. This change will provide ASTIA with the authority to pursue an aggressive acquisition policy aimed at securing coverage of at least 90 percent or more of all defense technical reports.

Another significant development during the past year has been our commitment to participate with the National Science Foundation and Department of Commerce Office of Technical Information Services, the AEC and NASA in the establishment of 12 Federal technical report centers throughout the continental United States. Under this agreement, we will supply each of these centers with microfilm copies of all unclassified unlimited reports, technical abstract bulletins, and indexing materials. These will be the same materials currently being provided to the NATO and SEATO countries.

We have completed the mechanization of the DD 613 files through the basic research area of the Defense R.D.T. & E. program. We are currently extending this program through the applied research area which is about 50 percent completed. From applied research we will continue the effort through the development, test, and evaluation projects including weapons and weapons systems. We estimate that the file when completed will have about 40,000 individually identified, coded, and cataloged units of effort. In addition to serving scientists and engineers and providing a better tool for management, this file will permit the Department of Defense to provide the basic information required by the Science Information Exchange without imposing an additional reporting system on Defense agencies.

In January we assigned one member of my staff on a full-time basis to the President's Advisor on Science and Technology to serve on a task group set up to study and recommend solutions to the problem of handling scientific and technical information on a national basis. This task group is completing its work, and it is expected that their recommendations will be considered by the Federal Council for Science and Technology at an early date. You may rest assured that the Department of Defense will be prepared to do its part in the implementation required of any of the recommendations of the task group which are approved by the council and the President.

In summary, we feel that we have made reasonable progress during the fiscal year 1962 to improve the handling of scientific and technical information within the Department of Defense. Moreover, we feel we have established the firm base required for the accomplishment of still greater improvements as rapidly as is reasonably possible.

I greatly appreciate your interest in this problem and will be pleased to furnish additional information at your request.

Sincerely yours,

HAROLD BROWN,
Director.

EXHIBIT B

COMMUNICATIONS IN THE DEPARTMENT OF DEFENSE

(Excerpts (pp. 48–49) from H. Rept. No. 243, 87th Cong., 1st sess., "Panel on Science and Technology—Third Meeting," Committee on Science and Astronautics)

Comments by Dr. Richard Joel Russell, Louisiana State University:

"POOR COMMUNICATION IN DEPARTMENT OF DEFENSE

"Dr. RUSSELL. * * * I spent the day * * * over in the Pentagon on the general science panel of the Department of Defense. Much of the discussion during the morning and some of the afternoon was concerned with a matter of coupling—coupling, getting ideas from one level of scientific achievement to the next level, then on through the Defense Department. When we cross the spectrum where you have the pure research scientist at this end, and at the other end of the spectrum the system planners of the Department of Defense, there is almost no communication between them, and this is one of the terrific problems that we have.

"The admirals—two- or three-star admirals or generals sitting here in the planning group have their equivalent of two- or three-star admirals in the science group. But to communicate from one or the other comes down through the captain or the colonel level—perhaps even a lower level. There is a filtering out process, so really the people through whom the information is filtered are incapable of transmitting the ideas across, where they are very badly needed.

"From the standpoint of the Department of Defense, it was pointed out by a number of people from the Department of Defense that this is one of the problems that really is rather acute. It really needs solving. So that there might be, for example, a correction of a lag of from 10 to 15 years in systems planning if the planners there could get in touch with their equivalents on the scientific side of the community."

EXHIBIT C

REPORT TO THE PRESIDENT ON GOVERNMENT CONTRACTING FOR RESEARCH AND DEVELOPMENT—PREPARED BY THE BUREAU OF THE BUDGET AND REFERRED TO THE COMMITTEE ON GOVERNMENT OPERATIONS, U.S. SENATE

(Excerpts from S. Doc. No. 94, 87th Cong., 2d sess.)

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"PART 3: PROPOSALS FOR IMPROVING POLICIES AND PRACTICES APPLYING TO RESEARCH AND DEVELOPMENT CONTRACTING

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"3. With the tremendous proliferation of research and development operations and associated facilities in recent years, it has become difficult for the Government officials who arrange for such work to be done to be aware of all the facilities and manpower that are available. To maintain a complete and continuous roster of manpower, equipment, and organizations, sensitive to month-by-month changes, would undoubtedly be too costly in terms of its value.

"Nevertheless, we believe that an organized attempt should be made to improve the current inventory of information on the scientific and technical resources of the country. We recommend that the National Science Foundation consider ways and means of improving the availability of such information for use by all concerned in public and private activities.

"4. In addition, the expansion of the Nation's research and development effort has multipled the difficulties of communication among researchers engaged on related projects at separate facilities, both public and private. It is clear that additional steps should be taken to further efforts to improve the system for the exchange of information in the field of science and technology.

"At present a panel on scientific information of the President's Science Advisory Committee is at work on this subject. We expect that its report will be followed by full-scale planning for the establishment of a more effective technical information exchange system, to support the needs of the operating scientist and the engineer."

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"ANNEX 5: SALARIES AND RELATED BENEFITS AND TURNOVER OF PERSONNEL

"This annex presents and analyzes certain of the data compiled from the questionnaires sent out by the Bureau of the Budget in connection with the review of contracting for research and development. (Annex 2 cites the organizations involved, describes the nature of the sample and some of the staff characteristics of the organizations.) Included are summary data on the salaries and related benefits provided by the 71 Government laboratories and other types of installations, universities, private businesses, and not-for-profit institutions responding to the questionnaires. The annex also presents summary data on the turnover of personnel experienced by those respondents."

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"(B) PUBLICATION IN THE OPEN LITERATURE

"1. Government establishments

"Scientists and engineers of 27 establishments reporting on this item are encouraged to submit articles for publication in the open literature. Many of the establishments furnish editing, typing, and other assistance for this purpose. In several cases this is considered a normal part of the employee's work and is a factor in evaluating his performance. In a few cases, small cash awards are given to employees who have had significant articles published. In most cases, proposed articles must be submitted for prior agency approval.

"2. Contractor establishments

"An identical number of contractor establishments, 27, reported that they encourage scientists and engineers to submit articles for publication in the open literature, provided no violations of security regulations are involved. In most cases prior approval of the articles is required. In many cases, editorial, typing, and other assistance is provided. One establishment reported that it gave an award of $50 to $100 for each article published.

"Seven other establishments reported that they permit publication of articles by employees, but subject to a number of limitations.

"(S) ATTENDANCE AT PROFESSIONAL MEETINGS

"1. Government establishments

"Twenty-eight establishments pay travel expenses for attendance at meetings of professional and scientific societies. The criteria for payment of expenses vary by agency and establishment. Of these, 22 encourage attendance at such meetings and attempt to pay expenses for all trips to meetings directly related to the employee's work or to meetings in which the employee is a direct participant. In addition some of these establishments will pay (within the limits of funds available) the travel expenses of each professional and scientific employee to attend at least one national meeting of his choice each year. A more liberal policy is followed with respect to attendance at local meetings. The major limiting factor is the amount of travel funds available to the establishment for this purpose.

"2. Contractor establishments

"Seventeen establishments authorize attendance, with travel expenses paid, at professional meetings usually only when the meeting is directly related to the work of the employee or when the employee is an active participant at the meeting. Four other establishments will pay expenses only when the employee is attending as the official representative of the establishment. Sixteen additional establishments encourage attendance at professional and scientific meetings and pay travel expenses for such meetings usually up to a limit of one meeting per year for each employee even though the employee is not an active participant and the meeting is not directly related to his work."

EXHIBIT D

CONOVER-MAST PUBLICATIONS, INC.,
New York, N.Y., April 27, 1962.

HON. HUBERT HUMPHREY,
Chairman, Senate Government Operation Subcommittee, Senate Office Building, Washington, D.C.

DEAR SENATOR: I read with great interest your recent committee findings concerning waste and duplication due to the lack of proper and effective scientific and technical information dissemination. Your discussion was one of the most complete and objective I have seen on this extremely vital subject.

However, I would like to respectfully add an area of thinking to your coverage of this problem. It concerns the role and importance to the national defense effort of the privately operated scientific and technical press.

As president of one of the country's largest specialized business magazine publishing companies, I have been concerned with the same problem you have delved into so deeply. Three of the 10 publications produced by the company are intimately involved with the dissemination of technical and scientific information. The titles are Electro-Technology, Space/Aeronautics, and our newest publication, International Science and Technology. In fact, I noted in your recent memorandum to the Honorable GEORGE H. MAHON that the latter one was quoted (p. 12). Recent copies of the three are enclosed. Possibly you might be interested in reviewing them.

In the memorandum you indicate a concern for the existing need of both prepublication and postpublication information. Possibly the enlarging of reference or abstracting sources such as ASTIA could help this situation, particularly in the prepublication area. But, as you intimate, and I agree, over expanding Government sources, which has a tendency to "establish another bureaucratic layer," is something is be opposed. And, reference and abstracting service is not the only problem area—or even necessarily the biggest.

On the other hand, in the area of postpublication, much closer cooperation with technical press, particularly the privately operated technical press, can immeasurably aid in the task for a rather minimum outlay of taxpayers' money. In fact, to a large extent, the technical press also helps the prepublication problem. Before absolute results are known from various research and development efforts, this press often reviews trends and directions which give men in industry the "idea leads" they need in order to avoid doing a good amount of work already being performed.

The use of the technical press is illustrated by readers' action. For instance, one of our publications generates some 10,000 to 15,000 inquiries a month from engineers and scientists asking for more information on items appearing in the publication.

Letter upon letter comes from the heads of key groups, in both Government and industry to our publications' editors, asking for more information of one kind or another.

In one specific case, an article in one of our magazines served as the basis for an engineering proposal that won a satellite contract for a firm.

Another recent item we published mentioned the fact that unclassified Russian reports were available on ground test of advanced nuclear systems. A scientist at a prime contractor told the editor during a recent visit that it was highly important knowledge for him. He was not aware that they had gotten this far, or that Russian reports on the subject were available.

These are just a few of many examples that could be quoted. Multiply this by the communications links all technical and scientific publications provide the Nation.

As your memorandum indicates, one of the major problems involved in information dissemination is that of separating the really worthwhile information from the "fat." This is the important job of evaluating. In the private technical publishing field, skilled editors have just this ability. They get it through industry experience, which is usually a prerequisite for the job, formal education, constant field travel interviewing engineers and scientists, and by constant reading of literature including Government reports and abstracts. These editors function as a screening process. They focus readers' attention on only the most significant developments, editing and reediting staff and solicited material for greatest clarity and speed of reading. This produces information with an intra- and inter-technological perspective so important to men in industry who need the cross-fertilization of ideas.

This leads me to one last thought. How is the technical press faring? The answer is not in the taxpayers' interest.

There seems to be a general and increasing fear of technical discussion evidenced by current Government information policies. New regulations require men in the defense field to reclear material even when just minor changes are needed. This is not to speak of the restrictions on clearing "fresh" information. In fact, it is disheartening that considering the feelings of many industry and Government leaders against unwarranted Government suppression of information, the present trend is toward an increase in restrictions and secrecy.

As you so wisely noted in your statements, exchange of information is vital, within the limits of security. However, as your survey also indicates, too much security is far more costly in terms of duplication. More important, the effect is to stifle presently undreamed of advances which must, after all, be based on present day research and development.

Advertising, which communicates product and capability information in itself, and makes possible at least the private technical press' editorial communication effort, is being discouraged by Congress through amendments to the appropriations act. Yet, the nonprofit society publications receive Government editorial grants, page fees, and considerably lower postal charges in an effort to encourage technical and scientific communications. I am not opposed to such encouragement. But it does seem inconsistent in view of action Congress has taken on advertising to discourage communications.

To conclude, I would like to commend to your thoughtful consideration that the technical press is a vital national asset which should be given maximum cooperation, within logical security limits. It is essential that we provide needed information to men responsible for the direction, planning, and execution of our defense programs, including our civilian space effort.

I would also like to suggest that the views of competent technical publication editors on how present and possible future information logjams could best be eased might be helpful to congressional committees.

And I would like to recommend that wider use of the inbeing technical press be made by the Government. This could be less costly and far more efficient than the massive addition of personnel to Government agencies and offices.

Finally, I suggest that all types of scientific and technical publications—taxpaying as well as nontaxpaying—be equally encouraged to play an increasingly active role in helping to solve the existing communications problem. This calls for a review of the current congressional defense contractor advertising regulations.

Thank you for any consideration the material in this letter receives.

Sincerely yours,
CONOVER-MAST PUBLICATIONS, INC.,
B. F. MAST, Jr., *President.*

EXHIBIT E

[From the Armed Forces Management, June 1961]

ASTIA KEEPS SCIENCE DATA ON DOLE BASIS

(By Paul Means)

The U.S. Military Establishment is cutting its own throat in the area of technological communication.

The dissemination of technical information to scientists and engineers engaged in military research and development is being bogged down because of interservice rivalry, lack of financial and organizational support, duplication, and ignorance of where to get it on the part of some who have a "need to know."

The situation can be corrected if the President of the United States and the Secretary of Defense recognize the problem, knock a few heads together, and appropriate a minimal amount of money which would be amortized within 10 years because of operating economy.

Department of Defense planners had hoped to solve this problem in 1951 with the establishment of the Armed Services Technical Information Agency, giving it the responsibility of providing "a central service within the Department of Defense for the efficient interchange of scientific and technical information."

But ASTIA doesn't get all of the technical documents needed to maintain a complete file, and must compete with 70 to 100 duplicating reference units within the three armed services.

* * * * *

Evidence amassed in ASTIA's files indicates a great many people eligible to use

the Agency's service do not know about it—only a few know how to use it effectively.

Others involved in projects the three services like to keep close to their chests cannot get the type of data they need.

The more advanced the area of research, the less chance a group will be willing to tell scientists in other groups about it, and the less chance ASTIA will be given the document.

One of the weakest areas of the Agency is that of advanced missile development, such as Polaris, Minuteman, and Pershing.

The services withhold this information under a directive which requires them to give ASTIA all technical documents up to "secret" unless they are considered "sensitive."

What the difference between "secret" and "sensitive" is has never been explained, and the latter term is not defined in any Government directive.

The originator of the document also has power to tell ASTIA who will get to see it. Through a necessary requirement this administrative extension of the need-to-know rule also operates to keep many who need to know out in the cold.

Some originators of technical data are of the opinion that "no one can see my document unless he can show to me he needs it."

And, of course, the scientist on a related research project in another service may not be able to determine whether or not he needs the document unless he does see it.

About 10 percent of the documents ASTIA receives have limitations as to who can see them, over and above the customary need-to-know provisions.

Besides documents intentionally withheld by services, there are many others which should be in the ASTIA library that are kept casually, or because of lack of knowledge about the Agency's purpose. A document may not be sent merely because so many have been withheld for political or other reasons that the particular organization has simply forgotten about this requirement.

Many of the technical information activities within the three services duplicating ASTIA provide effective roadblocks to the free flow of literature.

They will receive documents labeled "sensitive" that ASTIA will never see, therefore effectively depriving a majority of Department of Defense research and development people of their value.

These special information centers increase in number each year even though ASTIA has improved to the point where many are unnecessary. (Five new ones have been set up within the last year.)

This is not to say some of these information centers do not perform an important service, but the number indicates how little many organizations rely on the centralized service. The result of this is lack of adequate communication of a Department of Defense-wide basis.

The problem of duplication could be examined at the Department of Defense level and many special information activities eliminated. The problem of interservice rivalry and the subsequent withholding of information to the other services through ASTIA could be solved by a Department of Defense directive defining the term "sensitive," and by strengthening the provisions governing ASTIA.

ASTIA has some difficulty due to its being under Air Force Systems Command for administration. A Department of Defense agency under Air Force Management creates suspicion within the other services and does not give it the stature needed to command an adequate response from the service organizations. This is not the fault of Air Force Systems Command. Many ASTIA officials feel it would be beneficial to place it directly under the Secretary of Defense.

EXHIBIT F

[From Armed Forces Management, April 1962]

INDUSTRY ADMITS ASW PROGRESS BUT COMPLAINTS OF THIS YEAR'S ASW INDUSTRY SURVEY CENTER ON NAVY MODERNIZATION, ASW SYSTEMS, AND BLUE SKY IDEA EVALUATING

(By J. H. Wagner)

ASW INFO AGENCY

"Security being what it is, too often the questioner does not have the first piece of information which would lead him to seek the second. Instead, this office should function actively and aggressively to advise industry of what is going on and of what is needed. An about-face would be required in the need-to-know philosophy, with a new point of view being adopted which recognizes the fact that an adequately informed defense industry can contribute most valuably to the Nation's defense needs. Specific suggestions for a central information office might be made. A monthly or bimonthly classified publication could be issued as was done in the radar field in World War II. Under a confidential cover, an adequate review of reports and papers in the field could be published regularly. An information retrieval system specifically tailored for ASW and related efforts could be employed, filling the gap left by ASTIA's general, rather than specific, retrieval system. This agency could publish tabulations of technical specialists working in the field, identified as to their specialties, and thereby fill still another need. The possible worthwhile services of such an agency are numerous, and could be of great value."—(From AFM's 1962 ASW Survey.)

Communications between the Navy and industry have improved, says industry. The companies also realize that historically, the Navy by nature has been a very finely departmentalized organization in that ships provide tight-knit groups of people operating as independent units, and with a rather loose connection to the rest of the Navy. This philosophy has been carried over into the land-based bureaus which provide for the procurement, research, and development in weaponry, and research tools for hydrography.

This extreme departmentalization within the Naval Establishment is sought out as the obstacle to successful communication between Navy and contractors. With the complexity of ASW in mind, industry suggests these improvements:

1. A central classified library that provides information on all aspects of ASW. In other fields, such as infrared research, a detailed catalog is issued, and the sources of accurate information are made known. In the ASW field which includes basic sciences, such as hydrography and oceanology, even with a bona fide need-to-know, information retrieval is a tremendous project. An average of 3½ months elapses between receipt of a document, says a recent NSIA ASW committee survey, and then the obtained data is conflicting with other information.

2. A unified approach to disseminate naval information on ASW. Navy has offered substantial support to industry through the ASW Advisory Committee of the National Security Industrial Association (NSIA), but there are so many channels: ARS, AOA, ONR, and the recent first interspace symposium at Washington, D.C., that revealed an undefined Navy line on ASW, and visits by fleet personnel who frequently present views based on experience at sea but which nevertheless, are not identical with departmental doctrine.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the business for today has been concluded, the Senate adjourn until 12 o'clock noon on Monday next.

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

CONTRIBUTION BY EMPLOYEES OF NATIONWIDE MUTUAL INSURANCE CO. TO ADVANCEMENT OF THE ALLIANCE FOR PROGRESS

Mr. MORSE. Mr. President, I take pleasure in inviting the attention of Senators to the activities in Central America of a group of employees and agents of the Nationwide Mutual Insurance Co., who in their private capacity are making a signal contribution to the advancement of the Alliance for Progress.

During the last 2 years the Nationwide employees and agency force have conducted a campaign to raise funds for a self-help program in Central America through CARE. As a result of this campaign a total of $200,000 was raised. These funds have been used in four Central American countries—Panama, Costa Rica, Honduras, and Guatemala—to provide educational materials, agricultural tools, medical supplies, mobile health units, pumps for water systems, Cinva-Ram machines for making blocks for building schools and homes, and other urgently needed supplies.

The Nationwide employees have thus undertaken in a spirit of compassion and generosity to help assuage the problems of poverty, malnutrition, disease, and illiteracy that afflict the peoples of Central America. In so doing they are contributing to the success of the Alliance for Progress programs in this area and thereby advancing the foreign policy interests of the United States.

Several groups of Nationwide employees and agents have visited Panama, Costa Rica, Honduras, and Guatemala for purposes of assessing the impact and results of their campaign. They spoke to U.S. Embassy and AID officials, CARE representatives, and the people themselves who were benefiting from the Nationwide-CARE campaign.

The Nationwide report to policyholders for March 1962 contains a "Central America letter" based on the findings of the groups which visited Central America. Because this report is perceptive and informative, and because it may encourage other private companies and organizations to contribute to the Alliance for Progress by undertaking similar people-to-people campaigns, I ask unanimous consent that this "Central America letter," based on firsthand observations in Panama, Costa Rica, Honduras, and Guatemala, be inserted in the RECORD at this point.

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

CENTRAL AMERICAN LETTER

(EDITOR'S NOTE.—Just concluded is the second year of a CARE drive for Central America conducted by the employees and agents of Nationwide. More than $200,000 has been raised to supply to tools which the people in Panama, Guatemala, Costa Rica,

and Honduras so desperately need if they are to throw off their staggering burden of poverty, malnutrition, disease, and illiteracy—and to successfully avert the Communist threat to their freedom. The needed tools? Just simple things, like elementary textbooks, pencils, vocational toolkits, agricultural toolkits, sewing machines, medicines. Last fall, two groups of employees and agents went down to see what results the campaign was producing. An advance party of five—Nationwide Board Members R. N. Benjamin and James Lewis, Vice Presidents Howard Hutchinson and Calvin Kytle, and Campaign Chairman Will Hellerman, went along to make a survey of the countries' various self-help efforts. They talked with the Presidents and Cabinet officials of those countries, with the U.S. Ambassadors and Embassy staffs, officials of AID (the U.S. Agency for International Development, which has assumed the functions of the old International Cooperation Administration), CARE representatives, local officials in rural areas, and the people themselves. This report includes some of the things they saw and heard, and reported to the Nationwide board of directors when they came back.)

SOME THUMBNAIL OBSERVATIONS

The problems are similar in all four countries, varying only in degree.

All four suffer from an unbalanced economy. Historically, Costa Rica, Honduras, and Guatemala have depended too much on one crop (coffee [1]), and Panama too much on one canal, which is to say the U.S. Government. In each, the contrasts between the very rich and very poor are extreme, this being visibly and most depressingly clear in Tegucigalpa, the capital of Honduras. In Barrio Las Crucitas, for example, a slum area in the heard of the city, 40,000 people share 18 water closets.

None of the countries has a strong democratic tradition; each, as the Chargé d'Affaires at one of the U.S. Embassies told us, is only now beginning to think through the processes of republican government. Costa Rica is the most advanced of the four, perhaps because it has a longer history of public education. Here one does find a middle class beginning to exert itself. We would rank Guatemala next. In fact, the sense of progress is currently even stronger in Guatemala than in Costa Rica, largely because of the spirit with which President Ydigoras is pushing his school construction and land and tax reform programs. Panama we would rank third, Honduras fourth.

The countries are not all universally blessed with natural resources. Honduras particularly is handipped by a comparatively light rainfall and insufficient water reservoirs. Despite repeated explorations, neither oil nor coal is found in any of the countries, a fact which partly explains why there is so little manufacturing and heavy industry there. Disease is prevalent in each, varying almost in exact ratio to the differences in the national sanitation standards. Malnutrition is a common problem, not so much because of lack of food but because of an excessive and unvarying diet of beans and corn. The illiteracy rate ranges from 70 percent in Guatemala, where Indians constitute three-fourths of the population, to 20 percent in Costa Rica.

Incumbent governments are all pro-United States, all democratically aimed.

Election of President Chiari in May of 1960 is said to have eased the fears raised by anti-American riots in Panama City in September 1959. Though Panama remains the country where U.S. relations are most strained, a cordial working bond has been established between our Embassy and the Chiari government. Moreover, the U.S. Army's Operation Friendship seems to have succeeded in minimizing the Communists' efforts to organize sentiment in the opposition parties against us. Thus, for the time being anyway, there seems little doubt that the governments in all four countries lean toward the United States and are anti-Castro on the record.

The staffs in all four U.S. Embassies can be commended for their professional competence and practical idealism.

Some of our party had had previous experience with the U.S. diplomatic corps abroad, and all of us were familiar with the charges against our Embassy staffs—notably that they do not mix with the common people, sometimes not even condescending to learn the language. Consequently, we were happily surprised to find that changes in ambassadorial appointments over the past 2 years have brought shirt sleeve, eyeball-to-eyeball diplomacy into fashion in all four countries. We were especially impressed with Ambassador Farland of Panama and Ambassador Telles of Costa Rica.

Without exception, CARE representatives impressed us as dedicated men and competent administrators.

The CARE projects we saw appear to have been well selected and of proven effectiveness. The mission chiefs have earned the admiration of people at the grassroots. They also enjoy easy access to the official leadership and good working relations with the various U.S. technical staffs. CARE's informal, people-to-people approach is sometimes seen in flattering contrast to that of our State Department. For example, when we said our goodbys to President Echandi of Costa Rica, he told us he'd always had a lot of respect for CARE, and added, "They always answer your letters promptly—which is something I can't always say for your Government."

All four countries are ripe for cooperative development.

Whether under the stimulus of AID advisers or because of their own search for workable political platforms, the leaders of all four countries have now discovered cooperatives. Some examples: In Panama President Chiari has proposed that a separate department be established in the Ministry of Agriculture, to be devoted exclusively to the planning and development of cooperatives. In Costa Rica a bill has been introduced to set up an autonomous Institute for Cooperatives, thus making co-op development an independent arm of the government, no longer subject to politics. In Honduras, President Villeda has plans to organize 15,000 unemployed former United Fruit workers into co-ops—one co-op for each 500 families. In Guatemala, where co-ops got a bad name under the Communist-dominated Arbenz regime, interest in the movement is being revived by the Instituto Agropecuario Nacional, whose leaders think it might be especially useful as a means of providing farmers with low-interest credit. Furthermore, around the Institute for Political Education in Costa Rica there is the nucleus for a cooperative training center serving all Central American countries. One Jesuit priest, Santiago Nunez, has chosen to train himself in cooperative theory and organization and has declared his intention of devoting the rest of his life to the promotion of cooperatives in these countries, convinced that they constitute the little man's best hope.

This interest in co-ops is now segmented. There seems to be little communication among co-op leaders in the different countries. And, as might be expected, the orientation as of now is almost entirely in terms of producer interests. The encouraging thing, however, is that the movement is still so young, and enthusiasm still so fresh, that with proper support it could grow as co-ops have grown in Scandinavia, avoiding the mistakes we have made in the United States and developing a natural diversity, serving producers and consumers alike. What is equally encouraging is that precisely because their problems are so similar, the Central American states present themselves as a natural unit for cooperative organization, in the same way that President Ydigoras of Guatemala and former President Figueres of Costa Rica now see it as a common market. Indeed, the parallel with Scandinavia might realistically be pursued to the point where co-ops in Central America, organized on the basis of need, crossing national borders when appropriate and with centralized services for all, might become the demonstration center for co-ops in the Western Hemisphere.

The most serious obstacle to economic progress in Central America is the lack of adequate credit facilities.

Historically, the well-to-do in Latin America have never invested their wealth in their own countries, fearing confiscation by unsympathetic political regimes. Government instability has similarly discouraged investments of private capital by foreign entrepreneurs. (The conspicuous exception has, of course, been the big fruit companies.) For this reason, the few enlightened businessmen in these countries have enormous difficulty in raising enough money to launch any basic industries. Under such circumstances, the native governments—usually with the loans from the U.S. Government—constitute the only source of large-scale credit, with the result that what money is available for capital improvement either goes into public projects or, circuitously, into the improvement of favored private property under the guise of public projects.

The total effect of this has been to perpetuate a feudal economy, in which the lowest classes practice subsistence farming, and roughly 90 percent of the others make their livings either as small independent farmers or as workers on the big plantations.

Obviously, in these countries reform must begin with agriculture. In this respect, U.S. mutual assistance plans for Central America (as for all the other underdeveloped countries) must differ radically in approach from the famous Marshall plan, which was primarily directed toward reviving European industry after World War II. At this point, reenter the problem of credit. Under the ambitious land reform programs now being inaugurated in each of these countries, cooperative marketing and purchasing facilities are scheduled to play important parts. But the success of this whole can be jeopardized unless accompanying facilities are established for extending long-term credit and crop loans to individual farmers, and unlers money is somehow made available at low interest rates for capital improvement of the co-ops themselves.

Without exception, the governments of Panama, Costa Rica, Honduras, and Guatemala have reacted with enthusiasm to the conditions and proposals of the Alliance for Progress, as enunciated in the pact of Punta del Este.

Perhaps the most significant effect to date of the Alliance for Progress is that, in a part of the world where political programs have traditionally been conceived in expediency and launched by whim, the governments of these countries are now doing comprehensive planning. Trade, health, education, land use, and taxes—for the first time all these are being seen in relation to each other and developed into programs for reform. The plans were being written even as we were talking to the presidents. (To help draft his programs, President Villeda, of Honduras, has borrowed a planning officer from the U.S.

[1] In Guatemala, for instance, coffee constitutes 85 percent of the agricultural exports. When in 1950 coffee prices began to drop from 90 cents to the current 40 cents a pound, the effect was felt not only in lowered income to the country's coffee producers but in a 50-percent reduction in duties to the Government.

Embassy.) But the most dramatic evidence of the Alliance's impact came the day before we left Guatemala when the third reading of President Ydigoras' personal income tax bill was approved by Congress.

Communism will succeed in Central America only if democracy defaults.

Obviously, no reliable assessment of communism's strength in Central America can be made during a tour of only 2 weeks. Our impression, however, is that, as has so often been true in other countries, communism there often gets confused with authentic protest movements. Undoubtedly, there is a hard core of professional Communists in each country (a member of the Honduran Communist Party, for instance, sits at a desk in the Ministry of Education) and this core is unquestionably being supported by Moscow. In Costa Rica we were told that 45 Soviet-trained Communist "activists" supported by a budget of $15,000 a month in Soviet money are currently operating among farmworkers and young intellectuals. Communists openly operate in most of the universities, and are also active among the workers idled by the big fruit companies. Nevertheless, we do not believe that communism is indigenous to the Central American people. It has caught the imagination of some people there mainly because it has been promoted as the instrument of hope and freedom. It is significant, we think, that the strongest center of Communist influence in Panama, the Province of Santiago, is also the area where there is the highest incidence of illiteracy and poverty. We do not mean to imply that communism's only appeal is to the hungry and dispossessed, for obviously this would not explain the strength of its appeal among students.

Our best explanation is merely that Central America is in ferment. The poor are susceptible to any movement which offers a realistic promise of improvement, and the young intellectuals to any program frankly addressed to their idealism and need for excitement. In our opinion, the answer to communism is nothing more nor less than a properly implemented and popularly dramatized Alliance for Progress.

SOME THINGS TO DO

After 2 intensely concentrated weeks of looking and talking, one gets the feeling that the act of Punta del Este, signed and announced less than a month before our arrival, has done for Central America what in 1938 Franklin Roosevelt's Economic Report on the South did for the United States. Problems for an entire region apparently have been given a common and acceptable reference frame. More importantly, the basic direction for reform has been stated, and realistic conditions have been fixed under which financial and technical aid will be made available. There is, as a consequence, the same air of expectancy, the same feeling of promise and hope, that swept the United States own underdeveloped areas 25 years ago.

All of which is to say that never before in the history of Central America has there been a time when receptivity to social and economic change was higher. There has always been much to be done in these countries. Now much can be done, and done with real hope for success. What's more, some may be done by Nationwide. Some can be done by organizations like the Cooperative League and the International Cooperative Alliance, in which Nationwide is a leading participant; still more might be done by U.S. Government agencies like AID on whose advisory committee various Nationwide officers or directors are serving. Exactly how much Nationwide can do—and how—can, of course, be decided only after careful study, but some of the possibilities which, as we see them, deserve to be considered are listed below:

CARE

The good work that CARE is doing in all these countries only emphasizes how much good it could do with more money. The school assistance programs in Costa Rica and Guatemala could be expanded with good effect; additional community water systems in Honduras are urgently needed; in Panama, CARE is in a good position to initiate the organization of several fishing co-ops. In short, every project now going deserves stronger support, while important new self-help projects which CARE is demonstrably best qualified to originate only await the necessary funds.

Suggestion: That Nationwide encourage civic organizations, other businesses, sponsors, and other groups to conduct CARE campaigns, similar to the one conducted by our agents and employees, for the support of self-help programs addressed to specific needs.

COOPERATIVE DEVELOPMENT

As noted earlier, more and more influential people in Central America are becoming excited about the idea of cooperatives. Most of them, however, as yet have little knowledge of what exactly makes a co-op or of the various purposes co-ops can serve, and even less of the techniques of co-op organization and management. The danger is that, unless supported by more knowledge and experienced counsel, their enthusiasm might lead them into projects doomed to failure. Inevitably, if this happens often enough, disillusionment will set in and what now looks like a promising movement will die a-borning.

The other critical need is for credit. Without production credit and long-term loans, supported by cooperative marketing and purchasing, the various land reform programs now getting started will have enormous trouble succeeding.

Suggestion: That a comprehensive study be initiated as soon as possible which would—

Document the scope of cooperative activity now underway in the four countries—describing the direction that the movement is taking in each country; the qualifications of its leadership; its sources of credit, and so on.

Explore areas of need which future co-op development might appropriately serve.

Report on the extent of help now being given Central American co-ops by such organizations as the Cooperative League of the U.S.A., the U.S. Government, the Co-op League of the Caribbean, the International Cooperative Alliance, etc.

Analyze all laws affecting the financing of co-ops, with a view toward establishing some sort of central credit institution which would serve all legitimate co-ops in Central America.

Suggestion: That on the basis of the above study, a comprehensive plan be developed which would—

Define the organization or organizations through which technical assistance can best be channeled to assist Central American co-ops.

Establish a means for the pooling and sharing of all information to do with Central American co-ops.

Set up adequate training facilities for co-op leaders. The only educational facility in Central America now serving democratic leaders in all countries is the Institute for Political Education, located in Coronado, Costa Rica. Supported by 17 democratic political parties in Latin America, it currently devotes 3 days out of a 10-week session to cooperatives. The director, Father Benjamin Nunez, would like to set up a separate training sequence in cooperatives—say, one that ran for 60 days, was attended by 10 co-op leaders from each of the 5 Central American countries and Panama, and had on its faculty representatives from Antigonish, the Co-op League, and Puerto Rico. Such a sequence would cost about $50,000.

Prescribe the form of institutions which would provide (a) loans for capital improvement for cooperatives, (b) long-term loans for individual farmers, and (c) production credit, all at a reasonable interest rate.

COMMUNICATIONS

We in the United States need to be generally better informed about Central America.

Suggestion: That Peoples Broadcasting Corp. consider special programs devoted to significant aspects of life in Central America, and that it encourage other stations in the National Broadcasters Association to do likewise.

EXTENSION OF NATIONWIDE SERVICES

As these countries develop economically, the need for insurance will grow—and the earlier a cooperative insurance program can be introduced the greater contribution it can make to cooperatives as well as to specific consumer needs.

All four countries are aggressively seeking U.S. capital, but only if it is invested in enterprises which use native labor and materials, and in which ownership is shared. Housing is needed badly in all four; we would suggest that both Nationwide Development and Tectum explore possibilities for investment with the planning directors of each Government. More specifically, Guatemala invites participation in its expanding tourist program. The opportunities seem immediate for Peoples Travel Service, or American Travel Association, to sponsor special trips to Guatemala's mountains, lakes, volcanoes, and picturesque Indian villages. Completion of the Pan-American Highway suggests the feasibility of motels. Also worth considering now is the possibility of Nationwide Development's building a resort lodge on Lake Atitlan. This whole area is soon to be opened up by Guatemala's Tourist Division.

SOME IMMEDIATE PROJECTS

Panama project: To provide two 4-year scholarships to some accredited school of agriculture in the United States to the president and one additional member of the student cooperative at the National School of Agriculture in Divisa.

One of the Nationwide employee-agent projects in Panama has been assistance to the National School of Agriculture at Divisa. Here we've set up a revolving fund of $2,000 (in 2 years it has rotated 4 times), and supplied 10 heifers and a farm tractor. President of the student cooperative since its founding is Jose Blandon, 18, the top-ranking senior, who will be graduated next February. Jose would like to study animal husbandry in the United States, then, on his return to Panama, work for the Ministry of Agriculture until he has money enough to go into farming on his own. If land reform measures are introduced and implemented intelligently in Panama, Jose may be able to buy some acreage, on credit, when he returns. As of now, however, he has no land to farm, and in this respect he is like most students at Divisa. It is hard for North Americans to realize this, but the truth is that agriculture as we know it is a very recent industry in Panama. Traditionally, the good farmlands have been owned and operated by the big fruit companies and the so-called aristocracy. The little people have practiced subsistence farming, or worked either on the big plantations or for the U.S. Government. It was only when U.S. installations were reduced in Panama after World War II, partly as a result of agitation by native political parties, that any organized effort to encourage diversified family-style farming, and to put it on a profitable basis, took shape. Whether or not this movement can grow and

eventually make a significant impression on Panama's economy will depend as much on the training of native leaders like Jose as on major reforms by the Government.

Panama project: To help CARE organize a fishing co-op in the village of Farallon by (1) underwriting the expenses of a visit by the CARE mission chief of the Nova Scotia Fishing Cooperative, for the purpose of picking up some practical do's and don'ts; (2) lending capital funds to fishermen for the purchase of needed boats, nets and other equipment; and (3) arranging, possibly through the Puerto Rican co-ops, for a Spanish-speaking cooperative leader to be assigned full time to the Farallon community for the purpose of providing technical assistance through the co-op's beginning phases.

When Outboard Marine announced it was offering free outboard motors through CARE, Bill Salas, CARE mission chief in Panama, went looking for some fishermen who could use them. He had no trouble finding the fishermen. The trouble was, their boats were hand hacked out of trees and simply weren't sturdy enough to accommodate motors. Bill then thought he'd try to get them some new boats, but that raised a question of whether new nets weren't also required. One thing led to another and before long he came to realize that a brandnew fishing economy would have to be built before the motors would do anybody any good. When last seen, he was busy helping organize a co-op in the 92-family village of Farallon.

The people in Farallon fish seasonally, mostly for corbina, which they sell to middlemen for 10 cents a pound and which is later sold in nearby villages for 35 cents a pound. The idea of cutting out the middleman is so appealing that the fishermen already have put $40 of their small savings in the new co-op and now are on the second reading of the 72 articles of cooperative law. As one of them told us: "We want to be sure everybody understands exactly what a co-op is before we ask for a charter."

To get started they need boats (10 boats for 2 villages), a carpenter to build them, and 10 nets (at $1,500 apiece)—after which they'll be pleased to have Outboard Marine's motors. Also, they need some expert advice on a few uncertainties—how best to store the surplus catch, for instance, and whether to set up a buyers' co-op as well, thus reducing the price of salt, hooks, line, and other staples. All told, they need between $20,000 and $30,000. Can Nationwide help? We said we'd try.

Honduras project: To improve the livestock and corn by introducing, through an appropriate agency like CROP, purebred cattle and hybrid seed. The need for improved agricultural methods in Honduras is so basic and so evident that on the one hand almost anything calculated to increase crop production would be helpful, and on the other nothing would seem to be enough. Our interview with President Villeda, however, confirmed the impression that the introduction of some purebred cattle and hybrid seed would produce the most immediate tangible results.

Guatemala project: To provide, directly or indirectly, help in organizing cooperative distribution centers for native handicrafts.

The tour business is now getting major attention from the Guatemalan Government. In the next few years many new incentives—special flight plans, for instance, which will open up lake and mountain country that is now virtually inaccessible; resort hotels with service comparable to the best in America, located strategically for the best possible exploitation of fishing, hunting, and sightseeing—will be offered North Americans, and Yankee dollars can be expected to flow as freely there as they do now in Mexico. Thus there is an opportunity now to do what, except in Scandinavia, the cooperative movement has failed to do elsewhere—that is, organize marketing co-ops for native crafts. In Guatemala, this consists of all sorts of woven fabrics, pottery, jewelry, and art pieces, most of it adapted from unique Mayan designs. This way, the "little people" would benefit from increased tourist trade as well as the big promoters.

These, then, are some of the things that might be done to help our Central American neighbors—and ourselves—through mutual effort. We do not pretend to suggest that the list is complete, or that we speak with exhaustive knowledge of the subject. Our visit was short. It is obvious, however, that much needs to be done and that the time to do it was never more opportune. It also is obvious that the U.S. Government in its official capacity does not have the freedom to step in at every point where help is needed. Private businesses, subject to their own limitations, not only can but must do what their governments cannot. And there are vast areas where only individuals and civic groups have the freedom to undertake the needed self-help and community improvement programs. We hope that Nationwide will find its proper corporate role in the development of Central America, and that other agencies and groups will find theirs.

A COMMUNITY OF HOPE AND RESPONSIBILITY

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief article from the Saturday Review entitled "A Community of Hope and Responsibility." It is a very inspiring piece, and I wish to have it made a matter of permanent record in the CONGRESSIONAL RECORD.

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

A COMMUNITY OF HOPE AND RESPONSIBILITY

(EDITOR'S NOTE.—The following editorial is drawn from a commencement talk given at the University of Texas, Austin, Tex., June 2, 1962.)

The other day a friend of mine, like countless thousands of others throughout the country, received a telephone call from his broker. The stock market was in a deep dive. The broker advised my friend to sell, while there was still something left to sell. And, like many others, my friend sold—not because he thought there was anything wrong or unsound about the companies in which he had invested, but because he had been hit by a chain reaction of fear. It didn't occur to him that he might be helping to produce the very crash he dreaded, or that he might be contributing to a state of panic that might crack the economy and do grave damage to the country.

When I spoke to my friend about this, asking whether he didn't feel any sense of responsibility beyond his own profit-and-loss position, he stared at me coldly and said: "Let someone else be responsible. I'm looking out for No. 1."

I thought back to a conversation I had with a Soviet economics professor in Moscow 2 years earlier. The Soviet professor said that Marxist scholars believed that capitalism would collapse ultimately—not solely because of inherent flaws in the structure of capitalism itself but because it wasn't really an ideology. He said that it inspired no sense of basic allegiance or willingness to sacrifice—the prime test of a strong ideology.

"Even your capitalists don't really believe in it," he said. "Whenever there is a real test of confidence, they turn and run. And the result is that the structure of capitalism will topple—because it won't have enough support from the people themselves."

He went on to say that the difference between communism and capitalism as economic doctrines was that the first was built to cope with adversity while the second was prone to it.

I told the Soviet economist that I believed he was mistaken about the notion that all Americans reacted the same way and would crumple in any genuine showdown. And his greatest error was the assumption that America lacked an ideology.

As I say, this discussion, with a Soviet economist came to mind when my friend told me the other day that he felt no special responsibility beyond his own financial condition. There was no connection in his own mind between what he did and the gloating that took place in Pravda and in Communist circles throughout the world over the gyrations on Wall Street. In fact, my friend prides himself on being militantly anti-Communist. He would yield second place in the decibel count to no one in his proclamations against communism. But his proclamations are meaningless alongside his actions. He doesn't comprehend that the best way of defending his society against totalitarianism is by doing all the things, small or large, that are required to make freedom work.

I think my friend would probably reply to this by saying that I am exaggerating his importance. After all, he might say, he is only one man. Why should I suppose that his one finger in the dyke could hold back the flood when everyone else was rushing for the dry highlands? More specifically, even if he hadn't told his broker to sell that Blue Monday, would it have made one whit of difference? Or would he have been left holding the big—and an empty one at that?

In a sense, my friend represents the eternal and ultimate problem of a free society. It is the problem of the individual who thinks that one man cannot possibly make a difference in the destiny of that society.

It is the problem of the individual who doesn't really understand the nature of a free society or what is required to make it work.

It is the problem of the individual who has no comprehension of the multiplying power of single but sovereign units.

It is the problem of the individual who regards the act of pulling a single lever in a voting booth in numerical terms rather than historical terms.

It is the problem of the individual who has no real awareness of the millions of bricks that had to be put into place, one by one, over many centuries in order for him to dwell in the penthouse of freedom. Nor does he see any special obligation to those who built the structure or those who will have to live in it after him, for better or worse.

It is the problem of the individual who recognizes no direct relationship between himself and the decisions made by government in his name. Therefore, he feels no special obligation to dig hard for the information necessary to an understanding of the issues leading to those decisions.

In short, freedom's main problem is the problem of the individual who takes himself lightly historically—however well rounded and indeed bloated he may take himself personally.

Having said this, I must admit that there are at least a few contributing factors. The individual is always responsible for the shape or direction a free society may take, but at the same time he is affected or conditioned by the general environment and by the general values he himself has helped to create.

My office is located in the largest city in the world. I look out from my window and see huge slabs of steel, concrete, and glass invading the sky. Many of these are new. A few of them have distinction, grace,

spirit, even elegance. They made for expansion of the mind. Most of the others, however, look alike. Their claim on the esthetic imagination is quickly exhausted. Their sides contain row upon row of honeycombed slots, repeating themselves endlessly. It makes for a powerful spectacle, but it places at least some strain on the idea that an individual is a sovereign cause. An environment of compressions, repetition, and massive routine does not quite furnish the ideal conditions for advancing a belief in the creative splendor and dignity of the individual.

When, suddenly, at the lunch hour or at 5 o'clock these monolithic hives disgorge their occupants, the notion of human individuality requires something approaching an act of faith. It would be a mistake to suppose that this has no effect on the human subconscious, pressing down upon it the constant evidence of individual inconsequentiality. Jefferson might have made at least a slight alteration here and there in his definition of human uniqueness if he had had to ride 60 floors in a crowded elevator 4 times a day. John Keats might have found it somewhat difficult to meditate on beauty or even to contemplate a Grecian urn after driving a car through midtown traffic or spending an hour in search of a parking space.

There is no point in extolling the concept of human individuality without recognizing the increasing difficulties such individuality is expected to sustain. The idea that a glass box can light up from the inside and make it possible for the individual to witness events far away is surely one of the most magnificent ideas to come out of the inventive intelligence. Television still has this potential and someday, Mr. Minow willing, it may achieve it. At present, and for the most part, however, it has depressed individuality rather than expanded it. I make note of all the good things it has done, but its total effect has been to cheapen respect for life. The insistence of television on making people clobber one another constantly with fists or clubs, on making them fire bullets at each other—all this is having a debilitating effect on the preciousness and fragility of life, without which there can be no true respect for human individuality.

A casual attitude toward human hurt and pain is the beginning of the end of a free society. Long before a child learns how to read he learns how to turn on a television set. He is quickly introduced to a world of howling drunks, pampered idiots, wild-swinging and trigger-happy bullies, and gyp artists. He learns that sex is just another toy, and that there are always flashier ones for the taking. He learns that the way to express your disagreement with a man or your distaste for him is to clout him in the kisser or pour hot lead into his belly.

Education is not just what takes place in a building marked "school." Education is the sum total of all the experiences and impressions to which a young and plastic mind is exposed. The parent who insists on sending his child to the finest schools, but who sees no problem in allowing that child to spend at least an equal amount of time looking at TV gangster serials or Mickey Spillane, should not be surprised if the mind of his offspring gives back the meanness and the sordidness put into it.

A free society—at least, this free society—has certain propositions that have gone into its making. These propositions aren't all political. One of the main propositions that had a certain vitality at the time this particular society was founded was that the individual man has a natural goodness inside him, that he is capable of responding to truth, that he is endowed with the capacity to recognize beauty and be enlarged by it.

These propositions, I submit, are now under attack—and not just by television. Whether with respect to motion pictures, or writing, or art today, I think we can find disturbing evidence that man is being cheapened—and cut down to a size much smaller than by natural rights he ought to be. The epic theme seems to be in retreat on a wide front. There seems to be a fascination with aberrations, a preoccupation with neuroticism, an obsession with aimlessness. The trend is to the harsh, the brassy, the abrasive. Nobility, sacrifice, idealism, beauty—these are too often dismissed as tall corn.

Not long ago, a friend suggested that I see the film "La Dolce Vita." It was, he said quite remarkable and beautiful. I saw it. It was remarkable, all right; but I didn't see any beauty in it. The photography was striking, and I am even willing that the word "beauty" be used to describe some of the camera work. But I saw nothing beautiful about the people, or the lives they led, or their emotions, or their values, or what they did. The film was lacking in both sequence and consequence. The only point it had to make was that life was pointless. But what troubled me most of all was not the film itself but that our critical standards have themselves become so desensitized that the film could be called beautiful.

To offset this, fortunately, the other day I saw the Japanese film "The Island." It had no frenzy. It had no bashings or thrashings or wailings. It didn't make heroes of degenerates. It was not afraid of honest emotion. All it did was to show real people trying to cope with real problems. It was concerned with fundamentals of human relationships and response. It dealt with the fact of human devotion, even sacrifice. And because of all this there was an essential beauty in it. According to some definitions, perhaps, the film will be regarded as corny or sentimental. If it is corn, then it is high time we relished the kernel.

Incidentally, I was interested in the reaction of a friend who also saw the Japanese film. When I asked him his opinion, he said: "I know you will probably think it stupid of me, but I rather like it." He almost found it necessary to apologize for responding to the simple but beautiful appeal of the film. He was almost afraid to trust his natural responses. He had become so intimidated by the dry-eyed, hard-boiled approach to life that he felt sheepish about acknowledging the existence inside him of that which distinguished him most of all from the ape.

One more instance. Recently, outside an art gallery on 57th Street in New York, I overheard two women discussing an abstract painting in the window. The painting, to my eyes, lacked creative thrust. It seemed to follow along meekly behind the works of better known abstract artists. One of the women said to the other: "It looks like an inferior work to me; but I hate to say it out loud. You know, one feels like an idiot these days if he doesn't lavish the greatest praise on anything that seems incomprehensible."

I see no reason why anyone should allow himself to be intimidated into a feeling of total nullity or grim acquiescence if he sees something he happens not to like. He has the best credentials in the world for reacting; he has his individual taste buds. They may not coincide with those of others; they may run counter to those of experts, but at least they are his own, and the more he uses them the keener they become. No critic of stature—whether in literature or art or music—expects people to blot out their senses whenever he speaks. The critic applies his special training and knowledge to the work before him. He defines his standards. He sees himself as part of the total process by which a culture advances toward excellence. He certainly doesn't resent disagreement. And he doesn't discourage or disparage individual reactions—not if he is worth listening to, that is.

What I have been trying to suggest is that a free society cannot long remain free if man is in full retreat from man. For such a society pays a high price if the individual loses faith in his own centrality or in his ability to respond to creative beauty or in the stark fact of his ultimate responsibility.

This is a great deal of weight for a freeman to carry; but if it is political and cultural weightlessness we are seeking, we don't have to get into outer space to find it. We can find it right here on earth and it goes by the name of totalitarianism.

There is no greater political or philosophical fallacy than the notion that freedom is not really an ideology. The ideology of freedom has the deepest foundation of all. It is fused with the nature of man. It exists in the molecular structure of man's own natural rights.

What is this ideology?

It is based on the proposition that government exists for the purpose of enhancing and protecting the natural and fundamental rights of individual human beings.

These rights do not have to be created or contrived. They exist. They are natural, essential, irrevocable. They come with the gift of life. The good society may recognize these rights but it cannot invent them. It cannot alter them; it cannot expunge them. Its obligation is to create the conditions under which they can grow and be secure.

Highest among these natural rights is the right of man to own himself. He cannot be owned by a nation, a group, or another man.

He owns the right to grow and to meet his potential.

He owns the right to appraise his abilities and to develop them and apply them, consistent with the rights of others.

He owns his thoughts and the right to nourish them and speak them, again consistent with the rights of others.

He owns the right to make mistakes, whether of thought or deed, without unreasonable punishment.

He owns the right to his hopes.

He owns the right to justice, whether his claim is against a person, an aggregation, or his own government.

He owns the right to contemplate human destiny and the mysteries of universal purpose, or the right to detach himself altogether from these pursuits.

He owns the right to hold grievances against his society and to make them known to other men in order to magnify his own voice.

He owns the right to make a better life for his young.

It is in these respects that a free society is not just a nation. It is an idea. It is a national sovereignty committed to the cause of human sovereignty. It seeks to create a proper environment for man's most enduring hopes. It is an instrument through which man may work for a fuller life—whether in terms of his physical needs or his creative and spiritual reach.

Our own free society has not yet fulfilled all these purposes. No one knows how near to or far from such fulfillment the American people may be. But the direction is clear. And the effort, however vast, will continue to be made. The great ideals and ordeals of human history go together.

The unfinished nature of our struggle should not separate or insulate us from an awareness of the needs and the rights of other peoples, nor does it sever this Nation from the community of hope and responsibility in the world. The American people see a reflection of their own early history in those peoples who do not yet own their own nations. They see the cause of freedom from outside rule as a cause that connects all men. They accept that connection and are inspired by it.

The lands and cultures of man today are various, but they are all compressed into a

single geographic abode. The question to be determined in our time is whether this abode can be preserved for man or whether it will become the arena of his last great combat. The means are now sufficient to punish nature itself, to put a torch to all of man's works, and to deprive him of the decencies that have given him distinction and pride.

In looking back at their own past, and in assessing their own purposes and ideals, the American people also look to the duty that unites them to all mankind—to create an enduring peace under law for this generation and the generations to come; to make the world safe for its diversity; to advance the cause of independence wherever peoples are not free and to create a pattern of interdependence for the whole; to use the resources of nature and the intelligence of man in the common good; to serve man's capacity to be free, and to justify the fact of life.

This is the ideology. It is real and it is ours.

DAMASCUS, OREG., BIGGEST LITTLE CITY IN THE U.S.A.

Mr. MORSE. Mr. President, I turn now to the matter of supplementing some material I placed in the daily RECORD on May 16 relative to an outstanding project—the Little World's Fair of Damascus, Oreg.

Mr. President, we have in Oregon the biggest little city in the United States, according to its own boast, known as Damascus, Oreg. I hold in my hand a very interesting article about this big little city. The title reads "Damacus, Oreg.: Biggest Little City in the U.S.A."

I wish to make it clear that the 200 inhabitants of Damascus, Oreg., consider Seattle, Wash., to be one of its outlying precincts.

Damascus, Oreg., is conducting for 100 days what the people there modestly call a Little World's Fair. It is remarkable community enterprise. The people hope that all the tourists who visit the World's Fair at Seattle will take note of the fact that a community world's fair is being conducted at Damascus.

It was my privilege to speak at the Little World's Fair at Damascus the day following its grand opening. A visit to this Little World's Fair will refresh anyone's knowledge, gained by reading the glorious history of the West, as to what we mean by the frontier spirit. I think it is particularly apropos to recall that frontier spirit in the light of the fact that we are living in the days of the New Frontier.

So, Mr. President, I shall ask to have printed in the body of the RECORD, as a part of my remarks, an account of the Damascus Little World's Fair, along with certain statistical information dealing with this remarkable community enterprise.

I have attended many community affairs in my years of public service, but I had a very thrilling experience when I went to the Damascus fair and observed the spirit, the community solidarity, and the group enthusiasm which characterized the enthusiasm of the citizens of the little town of Damascus, Oreg., in building up this really novel Little World's Fair. I am particularly appreciative of the fine work of the president of the Little World's Fair, W. Garland Wiley. The results he has achieved are remarkable.

As the senior Senator from Oregon, I extend to all visitors to the Pacific Northwest this summer, as they go to visit the very remarkable, fine, and inspiring World's Fair at Seattle, Wash., for which the Senators from the State of Washington are to be congratulated, a very cordial invitation to go or return by way of Oregon and to visit the little Damascus fair, because if they do so they will never regret it, and they will feel that they were well repaid in doing homage to the spirit of the West, which is so accurately portrayed by this community effort.

When I spoke at this fair a week ago last Sunday, I told of the visit I had with the President of the United States in regard to an invitation which the Little World's Fair of Damascus had extended, through me, to the President. I pointed out that of course, it was understandable that the President of the United States, who receives hundreds of invitations to attend all kinds of functions, could not accept them all, and that his schedule did not permit him to accept this invitation, although he was moved by the pioneering spirit and the community esprit de corps which characterized this wonderful little fair at Damascus, Oreg.

I was pleased to serve as his ambassador on that occasion to extend to that audience the President's best wishes and sincere compliments on the community effort symbolized by this fair.

I ask unanimous consent that the material to which I have referred may be printed in the RECORD at this point.

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

DAMASCUS, OREG.: BIGGEST LITTLE CITY IN THE UNITED STATES

(By Betty L. Mills)

A recent article in the Seattle Post-Intelligencer read as follows:

"Somehow, the feeling persists that not everybody is really with the World's Fair. Bud Donahue reports that the tiny town of Damascus, Oreg., is countering local efforts with a Little World's Fair of its own. No budget, naturally. And instead of looking forward 100 years, they're looking backward. Next big project is their version of the space needle—a 600-foot hole in the ground. Aw, go crawl in it, Damascus."

Garland Wiley, president of the board of directors for the Little World's Fair, read the article, chuckled to himself, and took it along to share with the other board members at their weekly meeting.

As he presented it, all ears listened attentively. When he finished, a split second of silence gave way to jovial triumph.

"Well, what d'you know," someone said. "Seattle, the biggest city in the Pacific Northwest, chiding the efforts of little old Damascus."

Memories came charging back and the men and women cast proud glances at each other. An almost visible surge of "Love thy neighbor" banded them together even closer, and they knew it was good. Their current project was a big one, with problems never before encountered. They needed this spark of fighting spirit which Seattle had ignited.

The meeting was called back to order, but it was hard for the members to really concentrate. Incidents kept popping into the minds of everyone there. They knew Seattle wasn't worried about anything Damascus might do to attract crowds, for after all, how could a handful of people with no money and only 4 or 5 months of time hope to do what it had taken Seattle 7 years and $80 million to accomplish? But still, look what had happened in 1959. It was a little hard to believe, even now.

The occurrence 3 years ago had started out innocently enough. Cities throughout Oregon had programed events to commemorate the State's 100-year anniversary. The biggest of these events was to be held at Portland, the largest city in Oregon and only 16 miles from Damascus. It was billed as the Oregon Centennial Exposition and Trade Fair and had some 400,000 residents behind it.

Aware of the magnitude of such an event, the Damascus villagers, numbering less than 100, announced simply that they had joined together in an effort to reconstruct the frontier appearance of their town and to re-create the atmosphere of the early settlers. They would have a number of pioneer activities, all free, and everyone was welcome.

The plans were laid for "June, in January." Women started sewing and the men happily laid aside their razors.

THE BEARDED ISSUE

Men throughout the State were growing whiskers. It was the perfect time to satisfy that inner urge to be the rugged, bearded he-man. Pete Wiley, Damascus grocer, vowed publicly to buy only from salesmen who wore a beard. Other merchants in other areas followed suit. Every kind of beard imaginable cropped up, some rather shocking their owners. It was plain to see, however, that all were being thoroughly enjoyed.

Then trouble knocked on the door of authenticity. Wiley was a first sergeant in the Oregon National Guard and his commanding officer told him that regulations for Federal inspection required all guardsmen to be neat and clean shaven. This statement was backed up by an order to all Oregon National Guardsmen by Maj. Gen. Thomas E. Rilea, State adjutant general. "Shave 'em off."

Wiley was stunned. His efforts toward public good will were threatened. As Mel Staples, chairman for the centennial committee put it: "Raising a beard gives the little people of the State something to do for the centennial."

So Wiley rebelled. He knew he was flirting with possible court-martial, but he had faith that the local government would support his cause. He contacted State Senator Monroe Sweetland who in turn contacted Gov. Mark Hatfield. Hatfield then asked the Pentagon for a special dispensation for the guardsmen. Back home, Wiley and two other committeemen penned a telegram to President Eisenhower, stating in part:

"We respectfully request that you intercede with the Pentagon order in the case of the Oregon National Guard members who are forbidden to grow beards for the Oregon centennial."

Days passed and Wiley walked the tightrope. Then suddenly the word came. Governor Hatfield announced that a liberalized policy had been authorized by the chief of the guard in the Pentagon which would free the guardsmen of being penalized during inspection because of their beards.

The bearded sergeant had won his case. It was a revelation to all who had followed the issue via newspaper. A Portland grocer said, "I wish I lived in a community with as much spirit as Damascus"—closed his store for the day and drove to the little hamlet to join their forces. The controversy had spotlighted Damascus celebration plans and people began watching for further news. It wasn't long in coming.

A CANDLE LIGHTS THE WAY

Early planning by the Portland fair board called for a candle to be erected on their 64-acre fair site and booked as the biggest candle in the world. It was to be made from real candles and the youth of the area had been asked to provide them. Bluebirds, Brownies, Camp Fire Girls, Girls Scouts, and Boy Scouts responded joyously and old candles poured in by the thousands.

Then a dispute arose between the centennial officials and the designers and the idea was junked as being too costly. A modern, cone-shaped, steel candle went up in its place.

It was disappointing news to the boys and girls who had wanted to help with the birthday party. Damascans knew this and decided to do something about it.

Five dollars were alloted to the project for construction. Since the candles were free for the hauling away, it seemed reasonable to assume that this amount would be sufficient for other expenses.

The wax was acquired and hauled to the home of George Livingston. A few days later he called in the Marines. A single candle was ready to be moved to its permanent home, and he needed some help. It was colored a delicate pink, but it stood 21½ feet tall, measured 35 inches across, and weighed 4 tons.

Again, the Damascans had been told it couldn't be done. Again, they had proven that enthusiasm, faith, and old-fashioned hard work defy all the rules. The waxen giant was erected for a total cost of $1.49—a slightly lower figure than the $10,000 estimate previously given by professional engineers.

Damascus then threw a box social. $90 were raised for a building fund. The two existing buildings on one side of Main Street (the highway) were given false fronts of log slabs. Two new structures were erected opposite these on the other side of Main Street. They were built from hand-notched logs with mud packed between the logs in true pioneer fashion. One was to become a trading post and the other a jail—barred cell and all—to house the clean shaven culprits who wandered astray.

A reporter wrote:

"Damascus may be the only town in the State which has doubled its size as a result of the centennial."

Every weekend now, thousands of sightseers were lining the roads around the little town to see for themselves the things they had been reading about. Damascans started worrying about their coming food problem. They had scheduled a great bear feast as their major event. If all these people kept coming before the celebration even officially opened, how many would show up for the feast?

So, late in May, the bearded men of Damascus went into the mountains for the beginning of a big bear hunt. One by one the black, grizzly creatures fell before the hunters until at last, 40 of them were lockerbound.

The 100-day celebration officially began on June 10. The doors in the village were thrown open; the candle was ignited; and people came in droves to enjoy the free horse rides, stagecoach rides, horseshoe pitching, picnics, square dancing, church services, pioneer atmosphere and always—the boundless hospitality. There were hourly shootouts among the fastest guns in the West, with the losers biting the dust. The saloon (soft drink) offered refreshments with nothing costing more than a nickel. There were rodeos, and contests.

A 14-year-old girl, Janice Benshoot, was chosen to reign as their queen; chosen by her knowledge of horsemanship. A "mayor," Mel Staples, was elected. His office was won "by having the best beard and the biggest mouth."

Accordingly, did the celebration go until the big day, July 11.

On the day before the big day, Homer Taylor, one of the city's oldest citizens, drove a covered wagon to the neighboring town of Milwaukie. There he picked up 1,000 pounds of supplies which had been donated as a good will gift by United Grocers N.W., Inc., to aid in the big feed on the following day.

And then it was the 11th. The big outdoor grills, built with the help of the U.S. Air Force, were the center of activity at 6 a.m. The aroma of pancakes filled the air and thousands were there to enjoy it.

The clock rolled around to 10 a.m. and paraders began gathering at the starting grounds. Governor Hatfield, arriving late, spoke to the crowd, then sent the parade on its way. (The Governor had been detained at the jail for not having a beard.) Ancient automobiles, a steam-driven reaper, an ox-drawn covered wagon, 1,000 horses, and people in full pioneer dress stretched the parade out over 5½ miles.

After the parade was over, an archery contest and a ball-and-cap rifle shoot were held. Then, the big bear feed began.

The heat was almost unbearable for the people who labored over the sputtering grills in the scorching sun. But with fierce determination, they stood their post. Hundreds passed in line with plates to be filled. Then hundreds more—and more. Then finally the bear meat was gone. The day passed, and night fell. Eventually, the last merrymaker was also gone.

When day came again, and morning papers were read, bold headlines shouted: "30,000 Visitors Celebrate Centennial Day at Frontier-Dressed Damascus."

Ironically, the headline was only the beginning of bigger ones to come.

On August 9, another all-out day was held, featuring a 3-B barbecue: Bear, beef, and buffalo. (Leland "Buckskin" Wiley, sharpshooter of the Damascus gunfighters, was tossed out of the Portland Zoo for aiming a shotgun at two "what's going on?" bisons.)

Thirty chefs prepared 4 tons of meat for this feast. People once again started gathering at 6 a.m. and soon almost 45 acres were filled with cars. People lined up five abreast and a mile long to wait for the unusual dinner. Over 100,000 visitors were estimated as the total for this day's attendance. The guest book now held some 250,000 names.

An August 23 celebration, similar in planning, brought another 63,000 people.

And so it went, until the end of the 100-day celebration, when the candle was snuffed out and the weary villagers prepared to rest. When the books were closed, and all became history, the records stated an estimated 1 million people had come to the birthday party; 1 million people had visited the little town not even on a map; the little town with 4 log buildings and 1 giant candle.

And now, here they were, starting all over again and with the same old problems. About 100 people—no money—and precious little time.

This, then, was the reason why Seattle had acknowledged Damascus in the article. The inverted compliment was deep in meaning. No one could know what the record books might say a few months from now, but if enthusiasm could be used as a potential yardstick, the "Little World's Fair" might justify its name. At any rate, the faceted experts were careful not to say to Damascans: "It can't be done." For truly, from the days of old, "Them's fightin' words, Partner."

DAMASCUS LITTLE WORLD'S FAIR

(Admission: 75 cents at gate; 50 cents pre-opening; children under 12 free)

There is a 22-acre fairsite; 20-acre parking, all in the heart of Damascus, 17 miles from Portland, Clackamas County.

AREAS

Indian Village:

There are 14 tribes (part of 41 tribes associated with the Northwest American Indian Foundation). Each week one tribe will rule; will show revived dances, games, skills, etc.; will elect princess.

Visiting dignitaries of Indian fame will visit and be honored throughout summer. Miss Indian America will visit. An Indian baby of the year will be chosen.

Totem pole will be carved on grounds. Billy Whitewolfe will wrestle. There will be "photographers haven," where tourists may pose in authentic Indian dress to be photographed.

Jimmie James, 75-year-old Indian press agent, Indian scribe, author, and artist helping guide tribes to success.

Frontier Village:

Replica of the old Frontier Village, built and hosted by the Damascus gunfighters; stagecoach rides; gunfights hourly (or daily).

Barn: Will have nightly showing of "The Drunkard," by Showman Mark Allen.

Candle: World peace candle will burn always for those who desire peace; will work in conjunction with peace log—large book holding names of petitioners of peace.

Amphitheater: Sky King booked for first 9 days. Sheriff of Cochise follows. Much potential talent of fame being contracted. This area will provide two shows daily from 2 to 3 p.m. (free); 7:30 to 9 p.m., $1.25 per person.

The free entertainment will each day be dedicated to nations (starting with Sweden on 2d, through United States of America on July 4). From there, 50 days for 50 States; followed by service clubs and armed services—100 days in all.

(Exhibits—concessions—midway.)

(Fair has 3 years potential running.)

PAY-AS-YOU-GROW HOSPITAL INSURANCE DOUBLY IMPORTANT FOR AMERICAN FARMERS

Mr. MORSE. Mr. President, it is now apparent to most of us that Kerr-Mill medical assistance alone is not a national solution to a national problem. To supplement this tax-supported Federal program, we must provide hospital insurance under social security—as envisioned in the King-Anderson bill. Our need for such protection is especially acute where the aged residents of the Nation's rural and farming communities are concerned.

At present, roughly 9 out of every 10 tax dollars spent for medical assistance under the Kerr-Mills Act are going to four great metropolitan States. Fewer than 15 out of every 100 rural citizens live in these States. Overall, about half of our 5-million-plus older farm people live in States that have been unable to participate in the Kerr-Mills program.

Where do these rural people, the medically dispossessed, look for help? What are the prospects of farmers faced with losing their prized independence because of medical bills in their declining years?

There are those—speaking in the name of the American farmer—who oppose health insurance financed through the social security system. Those who are "medically indigent," they say, must rely on family charity, or—if charity absolutely cannot begin at home—on Federal charity in keeping with the

paupers' oath provisions set up by the States under the Kerr-Mills Act.

As a representative of a State with a large rural and farm population and as a member of the Special Committee on Aging, I cannot agree with these sentiments.

I believe that the strength of this Nation lies in the validity of our basic values. These values can have little meaning for older people whose only access to adequate medical care is an abject confession of failure. The closing of all avenues save that of charity is in fact a denial of freedom, an affront to the dignity of the individual, and a testimonial to unequal opportunity.

The means test which is a part of any charity program is difficult for city people to take. It is even more so for farmers and residents of close-knit rural communities. The small farmer is an individualist, justifiably proud of his ability to wrest a living from the soil for himself and his family. He wants to serve no man. He is his own master and master of the land itself. But I must add, the land is often a severe taskmaster. He does not want charity. Nor can he bring himself to ask for it, even when his need for medical care has been made painfully clear to him.

A resident of a great city can take his plea of poverty to an office far from his home. His face is one in a mass appearing before a social worker, a stranger to himself and to his friends. Not so for the resident of the small community, where failure and poverty and need must be confessed before neighbors and friends. Such a confession is indeed a humiliating—and unnecessary—burden for the aged and infirm citizens of our rural communities.

The chairman of the Special Committee on Aging, in a report just recently made available has concluded that passage of the King-Anderson bill will mean even more to farm and rural families than it will to city dwellers. His conclusion is based on hearings held last year in 33 communities across the Nation. A special effort was made to get factual information concerning the health and hospital care needs of rural America. As a member of the committee, I presided over three of those hearings—in Eugene and Portland, Oreg., and in Walla Walla, Wash. Here, in brief, are some of our findings:

First. The percentage of older people is higher in much of rural America than it is the cities. Today, more than five million, or almost one-third, of the Nation's elderly live on farms or in small towns. In many small towns, one out of every four or five persons is over 65. As the young continue to leave the farm for the city, the percentage of elderly increases—and the ability of the local community to support its older citizens is more and more impaired.

Second. Average cash incomes are lower in rural areas, less than half of those urban areas. Moreover, cash assets on which to draw in case of medical or other emergency are relatively low for farm families who have their savings tied up in the land and in equipment.

Third. Elderly farm families have more disabling and longer lasting illnesses than their counterparts in the cities. Thus, these farm families spend even a higher percentage of their low incomes for medical expenses than do city people.

Fourth. Fewer farm families are able to carry private medical insurance. Only 28 percent of the aged in rural farm areas had hospital insurance in 1959, in comparison to 41 percent in rural nonfarm areas and 51 percent in urban areas. The private medical insurance available to farmers costs more—and pays less of the hospital bill.

Fifth. Younger farm families are at a serious disadvantage in paying for health care for their older people, either directly or through taxes. Rural people already are burdened with health costs which claim a large share of the family budget. These costs are not offset by tax-free contributions made by employers which characterize industrial employment.

Sixth. Many rural communities built modern hospitals. Beds in these hospitals go unused, not because there is less need for hospitalization, but because of the financial inability of rural residents to meet the costs.

These findings by our committee are the bare, statistical bones of the problem—the cold, factual reasons why hospital insurance under social security is so important to rural Americans. The mail arriving in my office every day adds another, perhaps a more important dimension to the problem—the flesh and blood concerns of people who do not know where to go for help. I know that most of my colleagues have received equally compelling letters, but I want to read portions of several addressed to me from residents of rural Oregon communities.

A farm widow, who perhaps was not aware that I am a cosponsor of the King-Anderson bill, wrote recently to ask me to work for health insurance under social security. Her letter was dignified—short, simple, and direct. Only her handwriting told me that she was old and infirm.

She was not complaining about her own situation. She wanted only justice not charity, for those who have worked hard but have been unable to set aside enough money for proper medical care.

She wrote:

> In my opinion, no self-respecting person cares to be under (the Kerr-Mills law). I know I for one would go without medical care before accepting it as it now is.

The son of an 84-year-old retired farmer wrote:

> I am vitally interested in old-age care as my father has been confined to a local hospital almost 2½ years now. I have watched a small farmer spend all he has earned in a lifetime and probably my mother will be destitute when he has lived out his time.

Another Oregonian living on a rural route wrote:

> I have been to various sources trying to find out where a man goes to get the medicine and additional money to pay various doctor bills that my wife and I have incurred.
>
> We are on social security. * * * If we pay our doctor bills, and pay for our medicine, what we get isn't enough to live on. In the past 60 days I have paid ($89 in doctor and medical bills).
>
> All this and more out of our small checks. We now are 3 years in arrears on our taxes, property that is.

A 75-year-old man, on social security and disabled with a bad heart since 1953, wrote from a rural community:

> My wife is blind and cannot feed or dress herself. She has a tumor on the brain. She is in the hospital quite a bit of the time. Just brought her home from the hospital yesterday and expect to take her back next week.
>
> Was just wondering if President Kennedy's bill is going through.

Mr. President, the feelings expressed in these letters are not unique. Scores of letters containing similar sentiments arrive in my office every day. And, judging from the volume and content of my mail, the people of the State of Oregon are overwhelmingly in favor of this great cause—a Federal program to provide hospital insurance under social security in a dignified and self-respecting manner.

Mr. President, when I say that scores of letters are arriving each day in my office, I mean just that. It is not uncommon to receive as many as 60 letters or more a day dealing with this program at the present time.

Those who are writing to share their views with me are watching, waiting, and wondering. And so am I.

The King-Anderson bill has been under discussion for months, in this Congress and elsewhere. Its provisions have been debated publicly at the highest level. Its benefits are widely known.

As I indicated at the beginning of my remarks here today, the question is no longer whether we need a hospital insurance program. The tragic situation of too many of our elder citizens—diminishing income at a time of increasing medical expense—is generally acknowledged. About 8 million Americans over 65 have incomes of less than $1,000. Two out of every five aged Americans do not have as much as $200 with which to cover emergency medical costs.

The question remains: What is the best way to finance hospital insurance protection for the Nation's elderly?

The conservative approach is the social security financing envisioned in the King-Anderson bill, which is consistent with our traditions of self-help, independence and thrift. Under social security, we save for retirement as we earn. Under the King-Anderson bill, we would save for post-retirement hospitalization as we earn—while we are still capable of earning.

The maximum yearly cost of this protection for the average worker who earns $4,800 or less a year would be $12—matched by his employer. Put another way, this would amount to a weekly payroll deduction of the price of a package of cigarettes.

Funds collected for King-Anderson hospital insurance would go into a special social security account earmarked for payment of claims. The contributors pay their own way. No further tax burden is imposed upon Federal, State, or local governmental units, as is the

case with the matching fund provisions of the Kerr-Mills program. No pauper's oath is required to make a claim, as is required by the States under Kerr-Mills assistance in the 24 States where such aid is available.

Eligible now for coverage under the King-Anderson bill are 5 out of every 6 Americans 65 or over—the 14.7 million people entitled to social security and Railroad Retirement Act benefits. In my own State, 9 out of every 10 of the 197,000 residents 65 or over would be covered *now*. In the future, virtually all Americans would be eligible when they reach age 65.

I would make it clear that I propose to offer again the Morse amendment to this program which would cover all persons over 65. I have no hesitancy in doing it. I do not think that we should limit this program to those who are under social security. It is a moral obligation on our part. I think my amendment is a sound economic amendment too. It is in the moral interest of the Nation. It is in the economic interest of the Nation to see to it that no one is left out of the program as the program is inaugurated.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MORSE. I will yield in a moment. I wish to make it perfectly clear that the senior Senator from Oregon does not purport to speak for the administration. I hope I can persuade and convince the administration that they ought to support the Morse amendment. I hope that I can convince the administration that the Morse amendment should be included, and that the President will sign the bill with it included.

As a member of the Subcommittee on the Aging and as one who has attended many of its sessions dealing with this subject, I am convinced that my amendment should be adopted.

O Mr. President, do not tell me that this means in effect that we are simply going to take out of the Treasury of the United States a lump sum of money which would pay for this cost. My answer is that I know it. We should. What is so wrong? What is so wrong with that kind of action, which in my judgment, in accordance with the principles of equity and fairness, should be our course of action?

When I think of the great contributions that we make elsewhere in the world to help people who are underprivileged. I offer no apology for the Morse amendment to the King-Anderson bill. The fact is that these elderly are underprivileged. We certainly owe it to our own to be willing to do what is right and just if we are going to be so generous with our largesse in regard to the underprivileged elsewhere in the world.

Now, I am privileged to yield to the Senator from Louisiana, with whom I have stood shoulder to shoulder on many occasions in the Senate. He and I have battled for various amendents to various bills over the years seeking to do the kind of justice that I am talking about this afternoon.

Mr. LONG of Louisiana. The Senator knows that I have not voted for the King-Anderson bill. I have indicated that I did not expect to vote for it at this time. I must say that the Senator is putting his finger on one of the weaknesses of the King-Anderson bill when he proposes an amendment which would make such help as is available under the bill also available to all.

It is in my judgment completely inexcusable to pass a bill that provides services to only some of our aged and leaves out of its provisions many people who most need such service. He has certainly touched upon one of the real weaknesses of the King-Anderson bill when he seeks to correct that phase of it which would leave out the neediest and those who are unable to pay their medical bills and unable to get medical attention. It makes no sense to me to have a bill which provides medical assistance for persons who are well able to pay and decline to provide assistance for those who, through no fault of their own, are completely unable to pay the medical bills imposed upon them.

Mr. MORSE. I agree with the Senator from Louisiana. I simply am very frank to say that we must face up to our clear duty to do justice, and that we should be willing to make this direct approach in order to provide coverage for those not now covered by social security when they reach the age of 65.

I also wish to make it clear that I shall vote for the King-Anderson bill in any event, because even in the form in which it has been submitted by the administration it is far preferable to what I consider to be the unsatisfactory Kerr-Mills Act.

Mr. President, I do not want to leave the impression that I am opposed to the Kerr-Mills Act. On the contrary, I voted for this program. Nor do I believe that Social Security financing should—or could—replace private health and hospital insurance. The protection of the King-Anderson bill would not take the place of existing health insurance and medical assistance programs. But it is needed to supplement them.

Specifically, the King-Anderson approach would free aging Americans—and even those in moderately comfortable circumstances who must live with this threat—from the fear that expensive hospitalization will one day wipe out the savings of a lifetime. It is a modest and workable program. The doctor-patient relationship would not be affected one whit; indeed, doctors' bills as such are not included in the medical services to be insured.

I wish to make a comment on that matter. I am very much interested in some of the critics of the King-Anderson bill, including some of the top spokesmen for the American Medical Association, who have been going about the country charging that the King-Anderson bill does not cover doctor bills, and leaving the impression and implication that therefore it ought to be opposed because it does not cover doctor bills. Those same spokesmen for the American Medical Association are among those who have been shouting "creeping socialism" when anyone even suggests that we do take a look at doctor bills. We are talking, in the King-Anderson bill about hospital bills. It has never been represented by the administration or by any spokesman for the Forand bill that doctor bills were included. I was first to introduce a version of the Forand bill in the Senate, which I did in 1958. My bill then, as does the amendment I have talked about this afternoon, went further than the Forand bill went in regard to the coverage for hospitalization. I do not run to political cover because the spokesmen for the American Medical Association are trying to scare the American people into opposing the King-Anderson bill because it does not cover doctor bills.

I am one Senator who is willing to make it perfectly clear to my constituency that, so far as the elderly are concerned, we should, in my judgment, seek to pass legislation which will pay attention to doctor bills which the elderly must pay. I shall welcome having the doctors of my State pick up that sentence today and make it an issue against the senior Senator from Oregon in the 1962 campaign, for the senior Senator from Oregon is ready to take on the medical profession in his State, as he has in the past.

The King-Anderson bill ought to be passed because it deals with hospitalization; but I also say to the people of my State that the senior Senator from Oregon does not propose to stop with the King-Anderson bill, so far as dealing with the health costs of the elderly of the country are concerned. Such legislation as I shall support will not interfere one whit with the doctor-patient relationship; but it will seek to remove from the aged of the country the fear that their life savings will be wiped out by doctors bills and by hospital bills, as well.

To Senators who share my view concerning the need of some legislation of this type, I say: Do not be concerned, because an attack is being made on them on the ground that the King-Anderson bill does not include doctor bills. Rather forthrightly take the position that we will consider that problem in due course of time.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield to the Senator from Kansas.

Mr. CARLSON. I have appreciated the Senator's remarks concerning the program for medical care for the aged. I well know his position in the Senate. He has always been interested and active in behalf of the aged. However, I am a little surprised that he desires to pass—I assume he does—the King-Anderson bill, which in my opinion falls far short of a program needed for caring for our needy aged people. It does not provide for the payment of medical bills or bills for surgery or drugs. The people who write to me are concerned about doctor bills and bills for surgery and drugs.

It is true that the King-Anderson bill contains a provision for hospitalization, but it requires the patient to pay $10 a

day for the first 9 days, and many persons do not have $10 with which to enter a hospital.

Second, the bill does not provide medical care for thousands of persons, particularly those who live in the middle western rural areas, who were not eligible for social security until Congress passed legislation which permitted agricultural and self-employed people to come under the act. We have thousands of them in Kansas.

The Senator from Oregon has discussed some of the shortcomings of the proposal. I do not see how he can be so enthusiastic about the King-Anderson bill.

Mr. MORSE. In this speech, I am talking about the rural families. The title of my speech is directed to their cause. I am trying to point out to the Senator from Kansas that it will help them. It will not give them the millennium; still, in my judgment, the Kerr-Mills Act does not help them at all. The record also shows what has happened to the rural families of America under the Kerr-Mills Act.

I am delighted to have the comments of the Senator from Kansas, because I know I shall have a cosponsor for my broader bill, which will deal with doctor bills. I shall be right at his desk to ask for the "John Henry" of the Senator from Kansas. I shall be glad to have the bill known as the Morse-Carlson bill, to follow the King-Anderson bill. Our bill will deal with the subject of doctor bills and bills for drugs and medicines. I shall be glad to work with the Senator from Kansas in the preparation of such a separate bill.

However, I am sure the Senator from Kansas is a political realist. He cannot escape the fact, in view of all the hullabaloo that the American Medical Association has already stirred up concerning the King-Anderson bill, that we must proceed a step at a time, and this is the step we are now facing.

I disagree with the Senator's remarks, if I interpret them correctly. He left the impression that the King-Anderson bill would do very little good. I say that to the extent that it covers the hospital costs, to the extent that it covers them for the elderly who are under social security, it is a remarkable bill.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. CARLSON. The Senator from Kansas is ready and willing to see to it that we pass legislation which will provide medical services, including the payment of doctor bills and bills for surgery, drugs, and hospitalization, for people over 65 years of age who need it. I will be at hand to help when that time comes, but I fail to see that program in the King-Anderson bill.

Mr. MORSE. That is why I told the Senator from Kansas that I am delighted I am making my speech while he is in the Chamber. I hope every Senator on his side of the aisle, and Senators on my side of the aisle, who have been voting for medical care plans, will read the Senator's remarks, because I believe he has made an important contribution to the cause this afternoon.

Briefly stated, here is the protection envisioned in the King-Anderson bill. I list these items as the summary of my speech:

First, hospital care in semiprivate rooms for up to 90 days.

However, the patient would pay $10 a day for the first 9 days.

The physician would determine the admission and the length of the hospital stay required.

Second, skilled nursing home care up to 180 days after the patient leaves the hospital.

Third, outpatient diagnostic services, such as X-rays and blood tests. To insure that these services are used only when needed, however, the patient would pay the first $20 of the cost of each study.

Fourth, home health services, including care by visiting nurses, for up to 240 visits a year.

Mr. President, the Senator from Kansas [Mr. CARLSON] has pointed out that there are limitations and restrictions to that program, and we get vigorous opposition from the American Medical Association and from many other groups in this country. This is a good indication of the problem which confronts us.

The senior Senator from Oregon desires to have the RECORD show clearly that he does not believe the King-Anderson bill goes far enough. However, I am satisfied that we should vote for it now. I do not wish anyone who reads my vote in support of the bill to think that that is the end of the program so far as the senior Senator from Oregon believes the need to be. I have already indicated that fact in my speech. I feel that when a doctor believes an elderly patient ought to go to the hospital, the patient ought to be sent to the hospital. The social security fund should cover the cost of the hospitalization without any requirement of a $10-a-day payment for 9 days. I do not believe that when there is a need for outpatient service, such as for X-rays or blood tests, the patient should be required to pay the first $20. But we are confronted with the political realities of this situation. When I think of the great sums of money being used to defeat this bill by the forces in this country which are opposed to any Government program in the field of health, I am not going to be a party to removing any possibility of the passage of the first step necessary to meet this great social problem, by insisting on perfection in the first bill that we pass dealing with this subject matter.

Let me make clear that this is a supplemental program. We are not seeking to do away with the programs already on the statute books or with private insurance. Instead, we seek to encourage private insurance. But we say this should be the minimum start made by the Government in carrying out what I consider to be a social and moral obligation which we owe to the elderly people of the country.

Mr. President, I hope that the House and the Senate soon will be considering the King-Anderson bill. And I hope that before the end of this session of the Congress we shall have an opportunity to vote for this needed program.

The King-Anderson bill is a national solution of a national problem. Social security retirement benefits were extended to our farmers 8 years ago. Today, rural residents are taxed to support Kerr-Mills medical assistance, but they are ill represented among its beneficiaries. Today, some 75 million Americans are contributing each year to social security. About 95 percent of the people now reaching age 65 are eligible for the benefits of this tested method of providing retirement insurance.

Passage of the King-Anderson bill would mean much to the retired city worker. To the elderly and infirm among our farmers and to residents of smaller communities, "pay as you grow" hospital insurance would mean even more.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table indicating the breadth of social security coverage and also a more definitive report, prepared by the staff of our Special Committee on Aging, on the points I have made regarding the special needs of rural America for a bill on social security along the lines of the King-Anderson bill.

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

THE IMPORTANCE OF SOCIAL SECURITY HOSPITAL INSURANCE TO RURAL AMERICA

OUR RURAL POPULATION IS OLD

Of the total population in rural areas, 9.3 percent were 65 and older at the time of the 1960 census—only a slightly higher proportion than the urban percentage of 9.2. But in rural places of 1,000 to 2,500, the aged made up as much as 12.2 percent of the total population; in many of these small towns, 1 out of 5 persons is past 65.

More than 1⅓ million of the rural aged live on farms. While the farm population of all ages is rapidly declining, there has been an increase in the number of aged classified as living on farms. Estimates for April of 1960 and 1961 show a drastic decline of nearly 1 million in the farm population (from 15.7 million to 14.8 million). Over the same year, the farm population aged 65 and older rose by more than 40,000 (from 1,326,000 to 1,369,000). In a single year, the aged as a percent of the total farm population increased from 8.5 percent to 9.2 percent.

INCOMES ARE LOWER IN RURAL AREAS

The average money income of farm families is less than half that of urban families.

Among the aged, the rural-urban difference is less great—due in part to increasing importance of social security retirement benefits. But even among those 65 and over, the median money income in 1960 for persons living in rural farm areas was only $740, more than $200 less than that for all persons 65 and over. Among income recipients, the medians were $895 for the rural farm group and $1,150 for all aged.

Senate hearings emphasized that national averages with regard to retirement income can be very misleading as far as the incomes of the rural aged are concerned.

The findings of an intensive study on the resources and income levels of farm and nonfarm households in 10 rural countries in the eastern Ozarks section of Missouri were reported to the committee. In those farm households where the principal breadwinner was 65 years or older, 45 percent had

annual family incomes of less than $1,000, and 82 percent had incomes of less than $2,000. For the rural nonfarm households whose heads were 65 years of age or older, 29 percent had incomes of less than $1,800 and 93 percent had less than $2,000. In rural Florida, the situation is even more acute, the committee learned, with about 66 percent of retired families receiving less than $1,000 and 93 percent receiving less than $2,000 a year in income. These retirement income figures contrast sharply with the median income of $2,530 for all two-person families with an aged head.

Rural families can be expected to have more noncash income than urban families. Homeownership is high in rural areas and there is more opportunity to grow food for home consumption. Increasingly, however, even the farmers are producing less of their own food and depending more on purchases than they used to. And it must be remembered that in today's economy these items of nonmoney income are not acceptable in payment of hospital bills.

ASSETS ARE LOW

Nearly half of all rural families—young and old combined—own less than $5,000 in total assets, including the value of homeownership. Agricultural workers and others living in rural areas have difficulty in accumulating assets over a lifetime characterized by low incomes. On retirement, farm families are likely to have a good part of their assets tied up in the farm and in farm operations.

MEDICAL EXPENDITURES CLAIM MORE OF THEIR RETIREMENT DOLLARS

Farm families with an aged head spent 13 percent of net family income in 1955 for medical expenses—over and above any costs defrayed by health insurance—for physicians, dentists, surgeons, hospital care and medical insurance premiums. This level of spending makes serious inroads into the resources available for other essentials which families must buy, even when some of their food and housing is farm furnished. The average aged farm family with net cash for the year of less than $1,000 spent as much as 20 percent of its income for the medical items listed (items which on the average account for two-thirds of the total medical care dollar).

Expenditures for medical insurance averaged $76 for older farm families, in comparison to $62 (in 1955 dollars) for older urban families, reflecting the lesser availability to farm families of group or group-conversion insurance, so that they must pay the higher cost of policies issued on an individual enrollment basis.

THEY HAVE MORE DISABILITY BUT LESS MEDICAL CARE

Nearly half (48 percent) of all aged persons residing in rural areas have chronic conditions which limit their activity. Among the urban aged the proportion is 39 percent.

Bed disability days per person per year average 17.0 for the rural farm aged in contrast to 11.8 for the urban.

Yet the rural group receives less medical attention: an average of 6.4 physicians' visits per person per year as compared to 6.9 for the urban. Use of hospitals by the rural farm group was also lower. The National Health Survey study of discharges from short-term hospitals yields an average of 192 days for every 100 aged in urban areas, some 40 percent above the average of 136 days per hundred for the rural farm aged.

THEY HAVE LESS PROTECTION THROUGH HEALTH INSURANCE

According to the National Health Survey, only 28 percent of the aged in rural farm areas had hospital insurance in 1959, in comparison to 41 percent in rural nonfarm areas and 51 percent in urban areas.

Among the urban aged, most of the insurance was with the nonprofit Blue Cross and Blue Shield plans. But among those in rural areas, where community and group enrollment is not usually available, the bulk of the insurance was on a commercial basis, indicating that much of it was through individual policies with high costs, poor benefits, or both.

The insurance carried by the rural aged meets a smaller part of the hospital bill than in the case of the urban aged. Based on a National Health Survey study of discharges from short-stay hospitals from July 1958 to June 1960, only 33 percent of the rural farm aged, but as many as 57 percent of the urban had some part of the hospital bill paid by insurance. Of those where insurance paid part of the bill, the fraction paid was less than three-fourths in 40 percent of the urban discharges and in 47 percent of the rural farm discharges.

A recent North Carolina survey of retired farmers found that almost three-fourths of them had no health insurance coverage; of those not covered, close to half said it was because of the high cost.

THE SIGNIFICANCE FOR YOUNGER FAMILIES AND FOR THE RURAL ECONOMY

That the aged in rural areas have much to gain from the President's proposal is obvious from these basic facts about their health and economic status.

What then would the proposal mean to younger farm families and to the rural economy in general?

The relatively low income position of families in rural areas means that they are at a serious disadvantage in helping to finance the medical costs of the older population, either as children of aged parents or, as taxpayers, for older people living in the community. Rural workers are already heavily burdened with health costs which claim a relatively large proportion of their family expenditures.

These costs, and the costs of any savings put aside for their own old age must usually be borne out of their own pockets without the help of the tax-free employer contributions which characterize industrial employment. Expenditures for the education of their children come high when assessed against the low cash incomes of rural families.

The load which rural families now carry for health costs of the aged, through their taxes and through their expenditures for older members of the family, would be lightened by the administration's proposal. At the same time, the proposal provides a means for farmers and other rural workers to participate—with all other workers in the Nation—in a group hospitalization plan that assures them protection in their own old age. Because their cash incomes are low, their contributions would be relatively small. Yet these contributions would purchase exactly the same benefits available to a worker paying the maximum contribution rate.

Rural localities—and indeed entire States—have been wrestling for many years with the problems of financing health costs for their aged and other needy persons. In some of our most rural counties, as many as 6 or 7 out of every 10 people over 65 are on old-age assistance. In these same areas, there may be virtually no provision for public assistance medical care. Despite the availability of Federal dollars, the State is unable to raise the revenue needed for its share.

Hospital beds go unused in rural areas, not because there is less need for hospitalization, but because of financial inability to pay the costs.

Many rural areas have built modern hospitals that serve as the center for a wide variety of outpatient diagnostic and other health services. An analysis of the Hill-Burton hospitals built in the last 10 years or so, indicates that two-thirds of the general hospital beds are in rural areas, towns or small cities. The President's health insurance proposal provides a means for continued financial support of these facilities.

KERR-MILLS

The Kerr-Mills program of medical assistance for the aged, important as it is potentially in protecting those who are medically needy, cannot solve the problem of medical care for rural America's aged. About half of the 5 million people over 65 who reside in rural areas are in States which do not have programs of medical assistance for the aged. But more significantly, even where these programs are in effect in the more rural States, they are extremely limited in their benefits and most strict in their eligibility requirements. Eighty-eight percent of the funds being spent on MAA are expended in Massachusetts, New York, California, and in Michigan. But 86 percent of our Nation's rural aged population live outside these four States and gain nothing from their relatively comprehensive programs.

Even if it were not for the fiscal realities that argue against basic reliance on the Kerr-Mills approach in rural areas, the public assistance method has two drawbacks that are especially serious in relation to the rural population.

Public Assistance medical care can never meet the needs of those migratory farm workers who are unable to meet a residence requirement, even though liberally defined in terms of intent rather than duration of residency. This often throws a financial burden on the rural community hospital which must, of course, be picked up by local residents.

The fact that public assistance requires a test of need, it has the effect of excluding some persons from medical care that they need. In rural areas, this will commonly be the farmer, the "backbone" of this community, who—because of the very characteristics of pride and self-reliance implied in this term—would be completely unwilling to admit to his neighbors that he cannot pay for needed medical care. It is often said that the local community is best able to determine. This is true. But it is also true that there is real value in big-city anonymity when one is forced to drop the cloak of self-respect in order to prove indigency.

The rural population will therefore find extra meaning in the guarantees under the administration's proposal that uniform benefits would be available throughout the Nation on predetermined conditions and as a matter of right, rather than through a means test after resources have been exhausted.

EXTENT OF SOCIAL SECURITY COVERAGE IN RURAL AREAS

It is sometimes thought that social security has not really reached into the rural areas as yet and that there are many in our more agricultural States who would not be eligible under the President's proposal. The following table shows for each State the proportion of the aged population that would be eligible. Of the six States with the highest proportion of rural aged—60 percent or more in contrast to the national average of 30 percent—only two would have significantly fewer eligibles than in the country as a whole (Alaska with 57 percent and Mississippi with 72 percent in contrast to 84 percent of all persons 65 and over in the Nation who would be eligible at the beginning of 1964). Of the aged population of the six States combined, 81 percent would be eligible.

Estimated number of persons aged 65 and over who would be eligible for benefits under H.R. 4222 and population aged 65 and over, by State, Jan. 1, 1964

[In thousands]

State	Number eligible under OASDI [1]	Number eligible under RRA [1]	Total number eligible [2]	Population aged 65 and over	Number eligible per 1,000 population
Total	14,448	794	15,009	17,877	840
Alabama	195	12	203	276	736
Alaska	4	(3)	4	7	571
Arizona	83	6	87	109	798
Arkansas	148	9	155	201	771
California	1,191	52	1,227	1,514	810
Colorado	122	10	129	169	763
Connecticut	233	5	237	262	905
Delaware	33	3	35	38	921
District of Columbia	47	2	49	72	681
Florida	535	27	554	686	808
Georgia	208	14	218	308	708
Hawaii	27	(3)	27	31	871
Idaho	53	3	55	62	887
Illinois	856	60	898	1,038	865
Indiana	410	27	429	464	925
Iowa	276	17	288	338	852
Kansas	198	17	210	250	840
Kentucky	239	19	252	303	832
Louisiana	156	10	163	260	627
Maine	96	5	99	108	917
Maryland	189	13	198	245	808
Massachusetts	505	13	514	594	865
Michigan	624	20	638	695	918
Minnesota	304	23	320	379	844
Mississippi	137	7	142	196	724
Missouri	404	28	424	526	806
Montana	57	6	61	69	884
Nebraska	137	10	144	171	842
Nevada	15	2	16	20	800
New Hampshire	63	2	65	69	942
New Jersey	541	22	557	613	909
New Mexico	39	4	42	57	737
New York	1,555	56	1,595	1,811	881
North Carolina	271	10	278	334	832
North Dakota	50	3	52	60	867
Ohio	788	49	823	943	873
Oklahoma	176	7	181	260	696
Oregon	175	10	182	197	924
Pennsylvania	1,024	78	1,079	1,190	907
Puerto Rico	83	0	83	135	615
Rhode Island	86	1	87	93	935
South Carolina	117	5	121	158	766
South Dakota	61	2	63	75	840
Tennessee	243	18	256	326	785
Texas	565	33	588	819	718
Utah	53	5	57	66	864
Vermont	38	2	39	44	886
Virgin Islands	1	0	1	2	500
Virginia	239	21	254	306	830
Washington	250	13	259	296	875
West Virginia	149	14	159	174	914
Wisconsin	377	16	388	429	904
Wyoming	22	3	24	29	828

[1] Numbers eligible under OASDI and under RRA exclude 98,000 persons and 6,000 persons, respectively, residing abroad. (Medical care furnished abroad not included in H.R. 4222.)

[2] Adjusted to count only once 233,000 persons who could qualify on the basis of OASDI coverage, but would also be eligible on the basis of railroad employment.

[3] Less than 500.

Mr. MORSE. Mr. President, I yield the floor.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. LONG of Louisiana. Mr. President, it is now 5 minutes after 5 p.m., so I shall not now suggest the absence of a quorum, even though only a few Senators are in the Chamber. I know the futility of trying to get any considerable number of Senators to be on the floor and to hear debate at this time on a Friday afternoon.

I wish to discuss briefly the objections which some of us have to the communications satellite bill which now is before the Senate; and I shall undertake to demonstrate why, in the judgment of some of us, the bill—certainly the bill in its present form—should not be passed, and why we believe the bill should be further studied and drastically changed.

On Monday, I shall undertake to discuss this subject at much greater length, and to explain in much greater detail the various reasons why I believe the bill—certainly not the bill in its present form, at least—should not be passed.

I regret to say that at this point the great majority of the Members of the Senate have no real knowledge of the problems involved in the proposed communications satellite system. In my judgment, this bill constitutes the type of legislation which shapes the future of the country and determines whether our Nation will continue, as it has traditionally, to be one of free enterprise and competition in which every American may have an opportunity to engage in competition to the best of his ability, or whether only a few monopolistic giants will have an opportunity, fully to exercise their capabilities.

Up to now, our country has spent approximately $25 billion in reaching into outer space. If that investment is to be handled in such a way as to be for the benefit of the 180 million people in the United States and their descendants, it is important that the pending bill be drawn in such a way as to be best for the United States, both now and in the future.

With all due deference to those who support the proposed legislation, let me say that my study of it indicates that the pressure in favor of its enactment is premature, and that the bill is drawn on the basis of this premature pressure, which for the most part has emanated from the largest corporation in the world, the American Telephone & Telegraph Co., which owns approximately 90 percent of all the telephone service in the United States, and which is seeking to make this $25 billion investment in space a part of its existing system.

In my judgment, the whole thing started on the wrong basis, because it began with a request from the Federal Communications Commission—which theoretically would have the power to regulate this use of a space satellite system—to only a few American corporations, which were described as international common carriers, to devise a program for the operation of a space communications system.

What was wrong with limiting this matter to only a few so-called international communications carriers which represent more than 90 percent of that economic power? The proposed communications satellite system could very well be a more efficient system than the present communications system, and could be a competing system, so that competition between the existing system and the proposed new system might be tremendously advantageous to the American people.

This point can be illustrated in a number of ways. For instance, when Congress passed legislation regulating the railroads, it provided that no railroad could own a water carrier. As another illustration, I point out that the policy adopted by the Civil Aeronautics Board has been to see it that no railroad or water carrier should own an airline. Likewise, it has been the policy that neither a railroad, a water carrier, nor an airline shall own a busline. That policy was developed in order to provide, in connection with surface transportation, competitive service in the best interests of the public. Therefore, it was provided that a carrier of one type would not be allowed to own a carrier of another type. That policy was followed because in prior years, giants in the Congress had the foresight to recognize that public regulation of transportation would be in the public interest. Therefore, today we have four competing transportation systems, each with its own peculiar advantages; and the public has the benefit of the competition which has been developed between them.

Mr. President, all of us realize that if railroad companies owned the water carriers, the public would never have had the benefit of the definitely lower rates which can be charged for bulk cargo shipments by water. For instance, if a railroad owned a water carrier, or vice versa, the tendency would be for the public to be charged the same rate,

regardless of which form of transportation was used. The result would be that the public would be charged the highest rate that the carrier could possibly achieve; and, as a result, the rate for transportation by water would be approximately as high as the rate for transportation by rail.

Of course, there would have been regulatory commissions that would have required that the most efficient means be used, but that corporation could not have been denied the right of a fair return on its overall investment.

If that result had occurred, we would not see the railroads today trying to rid themselves of uneconomical passenger travel, because they would have been able to get back what they were losing on passenger rail service from the high profits they would have been making by hauling cargo by water.

In the law of public utilities, as the distinguished Presiding Officer so well knows, there are many cases in which a utility is able to make as much profit as it cares to make, or as much profit as a regulating commission will permit it to make, on a monopoly service. It is somewhat traditional that private utilities try to maintain on their books as much equipment and investment as they possibly can keep in their rate base.

In some cases they try to continue services that are obsolete or that are losing money, because they are entitled to make a fair return on the rate structure that they can maintain on their books for whatever service they are able to provide.

If a carrier is losing money—as many railroads are doing now—they will want to dispose of as many of these loss operations as they can. That would not be the case if they had sufficient profit operations which could create profits to offset any losses they incurred. We must keep these factors in mind when we seek to assure the public of the best return for its investment in outer space.

It would be well for us to have some understanding of what a communication satellite system would be. There are two proposed systems. I believe one is a workable system. The testimony and debate will establish that only one of these two systems is worth putting into operation. The other would be a waste of time. The good one to which I refer is the so-called synchronous orbit communications satellite system—a mouth-filling phrase, to be sure.

What does it refer to? If we were able to launch a satellite, which I could compare in size to the tiny ball on the end of this structure that looks like a dunce cap, at a distance above the earth of 22,300 miles, and place it in orbit, it would go around the earth at a rate which matches the rate at which the earth turns.

We are told that the ideal place to put that satellite into orbit would be exactly overhead, at 25° west longitude, over the Equator. It would be exactly overhead of a point about midway between South America and Africa, on the Equator.

If a satellite were placed in orbit at that speed and height, it would appear to stand still in the heavens to anyone who saw it. Of course, it would be too small to be seen with the naked eye, but if it could be seen, it would appear to stand still in the heavens. All the stars would appear to move, but the satellite would appear to stand still.

If one were standing at 25° west longitude, on the Equator, it would seem to be exactly overhead 24 hours a day, because the rate at which it would travel around the earth would match the rate at which the earth would turn.

Such a satellite at that distance could receive a signal sent anywhere from almost one-half of the earth's surface and could relay the signal back. The microwave signals must travel in a straight line of sight. We are told that with a strong transmitting signal on earth to a weak transmitter and receiver in outer space, and with a strong receiver on earth, the signal could be relayed in one-half a second from any point on one-half of the earth to any point on that hemisphere.

If the satellite were placed at the point I have described, such a signal could be used for a direct telephone call between any two telephones insofar as 92 percent of all the telephone users on earth are concerned. In other words, at that point the satellite would be in such a position that it would serve 92 percent of all telephone users.

We are told that it would be practical to put such a satellite in orbit in a couple of years. In that position it would have at least 1,200 circuits.

Think what a fantastic thing this would be. A satellite in orbit at 22,300 miles could serve as the relay station to return to earth signals sent from earth, and a single satellite could handle simultaneously 1,200 telephone calls. Compare this to the present capacity, which, I am told, is only 65 voice channels, by cable under the ocean between the United States and Europe. With an orbital satellite 1,200 calls would be available.

I am told by those who have given some study to this subject and those who have contracted to place such a satellite in orbit that the best estimate on cost is that when they are in a position to make full use of 40 of those 1,200 channels of the satellite communications system, the satellite will be making money. That estimate is based on the assumption that such telephone calls will be handled at one-half the present charge between the United States and Europe.

By using only 3 percent of the capacity, use of the communication satellite in outer space would result in a profit.

Engineers tell me there is no doubt the satellite can be placed in orbit. They have made optimistic estimates. They estimate that such a satellite could be placed in orbit within 2 years. They believe it would not require more than two shots to do it. It is felt that it might be done the first time, but the chances are pretty good that with two tries the satellite should be in the position I have described. It is fantastic to believe, but that is what good engineers and good scientists tell me.

Therefore, with a single satellite, it would be possible to communicate with half the world, at a great reduction in cost, with telephone communication charges far below the present rate structure, and profits occurring when only 3 percent of capacity was used. Such a system would be more efficient and superior to that of the undersea cable; it poses a tremendous threat of competition to the present systems provided by the American Telephone & Telegraph Co., and other telephone companies, even domestically.

Furthermore, if a second satellite were placed in orbit, about one-third of the way around the world from the one I first described, and another one were placed in orbit one-third around the world from that point, by use of all three satellites, one could communicate with any place in the entire world. It would be necessary only to send the signal from one point to the satellite, the satellite would send it back, the signal would then be sent to and from the second satellite, and the signal would be received on the far side of the world.

That is the next accomplishment that will be undertaken once we have the first satellite in orbit.

These satellites could do more than merely handle telephone calls. It would be possible to have radio or television signals relayed around the world. The system could make available to the entire world the showing of debates in the United Nations, or a speech of the President of the United States, or a coronation of a King of England. Almost anything that occurred could be communicated to the world by voice, radio, teletype, or television signals.

Almost fantastic possibilities exist with regard to the use of the three satellites which could be placed in orbit.

Mr. President, I have described what is known as a synchronous orbit communications satellite system. That is the system which I am sure the Russians will undertake to place in orbit. That is the system which I am sure the United States will undertake to place in orbit. In my judgment, that is the only system which would be practical.

There are fantastic possibilities for improving communications for all the people of the world. That is what we are talking about with respect to the communications satellite legislation. The important thing is that this program should be used for the benefit of all the people on earth.

The reason why some of us object to the bill which is now before the Senate is that we see in the proposed legislation an effort to turn over control of this great system to the existing communications monopoly, and we feel very strongly that by so doing we shall be mortgaging the future of this Nation, and perhaps the future of the world, with respect to the use of the $25 billion investment in outer space which will soon total $50 billion, and which should be used for the benefit of all 180 million people of this country.

This boils down to a question of deciding whether we shall attempt to speak for the general interests of 180 million

people or for the narrow interests of the greatest corporation on earth.

There has been some talk about the need for putting this program in effect immediately. There is no record, no evidence whatsoever, to show that it is necessary to give away this satellite system before we ever have it. All the evidence and all the information we can get indicates that what we should do is to proceed to develop our capacity to place this satellite system in orbit, to operate this satellite system, and to see what we have before we give it away. We can always give it away. We have learned that anything of value can always be given away any time one can get a majority of the Congress to do so.

Some of us feel that the proposed legislation has been pressed and supported by those who are fearful for the future—fearful that this magnificent possibility for better communications among all the peoples of earth might not be controlled by the existing communications monopoly. It seems to some of us very much as though the effort to pass the proposed legislation is prompted by those who wish to secure this facility to their bosoms, and to exclude it from others before the world ever knows what it is. We know very little about this subject at the present time. We know little of the fantastic possibilities involved. Some of us have studied the subject for months on end, yet the possibilities of this new communications system exceed the imagination of any of us now present in the Chamber. The question is how long it will take to do all these things, and how the technical problems are to be solved.

I have described what the system will be in the future.

I have referred to the so-called synchronous satellite communications system. Before that system goes into orbit, there will be an effort to establish what is known as a low-altitude system which, in my judgment, would be an impractical and inefficient system. So far as commercial usage is concerned, I predict that the low altitude system on which this Nation is presently embarked will prove to be a great waste of the taxpayers' money and a great waste of the money of telephone users, because those users will be charged telephone rates by A.T. & T., with respect to participation by A.T. & T. in the low-altitude system, on the basis of expenditures or investments in that system. The taxpayers will pay both as taxpayers and as telephone users for this effort to develop the so-called low-altitude system.

That system should be described briefly, because it has much to do with the proposed legislation. I shall state briefly how that system would work.

A satellite would be placed in orbit between 3,000 and 6,000 miles above the earth. At that distance a satellite would continue to travel around the earth. It would not appear to stand still in the heavens. It could be used between two points, provided that an elaborate and expensive aiming mechanism were devised to track the satellite and follow it around. It would require radar equipment to find it. It could not be seen. It would have to be detected by radar, and it would have to be followed very accurately in order to train the receiving equipment on it as the satellite went by.

Let us assume that a satellite passed between Maine, where the A.T. & T. established a large tracking installation, and West Europe. A satellite would be useful between the two points for only about 10 minutes, before it passed the two points in orbit and no longer was useful. In order to use it at all, it would be necessary to construct an enormous Rube Goldberg type of machine to track it, to train an antenna upon it, and to stay with it as it went between the two points. There would have to be a corresponding machine on the other end.

There is in the rear of the Chamber a diagram I have had prepared of the ground antenna. For the low-altitude system, the system of spheres shown on the chart is the kind of thing which would be necessary. My understanding is that the one constructed in Maine already weighs about 300 tons. The equipment must be mounted on rails, precisioned within one-thousandth of an inch, so that it can turn as necessary to change direction. In order to elevate and depress it, it must be mounted on a structure somewhat similar to the knife edge construction on which a gun is mounted for training up and down, for naval gun firing. It is like mounting a ship on top of a knife edge. This 300-ton structure must be constructed in such a fashion that it can be trained precisely at the point where the satellite would be in the heavens and continue to change position at all times.

On the chart to the left is shown about what we would have if we had the synchronous system. A disk approximately 80 feet wide would be placed in a fixed position, and would be trained on the point where the satellite would be in the heavens. Rather than moving the disk one would simply move the satellite, if the satellite got out of the beam of that disk, so that it could send to and receive from the satellite.

The cost of such an installation would be about $150,000 for the sphere and perhaps $600,000 for the whole station, compared to a cost of $15 million for the type of thing shown for the low-altitude tracking antenna.

The low-altitude system could make very little use of one satellite. To make the system effective it would be necessary to have some 40 or 50 satellites orbiting the earth, so that when one satellite went out of vision of the tracking antenna another satellite could be picked up. There would have to be a spare tracking antenna in addition, searching for some new satellite while the other of the two antennas was trained on a satellite. So, to make the system work, it would be necessary to have more than 40 satellites orbiting the earth at approximately the same distance.

This is called the random orbit satellite system. There is doubt that this system could be placed in orbit in less than 2 years, because many satellites would have to be launched. Under existing methods these satellites can be launched only so often. Even if one launched several of them at the same time with the missiles, it would still be necessary to plan on months between launchings. About half of the launchings would fail, with the result that it might be 2 years before all of the satellites could be put into orbit for the low-altitude system. By that time some of the early satellites might be out of order.

Therefore, compared to the high-orbit system this would be an enormously costly operation. It would be an impractical operation. It would be the kind of thing in which small nations would not find it desirable to invest their money, because the costs would be altogether too great. As soon as the high-orbit system were placed into operation—and there is every reason to believe it could be in full operation as soon as the low-orbit system—the low-altitude system would be obsolete and the money invested in it would be wasted. It would be a loss. Why should we undertake to establish such a system as that, knowing that it would be obsolete before it was ever in full operation, and knowing that it would result in a fantastic waste of money?

Why should we do such a thing as that, knowing that by proceeding to the high-altitude system, we would be launching the type of system which would prove to be efficient, economical, and of much greater worldwide use? There are a number of reasons why it would be to the advantage of the American Telephone & Telegraph Co. to do it that way. For one thing, the low-altitude system would be so expensive that there would be no prospect of profit at any time in the near future. Why would it be of great advantage to the American Telephone & Telegraph Co. to sponsor, promote, and push a project that would be unprofitable? The reason is that that great corporation would be able to get back its losses by charges on telephone users, because that corporation is entitled, after taking care of all its losses and paying all taxes, to a fair return on its investment.

I have been undertaking to describe why it might easily be to the advantage of the American Telephone & Telegraph Co. to place into orbit a low-altitude system which would prove to be impracticable and could become obsolete even before it went into full operation. A great corporation like this is entitled to get back its money, no matter how much it loses, at the expense of the users of its telephone service. It is entitled to make its money back plus a fair return on its rate base or on its investment. Of course this corporation has an enormous rate base. The A.T. & T. rate base is approximately $19 billion. This corporation has a book value of around $25 billion. It is larger than Standard Oil, Ford, and General Motors combined. It is an enormous corporation. It is guaranteed a profit so long as a profit can be made from telephone service to the people of this country.

This corporation could easily indulge in this kind of loss activity and get its money back at the expense of those who use the telephone service.

A corporation which is not a public utility, and therefore not in a position

to get its money back or guaranteed an opportunity to get it back, could not afford to enter into this kind of operation. This low-orbit system could develop into a system that would be impractical and unprofitable at first and might never work. It is not the logical and sensible way to provide the kind of service that a communications satellite system is able to provide. No one except a regulated monopoly would feel safe in investing large amounts of money in such a thing.

Another reason why A.T. & T. might want to adopt the low-orbit system is that while it would be unprofitable for a great number of years, corporations which are not regulated utilities would find it a poor investment, and therefore A.T. & T. would find it easier to chase other companies out of competition in this field, because such companies would not be able to make the money back at the expense of the public. However, A.T. & T. would. Furthermore, the low-orbit system, involving a tremendous investment in dozens of satellites and complicated tracking antenna, and involving enormous operational costs would be one in which most corporations could not actively participate.

Furthermore, the low-orbit system uses what might be regarded as the gateway concept, which in its use must avoid all disturbances that might exist in the atmosphere anywhere near it. In other words, the antenna could not be located where it would be in conflict with a television tower or a radio sending station or other communications systems nearby. In order to find an appropriate place for the location of such an antenna I understand that the American Telephone Company has purchased practically an entire valley in the State of Maine in order to build such an installation at a place where it might be able to track very nearly from horizon to horizon without running into conflict with the sending set of the local sheriff or various other sending sets that exist today for microwave and other transmissions.

That problem does not exist with regard to the high orbit system. With that system the disk-type antenna could be placed in a fixed position, and with the satellite at a fixed position in the sky, the antenna would at all times be aimed at the satellite. If the satellite should in any respect get away from being directly in front of the antenna, the satellite, with the equipment on it, could be moved so that it would again be immediately in front of the antenna. The antennas around the world could be aimed at the satellite.

By using such a system the cost would be greatly reduced and the interference would be reduced. It would be possible for all sorts of microwave transmissions to be going on in the same general area so long as they were not being directed into the fixed disk, which would be used for sending or receiving, as the case might be. Therefore, it could be used without interference. The possibility of desirable locations would be multiplied a hundredfold in places where the single fixed antenna could be placed. That antenna would cost about 10 percent as much as the multiple tracking antennas would cost. The same would be true of operational costs.

With the latter type of system it is entirely possible to make a profit even in the first year of operation because of the fantastic savings in cost that would be possible.

Furthermore, the single fixed antenna which would be a part of the synchronous orbit satellite system could be tailored to fit the needs of a particular area. It might be that in the United States we would need the benefit of the whole 1,200 channels. A smaller country like Nigeria or Ghana or Panama might need only 15 or 20 channels. At a much smaller investment they would be able to tie into a worldwide communications satellite system.

Once again, if the corporation were operated minus control by A.T. & T. or any other communications common carrier, no one would undertake to become involved in a low-altitude system. It would be recognized that such a system would be extremely costly. It would offer little that existing communications systems on earth do not offer. Such a corporation would go directly to a high-altitude system, which could provide worldwide service at a relatively low cost, a cost that might be less than 10 percent of the existing cost for oversea service, if not much less than the present service from coast to coast within the United States. This service could be potentially competitive even with the domestic service we have at present.

The system should be exploited fully in the public interest. It should be used to lower rates at the earliest possible moment.

How shall we most likely get the benefit of low long-distance rates? Is it more likely to occur if the system is operated in such a way as to guarantee competition between the new satellite system and the existing long-distance lines, or is it likely to result in great reductions more quickly if the system is made a part of the Bell Telephone System?

The history of telephone companies has always been that rate reductions occur because some regulatory body forces rates to be reduced. Either the Federal Communications Commission or local or State commissions file lawsuits or issue orders after hearings to make the telephone companies reduce rates.

The American Telephone & Telegraph Co. is entitled to make a profit of 6½ percent on its rate base, which is about $19 billion. It is entitled to make a profit of 6½ percent multiplied by the $19 billion. I am told that year after year A.T. & T. has succeeded, either by reason of failure of close regulation by the Federal Communications Commission, or, perhaps, even by reason of the deliberate acquiescence of the Federal Communications Commission, in making a profit which exceeds 8 percent on investment. In any event this is a profit that the company is entitled to make after it has paid its taxes. That is a very large amount of money.

According to the bill, the Federal Communications Commission would be required to regulate the satellite system closely to make certain that the public would receive the benefit of the lowest possible rate. The junior Senator from Louisiana conducted hearings before the Subcommittee on Monopoly of the Committee on Small Business, which examined into the whole problem. We found that the FCC has never determined what the rate should be. The FCC maintains that it does not have the personnel to do the work; that it does not have enough experts to conduct the study. But the fact remains that the FCC has not done the work. The testimony on this subject can be found in the hearings on space satellite communications, held by the Subcommittee on Monopoly of the Select Committee on Small Business, on August 2, 3, 4, 9, 10, and 11, 1961. The testimony of the FCC can be found between pages 423 and 485, approximately 60 pages.

There we find the direct admission by the FCC itself that in 26 years it has never held a formal hearing or made a formal determination as to what the rate should be, so far as the long-distance calls of the Bell System are concerned. In other words, the Federal Communications Commission could not say then and cannot say now what the rate should be between Washington and New York, between Washington and New Orleans, between Washington and Chicago, between Washington and San Francisco, or between Washington and Los Angeles. They have not developed any of that information; in 26 years they have never undertaken to determine what the rates should be. Admittedly, that is their function; admittedly they are supposed to perform that function. It has not been done. The reason why it has not been done is subject to much speculation.

Several years ago, a few employees of the General Services Administration undertook to prove that the Government was being overcharged on long-distance rates, and were able to save the Government a fantastic sum of money—roughly $145 million. The Government alone was saved all that money merely because someone in the General Services Administration filed a lawsuit to contest the correctness of the rates which had been charged the Government for long-distance telephone calls.

Because of the great influence of the American Telephone & Telegraph Co., public utility commissioners throughout the country were asked to urge Congress to get the GSA out of that activity. An effort was made on the floor of the Senate to include an amendment in an appropriation bill to prevent the General Services Administration from contesting the correctness of the rates, even though the Government had been saved $145 million. That was an instance in which the Federal Communications Commission did not do its work. Yet the American Telephone & Telegraph Co. used its best influence, wherever it could bring presure to bear, to seek to obtain congressional determination that the Government's interest should not be protected in getting for the Government the proper telephone rates. I regret to say that the Senate voted to adopt such an

amendment; I am happy to say that the House stood fast and did not agree to it. But the activities of the General Services Administration appear to have been discontinued, very likely as a result of A.T. & T. influence, so there is no one in the Government who is in a position to say what the telephone rates charged the Federal Government should be.

The admissions, throughout 50 pages of testimony, are that the work has not been done after 26 years. The best that can be said is that a few times during 26 years the Commission called upon the American Telephone & Telegraph Co. or one of its subsidiaries and undertook to negotiate rates; then, usually, the company would agree to reduce rates. No one knows what the rates ought to be. But the company would never have agreed to a rate reduction if it had not been satisfied that the rate should have been lower than it was.

Some persons have undertaken to contend that the rates must be correct because long-distance telephone rates for calls across State boundaries are lower, on the average, than long-distance telephone rates within a State itself. To say for that reason that the long-distance rates across State boundaries are correct is to suppose that the long-distance rates are based on actual cost within a State itself. That is a contention which is difficult to prove. Subsidiaries of A.T. & T. use their best efforts to influence State commissions in every State of the Union. Very few State commissions are in a position to say that they have thoroughly examined into and formally determined the value of the equipment and have fixed interstate rates at the point where they should be fixed.

I recall an instance in my State of Louisiana, in which a commissioner who had twice voted to increase long-distance rates made the rates between two points in Louisiana much higher than the rates across the State boundary for similar distances. He defended himself when he was up for reelection. He contended that he had deliberately made the intrastate rate higher than the interstate rate because by doing so he was able to give the housewife a lower rate for the use of the telephone that was in her home which was not generally used for long-distance calls. In other words, he contended he had made the intrastate long-distance rates very high in order to make the local service charge lower.

There we see the same facts used to support the opposite conclusion. Where one contends, "Yes, I made the rate extremely high for long-distance calls within a State, because by doing that I was able to make the rate lower for the monthly bill the housewife would have to pay for service which did not include long-distance calls."

So if we consider the overall picture, we see that the telephone companies will tell us that within a State the rate for long-distance calls should be much higher, because in that way they can make the rate for local telephone service cheaper. Then when the Federal Communications Commission attempts to excuse itself for not conducting a formal rate determination in 26 years by saying that the interstate rate is lower than the intrastate rate, it overlooks the fact that the telephone companies have made the rates for service within the States unreasonably high, in order to make the local service rates lower than they otherwise would have been.

Therefore, Mr. President, the explanation given by the Federal Communications Commission as to why there have been no formal determinations of the rate structure or of what the rate on interstate calls should be is completely unconvincing.

As chairman of the Subcommittee on Monopoly, I asked for an opportunity to appear before the legislative committee which was holding hearings on this bill, and I did appear there. At that time I pointed out 10 facts of record, which the Federal Communications Commission has conceded to be true, insofar as any effective rate regulation by the Federal Communications Commission is concerned. I have listed those, as follows:

First. The Federal Communications Commission, in its entire history, has never made a formal determination of what is a fair rate of return for interstate or international telephone service.

Second. The Federal Communications Commission has never even determined the basis upon which such return should be computed.

Third. The FCC has never had a formal rate case on interstate or international telephone rates.

Fourth. The FCC has never been able to secure information necessary to set rates.

Fifth. The FCC has never known the costs to A.T. & T. of equipment sold to it by its subsidiary, the Western Electric Co., which produces almost all equipment used by A.T. & T.

Sixth. The FCC has never determined the reasonableness of the service rates charged by A.T. & T. for carrying television programs both black and white, and color.

Seventh. The FCC has never determined the reasonableness of the entire telephone rate structure; that is, the internal relationship of rates.

Eighth. The FCC, even though its staff made definitive recommendations that action be taken toward a possible rate reduction, has not been willing to institute a formal rate investigation to determine whether the system's rates are unreasonably high.

Ninth. The FCC, for over 25 years, was not willing even to authorize the staff to negotiate on an informal basis with the Bell System in order to obtain a voluntary rate reduction.

Tenth. The FCC has never required A.T. & T. and its operating subsidiaries to buy telephone equipment or any equipment under competitive bidding; 85 percent of the market has thus been closed to competition.

Mr President, I made that statement before the subcommittee which conducted the hearings on this bill, and that statement has not been challenged.

Furthermore, each of those 10 points was verified by the Celler committee, which investigated this matter for the House Judiciary Committee; and each of those 10 points was admitted by the Federal Communications Commission, in the hearings held before my subcommittee.

There is no doubt that in these 10 different ways the Federal Communications Commission has failed for 26 long years to do a proper job—and has failed to do it throughout the country, both North, South, East, West, from one side to the other, from the Great Lakes to the gulf, crosswise, and 50 ways from Sunday. The Federal Communications Commission has failed for 26 years to do this job; yet we are now told we should place our reliance upon it, in the interest of protecting the country from abuse in connection with the development of this communications satellite system.

Furthermore, Mr. President, even as between the regulated utilities, the public has certainly benefited from the competition which has been provided. For instance, as between bus service and railroad service, the public has benefited by the competition, and that benefit has been in terms of better service and lower rates. When by law we have required competition between the railroads and the waterway carriers, the result likewise has been lower rates for the public and the provision of better service. That has frequently been done by the carriers themselves, in their attempts to get the public's business, and, therefore, our agencies have frequently not had to make the companies reduce their rates. Instead, the carriers themselves have requested permission to reduce their rates. Wherever there has been competition between the airlines and the railroads, there, too, each system of transportation has worked very hard in its attempts to provide better service to the public.

But when an existing monopoly has been allowed to take to its bosom a new service, the rates have very rarely been reduced voluntarily, if at all; and any reduction has come generally because someone has put pressure upon the monopoly to reduce its rates; and if a reduction finally is made, it is usually made despite the exertion of all the influence which such a great corporation is able to place upon the Government, in the corporation's attempt to prevent reductions in its rates.

Mr. President, the terrific power of the great American Telephone & Telegraph Co. can be demonstrated in a number of ways. For instance, it has more income than the total income of 30 of the States of the United States of America, and its income amounts to half of the income of the entire United Kingdom. The American Telephone & Telegraph Co. has tremendous power and representation in every chamber of commerce in the entire United States and in every organization of businessmen; and it knows how to use all that power and leverage to obtain what it wants. The enormous power—economic and political—of the American Telephone & Telegraph Co. is the sort of power that can be used, and has been used repeatedly throughout history, to retard or prevent reductions of rates demanded in the public interest.

Mr. President, now that this great company is faced with the prospect of effective competition, we now have before us this bill, which would make it possible to vest control of the new communications satellite system—even before many of us know just what it is—in such a way that this great company would be able to gain control of it. It was stated by the sponsor of the bill that that would not be the case and that the bill was carefully drawn to prevent that result. However, during next few days when we shall debate this matter, I believe that those of us who oppose the bill will be able to establish quite clearly that not only will the bill fail to prevent control of this system by the American Telephone & Telegraph Co., but that the American Telephone & Telegraph Co. is pressing for enactment of the bill because it is convinced that the bill will permit exactly that result to come about.

In fact, in the judgment of many of us that is what the bill is all about; and it is because such a result must be prevented, that many of us are determined to prevent the enactment of such legislation.

As I have said, no case whatever has been made to show any urgency about this bill.

Mr. President, at this time let me quote briefly from the testimony of Samuel M. Barr, a vice president of the Western Union Telegraph Co.:

> Senator KEFAUVER. Suppose you had a corporation of $200 million right now. What would it do with the money?

He was speaking of a so-called communications satellite corporation.

Mr. Barr replied:

> Well, for an appreciable period of time it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

About the only thing that can be done by pressing legislation to establish a satellite system immediately would be to try to put the new corporation into a low-altitude communication system which should never be attempted on a commercial basis in the first place, because it would be obsolete, it would render a poor service, it would be extremely costly, and would be replaced in short order, even before it was in worldwide use, by the synchronous satellite system. The synchronous system would be a good business investment for any corporation, whether it was a common carrier in a position to charge its losses off to the public, under conditions where a profit was guaranteed, or whether it was a private corporation that competed with others and took its own losses, as most private corporations do.

I am not opposed to private ownership of a communications satellite. I believe in free enterprise. My definition of free enterprise includes the word "competition." In my judgment, there should be competition, wherever possible, and the law should be such as to guarantee maximum competition in all situations.

Where it is possible to have competition between various services, in my judgment competition should be provided. It should not be snuffed out in its incipiency, before the competition can be created.

As I have said before, we can always give this system away. We can always give to a single big corporation the right to control the future of America in outer space or anything else. The question is, Should we do it?

I shall address myself at much greater length to this question on Monday.

I ask unanimous consent at this time that I may be permitted to continue my speech on this subject on Monday next without its counting as a second speech, but as a continuation of the one I am now making.

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

During the delivery of the speech of Mr. LONG of Louisiana,

Mr. YARBOROUGH. Mr. President, will the distinguished Senator from Louisiana yield for a question?

Mr. LONG of Louisiana. Mr. President, I am happy to yield to the distinguished Senator from Texas with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, in connection with the remarks of the distinguished Senator from Louisiana, I desire to call attention to the minority views printed in Report No. 1584, which accompanies the bill (H.R. 11040). The measure was not reported unanimously from the committee. I do not know that all Senators who failed to join in the minority views approve everything contained in the views of the majority. They merely did not join in the minority views that were written by the distinguished Senator from Alaska [Mr. BARTLETT] and myself.

The minority views state:

> As President Kennedy has pointed out, science and technology have progressed to such a degree that communication through the use of space satellites has become possible.

In that connection, the failure to pass a bill at this session of Congress would not delay the development of a space communication satellite system by a single day. The testimony given in the different hearings before the different committees on the subject demonstrates that NASA is proceeding with the exploration and development of the equipment as fast as possible.

Mr. Webb, the Administrator of the National Space Administration, has said that the passage of the proposed legislation would not in any degree lessen the effort that NASA is now making, and that they will not ask for $1 less in their appropriations.

In other words, the giving away of this great boon to humanity by our Government to one private corporation would not cut down on the expenditure of taxpayers' money for the explorations and the research that is going on.

NASA has made great strides in the past year or two. They intend to make more. They have made clear in their testimony that they will be back here asking for as much money from the Congress for the proposed legislation if it passes as they would if it did not pass. They are not going to stop their effort one whit.

There is no reason for the great rush to try to ram the proposed legislation through the Congress at this time. As the distinguished Senator from Louisiana has said, it is easy to give something away quickly. Once given away, we could never get it back. The proposed legislation should not pass at the present session of the Congress. The American people should have time to find out what this great boon of outer space is, and not give it away.

In my opinion, the only opportunity that a great corporation has to obtain the boon given to them by the American people is to ram it through the present session of Congress in its few remaining months. If the American people had time to learn of the greatest proposed giveaway in the history of the American people, the wave of indignation over our country would be such that the bill would not pass.

So we have a great rush, great speed, and a great urge to give the system away before the people find out what stake they have in the project.

The distinguished Senator from Louisiana has pointed out that approximately $25 billion of the taxpayers' money has been spent in the development of launching sites, and in the development of missilery and rocketry, to the extent that it is possible to put space vehicles up. There are many related sciences in which money for research has been spent almost wholly from Government funds. Experimentation in the kind of metals and materials which will continue to function and serve in outer space and all the related sciences of outer space has gone forward, in addition to the science of developing and launching a rocket that will go up the necessary distance and put a space vehicle in orbit at a certain point over the earth, at a certain angle, and at a certain speed so that it will remain relatively stationary over one point of the earth, as has been explained by the distinguished Senator from Louisiana.

As shown on the chart by the distinguished Senator from Louisiana, three of the synchronous orbit communication satellites would cover the entire globe. They would remain at a distance of 22,200 miles above the earth. Over the equator they would remain at relatively the same spot as they orbited around the earth, and as the earth turned on its axis. That would be the most efficient of all systems.

Mr. President, continuing with the minority views, we point out:

> A global satellite communications system is an exciting thing to think about. It truly represents one of the most revolutionary and dramatic developments of this century.

In any century during the existence of the human race—

> Man's ability to utilize space has created a new international resource that can further the cause of world peace and understanding and bring all the people of the

world a better life. The benefits which mankind will derive from the conquest of space are as vast as this new frontier itself.

It is rather depressing that on the threshold of the greatest scientific discoveries in the history of the human race we have a little greedy band that reaches out to the Congress and says, "Give it all to us. Let us have it. Let us take this boon given to humanity. Let us take this thing developed by the scientific brains of man, paid for by the taxpayers of America, too big and vast to be developed by any one private individual or company. Now that the American people have taxed themselves to the limit, and have bled themselves white to develop this instrument, give us all the vast increment of it, give us the prospects for the future. Give us the profits for the future in outer space."

Mr. President, so vast a thing has never been sought before in the history of the world from any government by any one group of men as those who in effect have said, "Give us outer space."

In the present generation man has become a space man. For the first time in all the eons of history man has broken the bounds of his environment. He has hurtled himself out beyond the bounds of the atmosphere in which he developed on the earth. He has gone out into a new world. For the first time this generation alone of the human race is out in space.

Now we observe a little group of men sitting safely on earth and declaring, "Give us outer space. Let us make what we can out of it." The attitude is assumed despite the sacrifices of the American people in putting men in orbit, providing a tracking system and the capacity to evolve a communication system. For what? For private telephone communications alone? No. The work was undertaken to advance telephone, telegraph, television, the reporting of weather, to provide reports for navigation of ships at sea and planes in the air, and to control navigation a part of the way of space vehicles into space. All of those vast things are encompassed in the communications satellite system.

The greatest use of a communications satellite in outer space would be by the Government itself, with its farflung military operations around the globe, with its weather reporting system, and with its navigational controls around the globe. The greatest users would be the people, in other words. Why give it away to a private corporation, when the smaller part of the usage of a satellite communications system would be by the private users, for private telephone messages and private telegraph messages?

Man has been on this earth for some time. Some scientists say for a billion years; other says for a million and a half years, while still others maintain he has been on earth 700,000 years. Regardless of how long he has been here, for most of the time that he has spent on earth he has been a hunter. Then, some 10,000 years ago, he became a herdsman, and now an agrarian, or farmer within the last 10,000 or 20,000 years.

Just 200 years ago the industrial revolution came to Europe and from Europe spread out over the world. The scientific age has just come into being. We have not lived so much as one generation in the scientific age. We have not educated a generation of youth in the scientific age or been able to fully orient them in the scientific age.

There is one group of people who say, "Give us the fruits of every human discovery out beyond earth itself. Give us outer space, with its vast potential."

Scientists who have testified have said that they cannot foresee what the usage will be or how vast or great the space communications satellite system will be. Yet these people come and say to us in the Senate, "Give us outer space."

Mr. President, is this the council hall of the States, or has the Senate become the council hall of the corporations? Is this the hall of the American States? If we give away this greatest of all boons that the American people have ever developed, how seriously can we say that this has remained the council hall of the States?

I see that the distinguished Senator from Louisiana, who is so knowledgeable in this subject, has returned to the chamber. I wish to ask him a question. It has been said by some who testified before our committee in favor of the proposed legislation that if we gave away this treasure it would be like cables in space. I ask the Senator if he would not agree with me that it would be better to say that if we gave it away it would be like pie in the sky, rather than cables in space?

Mr. LONG of Louisiana. I feel it might be exactly that.

Mr. YARBOROUGH. I thank the distinguished Senator from Louisiana for yielding to me.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BARTLETT, from the Committee on Commerce, with an amendment:

S. 2314. A bill to limit the liability of shipowners, and for other purposes (Rept. No. 1602).

By Mr. BARTLETT, from the Committee on Commerce, with amendments:

S. 2313. A bill to unify apportionment of liability in cases of collision between vessels, and related casualties (Rept. No. 1603).

ADDITIONAL BILLS INTRODUCED

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

By Mr. BIBLE (by request):

S. 3424. A bill to amend the act entitled "An act to provide for a mutual-aid plan for fire protection by and for the District of Columbia and certain adjacent communities in Maryland and Virginia, and for other purposes";

S. 3425. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, to provide for the indemnification of certain persons suffering injury or loss as a result of the operation of motor vehicles by uninsured motorists, and for other purposes;

S. 3426. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes; and

S. 3427. A bill to provide for the formation of partnerships in the District of Columbia and to make uniform the law with respect thereto; to the Committee on the District of Columbia.

By Mr. BIBLE (for himself, Mr. MORSE, Mr. HARTKE, Mr. SMITH of Massachusetts, Mr. BEALL, Mr. PROUTY, and Mr. MILLER):

S. 3428. A bill relating to the appointment of judges to the Municipal Court for the District of Columbia, the Municipal Court of Appeals for the District of Columbia, and the Juvenile Court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON (by request):

S. 3429. A bill to amend section 6(2) of the Interstate Commerce Act to authorize the Interstate Commerce Commission to require the cancellation of any international through route or joint rate under certain circumstances, and for other purposes; to the Committee on Commerce.

By Mr. ELLENDER (by request):

S. 3430. A bill to amend various Agricultural Acts; including section 602 of the Agricultural Act of 1954, relative to agricultural attachés, section 4 of the act of 1956, effecting the exchange of its employees with employees of State political subdivisions or educational institutions, and section 11(a) of the act of August 3, 1956, on the acquisition of land by the Department of Agriculture; to the Committee on Agriculture and Forestry.

EXTENSION OF EXPORT CONTROL ACT—AMENDMENTS

Mr. KEATING. Mr. President, I submit three amendments I intend to offer to the bill (S. 3161) to extend indefinitely the Export Control Act of 1949. I ask that the amendments be printed and be ordered to lie on the table.

I consider these amendments essential to clarify our policy on exports to the Communist bloc and to cope with the economic aspects of the protracted conflict with international communism.

The first amendment would recognize that national security can be undermined by Communist economic tactics as well as Communist military force. The Soviets use trade as a ruthless weapon, but we have hesitated to go all out in the economic war. For example, Canadian wheat is being diverted from Red China to Albania. Oil pipeline and drilling equipment are purchased from Western nations by the Soviets, then used as an economic club to establish communism in underdeveloped nations of the Far East. Communist East Germans buy machinery, iron, steel, chemicals, and transport equipment from West Germany but sell relatively unimportant food, beverage, and tobacco products on the return trip. The amendment is designed to remove any doubt as to the determination of the United States to use its vast economic power as a positive weapon in the struggle with our Communist adversaries.

We must recognize that economics is one of the vital battlegrounds of the

conflict with the Sino-Soviet bloc and be willing to use our economic strength just as we would our military strength to protect and enhance our freedom and security.

The second amendment I am submitting is concerned with the withholding of information on export controls. I propose to substitute for the present subsection (c) of section 6 of the Export Control Act the following language:

(c) No department, agency, or official exercising any functions under this act shall withhold or refuse to disclose information obtained hereunder, except trade secrets submitted on a confidential basis, unless the head of such department or agency determines that the disclosure of such information will be contrary to the national security. Nothing in this section shall be deemed to prohibit the disclosure of any information obtained in the administration of this act to either House of Congress or to any duly authorized committee thereof, if a request is made for such information by either House of Congress or by a duly authorized committee thereof.

This amendment would reverse the presumption in the present law against disclosure of information relating to trade with the Communists. The act now requires the withholding of all information unless the withholding is considered contrary to the national interest. As a result, many vital facts about export policies have been withheld from the public. No one questions the need to withhold information that may endanger our national security and an exception is made in my amendment for such cases. It should be pointed out, however, that the Communists know what materials they are receiving and from where. In the ordinary case, therefore, the release of such information could not possibly endanger our national security.

The presumption in any area of governmental activity should be in favor of disclosure. I cannot recall any act, except those dealing with the sensitive areas of our military defense, making a presumption against public information, as does this act, and I strongly feel that this situation should be changed.

In addition, this amendment would specifically require that all information obtained under this act be made available to the Houses of Congress, or to duly authorized committees thereof. There have been some disputes in recent months between investigating committees of Congress and the Departments of the Government administering export controls as to the conditions under which this information should be made available. Our committees must have access to all of these records if they are to carry out their assigned tasks. This provision will improve the situation by specifically requiring the disclosure of all such information to our congressional committees or to either House of Congress.

The final amendment I propose would strengthen the penalty provisions of the law, thereby greatly improving the effectiveness of the enforcement activities of the Department of Commerce. At present all violations of the law are misdemeanors, no matter how serious the circumstances. This may be the appropriate penalty in some cases, but it is entirely insufficient for others.

Under my amendment the penalty for serious cases or cases involving repeated violations of the law would be increased to 5 years imprisonment and a fine of up to three times the value of the shipments involved, or $20,000, whichever was greater.

This amendment would permit the Government to deal with blatant violations of the act in a much firmer manner and should serve as a strong deterrent to export violations.

Mr. President, I feel that all three of these amendments are necessary to strengthen our laws in this vital area and will call them up for consideration when S. 3161 is before the Senate.

Mr. President, I ask unanimous consent that the text of the amendments be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

At the end of the bill insert the following new sections:

"SEC. 3. Section 1 of the Export Control Act of 1949, as amended, is further amended by adding a new subsection (c) as follows:

"'(c) The Communist bloc is engaged in economic warfare against the United States and the free world, and strong economic measures are necessary to preserve our freedom and security.'

"SEC. 4. Section 2 of the Export Control Act of 1949, as amended, is further amended by adding at the end thereof the following new paragraph:

"'The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States'."

At the end of the bill insert the following new section:

"SEC. — Section 6 of the Export Control Act of 1949, as amended, is further amended by striking the language of subsection (c) and in lieu thereof substituting the following:

"'(c) No department, agency, or official exercising any functions under this Act shall withhold or refuse to disclose information obtained hereunder, except trade secrets submitted on a confidential basis, unless the head of such department or agency determines that the disclosure of such information will be contrary to the national security. Nothing in this section shall be deemed to prohibit the disclosure of any information obtained hereunder to either House of Congress or to any duly authorized committee thereof, if a request is made for such information by either House of Congress or by a duly authorized committee thereof.'

"SEC. —. Section 5 of the Export Control Act of 1949, as amended, is further amended to read as follows:

"'SEC 5. (a) Except as provided in subsection (b) of this section, in case of any violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. For a second or subsequent offense, the offender shall be punished by a fine of not more than three times the value of the exports involved or $20,000, whichever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment.

"'(b) Whoever willfully exports any material contrary to any provision of this Act or any regulation, order, or license issued hereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be punished by a fine of not more than five times the value of the exports involved or $20,000, which ever is greater, or by imprisonment for not more than five years, or both such fine and imprisonment.'"

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. CLARK (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, KEFAUVER, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MORSE (for himself and Senators NEUBERGER, KEFAUVER, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. KEFAUVER (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. KEFAUVER (for himself and Senators NEUBERGER, YARBOROUGH, CLARK, GRUENING, GORE, MORSE, and BURDICK) submitted an amendment in the nature of a substitute, intended to be proposed by them, jointly, to the bill H.R. 11040, supra, which was ordered to lie on the table and to be printed.

Mr. LONG of Louisiana (for himself and Senators NEUBERGER, MORSE, KEFAUVER, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mr. YARBOROUGH (for himself and Senators NEUBERGER, MORSE, LONG of Louisiana, KEFAUVER, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mrs. NEUBERGER (for herself, and Senator KEFAUVER, MORSE, LONG of Louisiana, YARBOROUGH, CLARK, and BURDICK) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

Mrs. NEUBERGER (for herself and Senators MORSE, LONG of Louisiana, YARBOROUGH, KEFAUVER, and CLARK) submitted an amendment, intended to be proposed by them, jointly, to House bill 11040, supra, which was ordered to lie on the table and to be printed.

Mr. BURDICK (for himself and Senators NEUBERGER, MORSE, LONG of Loui-

siana, YARBOROUGH, CLARK, and KEFAUVER) submitted amendments, intended to be proposed by them, jointly, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON TACOMA HARBOR, PORT INDUSTRIAL, AND HYLEBOS WATERWAYS, WASH. (S. DOC. NO. 101)

Mr. HUMPHREY. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated May 4, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the report on the Tacoma Harbor, Port Industrial, and Hylebos Waterways, Wash., requested by a resolution of the Committee on Public Works, adopted May 27, 1955. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

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

ESTABLISHMENT OF PROGRAM OF LEASE GUARANTEES FOR SMALL BUSINESS CONCERNS—ADDITIONAL COSPONSORS OF BILL

Under authority of the orders of the Senate of May 24 and May 28, 1962, the names of Senators LONG of Hawaii, CLARK, MCCARTHY, YOUNG of Ohio, MCGEE, MORTON, LONG of Missouri, NEUBERGER, DOUGLAS, MUSKIE, and CANNON were added as additional cosponsors of the bill (S. 3345) to strengthen the competitive enterprise system by assisting qualified small-business concerns to obtain leases of commercial and industrial property, where stringent credit requirements tend to exclude such concerns, by authorizing the Small Business Administration to guarantee, directly or in cooperation with others, the payment of rentals under such leases, introduced by Mr. SPARKMAN (for himself and other Senators) on May 24, 1962.

NOTICE OF RESCHEDULING OF HEARING ON NOMINATION OF LOUIS ROSENBERG, TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

Mr. DIRKSEN. Mr. President, on behalf of the Senator from Mississippi [Mr. EASTLAND] and the Committee on the Judiciary, I desire to give notice that the public hearing scheduled for Wednesday, June 20, 1962, at 10:30 a.m., on the nomination of Louis Rosenberg, of Pennsylvania, to be U.S. district judge, western district of Pennsylvania, has been rescheduled for Friday, June 29, 1962, at 10:30 a.m., in room 2228 New Senate Office Building.

At the indicated time and place, persons interested in the hearing may make such representations as may be pertinent.

NOTICE OF HEARING ON S. 3291, FEDERAL RESERVE DIRECT PURCHASES

Mr. ROBERTSON. Mr. President, as chairman of the Committee on Banking and Currency, I wish to announce that a hearing will be held on Wednesday, June 20, 1962, on the bill, S. 3291, to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

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

All persons who wish to appear and testify on this bill are requested to notify Mr. Matthew Hale, chief of staff, Senate Committee on Banking and Currency, room 5300, New Senate Office Building, telephone Capitol 4-3121, extension 3921, at the earliest possible date.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 15, 1962, he presented to the President of the United States the following enrolled bills and joint resolution:

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.

ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, under the order previously entered, I move that the Senate stand in adjournment until Monday.

The motion was agreed to; and (at 6 o'clock and 13 minutes p.m.), under the previous order, the Senate adjourned until Monday, June 18, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 15, 1962.

DEPARTMENT OF COMMERCE

Herbert W. Klotz, of Virginia, to be an Assistant Secretary of Commerce vice William Ruder, resigned.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Rayburn Webster, Winfield, Ala., in place of A. A. Burgess, deceased.

ARIZONA

Helen S. Slaughter, Alpine, Ariz., in place of C. L. Fite, retired.

ARKANSAS

Doris H. Beasley, Cherry Valley, Ark., in place of Laura Clements, retired.

Alice V. Perdue, Louann, Ark., in place of L. D. Perdue, retired.

Genevieve E. Gillham, Royal, Ark., in place of D. F. Gillham, deceased.

Buel R. Tatom, Stamps, Ark., in place of E. E. Cook, retired.

Homer Pace, Wilmar, Ark., in place of E. B. Broyles, retired.

CALIFORNIA

Robert J. Hazard, Edwards, Calif., in place of J. A. Gregory, resigned.

Joe L. Roberts, Etna, Calif., in place of H. D. Ashby, retired.

James A. Cummings, La Habra, Calif., in place of M. M. Davis, resigned.

Faye P. Bertagna, Montgomery Creek, Calif., in place of Phoebe Vickroy, retired.

John W. Milam, Oakdale, Calif., in place of H. L. Appling, retired.

COLORADO

Thomas R. Miller, De Beque, Colo., in place of E. J. Redmon, retired.

Laurel A. Niemann, Flagler, Colo., in place of A. D. Robb, retired.

William A. Pitman, Seibert, Colo., in place of G. R. Simon, deceased.

CONNECTICUT

Matthew J. Monahan, Thomaston, Conn., in place of M. T. Doyle, retired.

FLORIDA

Robert D. Young, Avon Park, Fla., in place of D. G. Perry, retired.

Ellis Solomon, Fort Myers, Fla., in place of W. B. Walters, retired.

Hartley A. Graves, Jr., Fruitland Park, Fla., in place of M. K. Clark, retired.

Austin T. Drinkwater, Orange Park, Fla., in place of R. L. Luga, transferred.

Marjorie V. Judy, Polk City, Fla., in place of Lee Rutledge, removed.

Leonard R. Dyer, Tangerine, Fla., in place of W. S. Estey, retired.

GEORGIA

Oris W. Wood, Dalton, Ga., in place of J. W. Ray, retired.

Roy C. Knight, Dexter, Ga., in place of D. W. Knight, retired.

Ellis L. Stephens, Millen, Ga., in place of M. L. Burke, transferred.

William G. McRee, Watkinsville, Ga., in place of W. B. Hale, deceased.

Paul W. Vaughn, Jr., Williamson, Ga., in place of J. J. Scott, retired.

HAWAII

Kenneth K. Miyahira, Kapaa, Hawaii, in place of E. C. Rapozo, retired.

Chieko I. Shimabukuro, Papaaloa, Hawaii, in place of Alexander Cameron, retired.

IDAHO

J. D. Petty, Meridian, Idaho, in place of F. L. Jolley, retired.

ILLINOIS

William B. Karstetter, Glasford, Ill., in place of E. R. Lightbody, retired.

William M. Lee, Mount Vernon, Ill., in place of W. R. Grigg, deceased.

John C. Goodman, O'Fallon, Ill., in place of J. L. Anheuser, resigned.

Richard T. Cahill, Ontarioville, Ill., in place of W. G. Hess, removed.

Kenneth B. Lorenson, Sullivan, Ill., in place of G. C. Miller, retired.

INDIANA

Elisha H. Layman, Commiskey, Ind., in place of Fred Corbin, Jr., resigned.

Ralph J. Rochner, Ewing, Ind., in place of Harry McOsker, retired.

Samuel T. Swan, Leavenworth, Ind., in place of E. L. Sacksteder, retired.

Lola H. Van Zile, Leo, Ind. (office established April 6, 1957).

James R. Bond, Morgantown, Ind., in place of Dewayne Hamilton, transferred.

KANSAS

Lawrence V. Ferrell, Independence, Kans., in place of Benjamin Taylor, retired.

Harry F. Brown, Offerle, Kans., in place of W. E. Berry, deceased.

Claire B. Sparling, Oneida, Kans., in place of J. E. Sparling, retired.

Robert W. Domme, Topeka, Kans., in place of J. G. Logan, retired.

KENTUCKY

Chester B. Owens, Brodhead, Ky., in place of M. G. Owens, retired.

Charles Cornett, Hazard, Ky., in place of A. M. Moore, retired.

LOUISIANA

Dwight C. Spates, Sulphur, La., in place of R. W. Human, retired.

MARYLAND

Olive S. Parsons, Garrett Park, Md., in place of L. W. Penn, retired.

MASSACHUSETTS

William P. Dorval, Chicopee, Mass., in place of C. T. O'Neil, retired.

William H. Friedrich, Easthampton, Mass., in place of M. W. Supple, retired.

MICHIGAN

Dorman S. Jurden, Adrian, Mich., in place of P. F. Frownfelder, retired.

J. Milton Dietrich, Conklin, Mich., in place of H. D. Harrison, retired.

John F. Alton, Houghton Lake, Mich., in place of W. K. Peters, resigned.

Lawrence W. Church, Olivet, Mich., in place of M. E. Reeder, transferred.

James A. Gonyea, Ossineke, Mich., in place of H. E. Vredenburg, retired.

Richard A. Herman, Sodus, Mich., in place of J. D. Bowers, retired.

MINNESOTA

Donald B. Solem, Bingham Lake, Minn., in place of L. L. Matzke, transferred.

Richard H. Wojciechowski, Foley, Minn., in place of F. G. Mushel, retired.

Grace K. Pearson, Grasston, Minn., in place of J. T. Samuelson, retired.

John V. McGree, Hastings, Minn., in place of M. L. Lorentz, retired.

Harold O. Thoen, Lanesboro, Minn., in place of W. E. DeVilliers, retired.

MISSOURI

Carl H. Bridges, Bolivar, Mo., in place of Ralph Gravely, transferred.

Harvey A. Slentz, Hayti, Mo., in place of L. R. Condit, retired.

Ernest E. Dexter, Hunnewell, Mo., in place of J. E. White, retired.

Jacqueline D. Prenger, Loose Creek, Mo., in place of C. J. Stiefermann, transferred.

Kenneth E. Mauzey, Mendon, Mo., in place of H. A. Bittiker, transferred.

Rolan Gooch, Jr., Purdin, Mo., in place of D. A. Street, retired.

Robert E. Midyett, Ravenwood, Mo., in place of N. T. Crater, transferred.

Russell L. Cunelo, Sullivan, Mo., in place of Michael Mayberry, deceased.

John Ichord, Waynesville, Mo., in place of V. V. Long, retired.

MONTANA

Felix J. Schoonover, Fort Benton, Mont., in place of R. J. Culbertson, removed.

NEBRASKA

Walter H. Hoelting, Lawrence, Nebr., in place of E. J. Barrett, retired.

Vincent L. Nelson, Palisade, Nebr., in place of S. A. Troutman, transferred.

NEVADA

Robert H. Lias, Las Vegas, Nev., in place of C. K. Ryerse, resigned.

Wilberta G. Reid, Searchlight, Nev., in place of W. G. Reid, resigned.

NEW MEXICO

C. Sue Willhoit, Malaga, N. Mex., in place of M. E. Steele, resigned.

NEW YORK

Mildred H. Burd, Greenwood, N.Y., in place of Jerry Burd, retired.

R. Waldo Potter, Hartwick, N.Y., in place of J. A. Bush, retired.

Eli Zwick, High Falls, N.Y., in place of E. D. Hart, retired.

Martin J. Harr, Jr., Indian Lake, N.Y., in place of J. F. Farrell, retired.

Karl E. Putnam, Prattsburg, N.Y., in place of G. L. Patch, retired.

Albert G. Evans, Saratoga Springs, N.Y., in place of J. T. Bryant, deceased.

NORTH CAROLINA

Charlie Y. Patton, Jr., Brevard, N.C., in place of T. C. Galloway, retired.

Thadious W. Hooper, Cullowhee, N.C., in place of B. B. Long, retired.

Mollie A. Dunn, Lumber Bridge, N.C., in place of D. G. Clifton, declined.

Leonard Staley, Sophia, N.C., in place of D. R. Bulla, retired.

NORTH DAKOTA

Lawrence A. Week, Gwinner, N. Dak., in place of C. V. Larson, deceased.

OHIO

John E. Lynch, Ashtabula, Ohio, in place of R. J. Goggin, deceased.

David M. Bennett, Baltimore, Ohio, in place of B. G. Culp, transferred.

Paul C. Spitler, Bellbrook, Ohio, in place of O. W. Hook, deceased.

Ernest Ramsey, Bergholz, Ohio, in place of M. M. Morrow, retired.

James F. Reed, Cherry Fork, Ohio, in place of H. B. Stivers, deceased.

Walter M. Pietras, East Orwell, Ohio, in place of Ruth Benton, resigned.

Frances H. Stockham, Friendship, Ohio, in place of D. C. Stockham, retired.

Charles L. Elicker, Marion, Ohio, in place of H. D. Cole, retired.

John J. Ellis, New Paris, Ohio, in place of S. H. Wolf, deceased.

Frank J. Calogero, North Kingsville, Ohio, in place of E. F. Pierce, retired.

OKLAHOMA

Frankie M. Horn, Sapulpa, Okla., in place of G. B. Grigsby, resigned.

PENNSYLVANIA

James L. Yingling, Gibsonia, Pa., in place of J. A. Moore, deceased.

John H. Reynolds, Grove City, Pa., in place of G. C. Bower, deceased.

Lewis T. Layton, Jr., Langhorne, Pa., in place of J. A. Zalot, retired.

Martin F. Monaghan, Lost Creek, Pa., in place of Tillie Kuchinsky, retired.

Howard H. Gaine, Penns Park, Pa., in place of H. S. Mathias, retired.

Russell S. Powell, Jr., Riegelsville, Pa., in place of R. S. Powell, Sr., deceased.

Philip Polka, Washington Crossing, Pa., in place of L. W. Burr, deceased.

Howard F. Mitchell, West Middlesex, Pa., in place of C. L. Boal, removed.

SOUTH DAKOTA

Clayton C. Fillaus, Avon, S. Dak., in place of L. V. Marek, retired.

Francis J. Tibio, Montrose, S. Dak., in place of W. L. Truex, retired.

TENNESSEE

Glen R. Powers, Ardmore, Tenn., in place of J. C. Hamlett, deceased.

James R. Culp, Clifton, Tenn., in place of J. G. Hughes, retired.

Kenneth H. Jennings, Powell, Tenn., in place of B. M. Cooper, retired.

TEXAS

Dora G. Gilbreath, Deer Park, Tex., in place of M. M. Sneed, transferred.

Roland A. Johnson, McCamey, Tex., in place of R. A. Johnson, transferred.

Lester O. Hay, Jr., Marlin, Tex., in place of R. R. Eddins, retired.

Forrest T. Moore, Van Alistyne, Tex., in place of C. B. Moore, retired.

VIRGINIA

M. Vincent Wright, Fries, Va., in place of W. J. Whitaker, removed.

Edwin F. Chapman, Greenbackville, Va., in place of R. E. Selby, retired.

Douglas D. Dickerson, Parksley, Va., in place of R. T. Phillips, deceased.

J. Floyd Bates, Richmond, Va., in place of Fergus McRee, transferred.

WASHINGTON

George A. Henson, Jr., Du Pont, Wash., in place of H. E. Johnson, retired.

Taft Hergert, Endicott, Wash., in place of J. F. Johnson, retired.

Helen M. Eddy, Kingston, Wash., in place of V. M. Newman, retired.

Lincoln A. Kaiser, Kirkland, Wash., in place of Harvey Lewis, retired.

John B. Walli, Lacrosse, Wash., in place of C. E. Shaver, resigned.

WEST VIRGINIA

Helen M. Kessler, Benwood, W. Va., in place of T. M. Deegan, deceased.

James A. McGee, Elkins, W. Va., in place of A. C. McGee, deceased.

A. Leo Morgan, Ronceverte, W. Va., in place of C. P. Ott, retired.

WISCONSIN

Robert J. Gorman, Rio, Wis., in place of W. F. Garvin, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 15, 1962:

DEPARTMENT OF THE ARMY

Cyrus Roberts Vance, of New York, to be Secretary of the Army.

DEPARTMENT OF DEFENSE

John T. McNaughton, of Massachusetts, to be General Counsel of the Department of Defense.

U.S. DISTRICT JUDGE

John D. Butzner, Jr., of Virginia, to be U.S. district judge for the eastern district of Virginia.

IN THE AIR FORCE

The nominations beginning Maurice Y. Gibson, Jr., to be major, and ending Harold J. Zook to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 5, 1962.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 15, 1962

The House met at 12 o'clock noon.

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

Proverbs 28: 20: *A faithful man shall abound with blessings.*

O Thou who art great in Thy goodness and good in Thy greatness, when we try to count and consider the abundance of Thy blessings we humbly acknowledge how small and shallow our minds and hearts are to receive them.

We earnestly beseech Thee to expand our souls with gratitude and enlarge them with a greater appreciation of Thy grace which Thou art continually bestowing upon us through the merits and mediation of our blessed Lord, however unworthy and undeserving we are.

Grant that our President, our Speaker, and the Members of the Congress may face their perplexing problems with wisdom and understanding, and have the courage and strength to carry bravely the burdens which at times weigh so heavily upon them.

Hear us in the Master's name. Amen.